



JOSHUA BASIN WATER DISTRICT

P.O. BOX 675 • 61750 CHOLLITA ROAD • JOSHUA TREE • CALIFORNIA 92252
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JOSHUA BASIN WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY MARCH 16, 2011 7:00 PM
61750 CHOLLITA ROAD, JOSHUA TREE, CA 92252

AGENDA

1. CALL TO ORDER
2. PLEDGE OF ALLEGIANCE
3. DETERMINATION OF QUORUM
4. APPROVAL OF AGENDA
5. PUBLIC COMMENT
- Pg. 1-3 6. CONSENT CALENDAR
 - A. Approve the Minutes of the February 16, 2011 Regular Meeting
- Pg. 4-8 7. MID-YEAR BUDGET REVIEW

Recommend that the Board approve the following budget adjustments: increase allow for WAAP/billing adjustment by (\$2,227); increase pumping plant repair & maintenance by \$26,448; increase maps & drafting supplies by \$916; increase software & computers by \$609.
- Pg. 9-23 8. EXTENSION OF NETWORK ADMINISTRATION CONTRACT

Recommend that the Board authorize: extension of contract at a cost of \$33,636 per year; extension of Backup and Data Recovery contract at a cost of \$810 per month; withdrawal of \$10,678 from the Equipment and Technology Reserve account to fund installation and operating system software upgrade of 18 computer workstations and server.
- Pg. 24-36 9. DISTRICT ENGINEER REPORT: C2B WATER TANK SITE CHALLENGES and E1-D2 BOOSTER PUMP STATION REPLACEMENT PROJECT MOBILIZATION PAYMENT Information only.
- Pg. 37 10. PROPOSED CALIFORNIA IRRIGATION MANAGEMENT INFORMATION (CIMIS) WEATHER STATION AT COPPER MOUNTAIN COLLEGE

Recommend that the Board authorize staff to join with the Alliance for Water Awareness and Conservation (AWAC) in funding and installing a CIMIS weather station to collect local data needed to comply with the current Water Efficient Landscape Ordinance and for use in the Urban Water Management Plan.

- Pg. 38 11. WATER SUPPLY ASSESSMENT FOR CASCADE SOLAR PROJECT
Recommend that the Board state its intent to conduct a Water Supply Assessment for the Cascade Solar Project under direction of JBWD at the cost of Cascade Solar/Axiom; authorize staff to retain Kennedy Jenks at a cost of approximately \$17,000 for the study.
- Pg. 39 12. FUNDING FOR PROPOSITION 84 APPLICATION FOR GROUNDWATER RECHARGE PROJECT
Recommend that the Board authorize \$7,000 for the Preparation of the Proposition 84 grant application of \$4 million for the groundwater recharge project
- Pg. 40 13. CONSIDERATION OF SPONSORSHIP OF SAN BERNARDINO COUNTY WATER CONFERENCE
Recommend that the Board co-sponsor the annual San Bernardino County Water Conference at no cost to the District.
- Pg. 41-43 14. PROJECT PRIORITY LIST
15. PUBLIC COMMENT
16. GENERAL MANAGER REPORT
17. DIRECTORS COMMENTS/REPORTS
18. CLOSED SESSION
1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION
At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).
2. CONFERENCE WITH LEGAL COUNSEL - POTENTIAL LITIGATION
At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).
19. REPORT ON CLOSED SESSION ITEMS
20. ADJOURNMENT

The Board of Directors reserves the right to take action on items reserved for discussion only.

INFORMATION

During either "Public Comment" Item, please use the podium microphone. State your name and have your information prepared and be ready to provide your comments to the Board. The District is interested and appreciates your comments. A 3-minute time limit may be imposed. Thank you.

Any person with a disability who requires accommodation in order to participate in this meeting should telephone Joshua Basin Water District at (760) 366-8438, at least 48 hours prior to the meeting in order to make a request for a disability-related modification or accommodation.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District's office located at 61750 Chollita Road, Joshua Tree, California 92252 during normal business hours.

JOSHUA BASIN WATER DISTRICT
Minutes of the
REGULAR MEETING OF THE BOARD OF DIRECTORS
February 16, 2011

1. CALL TO ORDER 7:00 PM

2. PLEDGE OF ALLEGIANCE

3. DETERMINATION OF QUORUM:

Bill Long	Absent
Mickey Luckman	Present
Mike Luhrs	Present
Mike Reynolds	Present/via phone
Gary Wilson	Present

STAFF PRESENT:

Joe Guzzetta, General Manager
Susan Greer, Assistant General Manager/Controller
Jim Corbin, Water Distribution Supervisor
Randy Little, Water Production Supervisor
Keith Faul, GIS Coordinator

CONSULTANTS PRESENT:

Gil Granito, District Counsel
Kathleen Radnich, Public Outreach Consultant

GUESTS 7

4. APPROVAL OF AGENDA

MSC Luhrs/Wilson 4/0 (1 Absent) to approve the agenda for the February 16, 2011 Regular Meeting of the Board of Directors, and to approve the Financial Report for January 2011.

Roll Call Vote

Long	Absent
Luckman	Aye
Luhrs	Aye
Reynolds	Aye
Wilson	Aye

5. PUBLIC COMMENT

None.

6. CONSENT CALENDAR

MSC Luhrs/Luckman 4/0 (1 Absent) to Approve the Minutes of the February 2, 2011 Regular Board Meeting.

Roll Call Vote

Long	Absent
Luckman	Aye
Luhrs	Aye
Reynolds	Aye
Wilson	Aye

7. PUBLIC INFORMATION CONSULTANT REPORT – KATHLEEN RADNICH

The Public Information Consultant, Kathleen Radnich gave a verbal and Power Point presentation reporting on the following: activities at The Farmer’s Market and related displays being prepared; Mojave Water Agency Toilet Replacement Program in May 2011; School Field day activities and science fair; A Garden Art Show at the Demonstration Garden April 17; and Mojave Water Agency Tour of the Morongo Basin April 26, 2011. She commented on a recent landscape workshop and that there were 32 participants several of whom had seen the notice in the monthly newsletter. Kathleen noted that the monthly newsletter is using a higher quality paper which is at a lower cost.

8. PRESENTATION ON NEW E-1 D-2 BOOSTER PUMPS

Randy Little, Water Production Supervisor gave a video presentation on the new E-1 & D-2 booster pump station just completed. General Manager Joe Guzzetta and the Board commended Randy Little and Distribution Supervisor Jim Corbin for their management of the project. There were questions & answers after the presentation.

9. CONFLICT OF INTEREST CODE UPDATE

Legal Council, Gil Granito reported on new district employee positions being designated to file form 700 under the Conflict of Interest Code. He noted that certain positions are required to file under Government Code 82700.

MSC Luhrs/Wilson 4/0 (1 Absent) to approve staff recommendation to adopt Resolution No. 11-867 including Appendix A and Attachment A amending and updating the District’s Conflict of Interest Code.

Roll Call Vote

Long	Absent
Luckman	Aye
Luhrs	Aye
Reynolds	Aye
Wilson	Aye

10. PROJECT PRIORITY LIST

General Manager Joe Guzzetta reviewed the Project Priority List.

11. PUBLIC COMMENT

Al Marquez spoke on payments received by two Directors which he considered to be excessive.

12. GENERAL MANAGER REPORT

GM Joe Guzzetta reported that the San Bernardino County Board of Supervisors has approved the Landscape Ordinance that was discussed at the last JBWD Board meeting and that a meeting has been scheduled to discuss possible changes to the County Ordinance that would address concerns raised by the JBWD Board.

13. DIRECTORS COMMENTS/REPORTS

Director Gary Wilson inquired about the test data for Chromium VI and Arsenic in Well #16 prior to reactivating the well. He also asked for clarification on the location of the proposed solar project.

Director Michael Luhrs requested a complete copy of the AToM bid. He also requested that the District Engineer attend a subsequent meeting to discuss the mobilization cost paid to AToM.

Director Mike Reynolds reported that he was en route to the California Special Districts Association Governance training.

14. CLOSED SESSION

The Board recessed to Closed Session at 7:52 pm to consider the following:

1. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Robert Ellis, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 900168).

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

At this time, the Board will go into Closed Session to confer with Legal Counsel on existing litigation pursuant to subdivision (a) of Government Code Section 54956.9. (Re Joshua Basin Water District v. Ironhead LLC a California Limited Liability Company, Praxedes Beard and Does 1 – 10 inclusive, San Bernardino Superior Court - Joshua Tree District, Case No. CIVMS 1100087).

The Board reconvened in open session at 8:25 pm.

15. REPORT ON CLOSED SESSION ITEMS

District Counsel Gil Granito reported on Closed Session Item 1 that he provided a status report and there was no reportable action. Director Michael Luhrs did not attend the closed session on this item for reasons other than a conflict of interest.

District Council reported on Closed Session Item 2 that he provided a status report and that there was not reportable action. All present, four board members, participated in this closed session. Vice President Reynolds left after the closed session discussions.

16. ADJOURNMENT

8:25 PM

President Mickey Luckman advised that the next meeting would be held on Wednesday, March 16 because she and the General Manager would be attending the ACWA Washington Conference and other federal activities on March 2nd.

MSC Luhrs/Wilson 3/0 (2 Absent) to adjourn the February 16, 2011 Regular Meeting of the Board of Directors. Roll Call Vote

Long	Absent
Luckman	Aye
Luhrs	Aye
Reynolds	Absent
Wilson	Aye

Respectfully submitted;

Joe Guzzetta, General Manager

The next Regular Meeting of the Board of Directors is scheduled for Wednesday March 2, 2011 at 7:00 pm.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

March 16, 2011

To: President and Board of Directors
From: Susan Greer



TOPIC: Mid year Budget Review

RECOMMENDATION: Staff requests that the Board approve the following budget adjustments:

- Increase Allow for WAAP/Billing Adjustment by (\$2,227)
- Increase Pumping Plant Repair & Maintenance by \$26,448
- Increase Maps & Drafting Supplies by \$916
- Increase Software & Computers by \$609

Total increases to budget of \$30,200

ANALYSIS: The mid-year budget review document is attached, including revenues and expenses through December 31, 2010.

OVERVIEW

The overview is good news in that both mid-year and year-end estimates indicate better results than expected.

Generally, you will note that the y-t-d actual expenses for each department are less than 50% at mid-year. Mid-year revenues are at 77% not including unanticipated, restricted revenues in the amount of \$706,000. This includes the \$350,000 MWA reimbursement for the Recharge project design, \$291,000 from the EPA grant for the Recharge project, water and sewer capacity charges and mainline reimbursement fees. These funds may only be used for the designated purpose.

Water Revenues are expected to come in a little more than the budget. Recall that we decreased the 10/11 Metered Water Sales budget \$100,000 in response to declining water consumption and revenue last year. That was a good move and we project that we will exceed that lower budget amount by less than \$1,000. Basic fees are projected about the same; less than \$1,000 over the budget.

Payroll expenses year-to-date are at 45%. In total, we still expect to be close to budget.

Bonds and Loan payments are only at 17% at mid-year. Most of our debt service, including our final payment on the 1997 bonds, comes in the second half of the year. We will make all of the remaining payments by year-end.

The following provides explanations for the column headings on the attached Mid-Year Budget Review document.

Original Budget represents the budget adopted by the Board on July 14, 2010.

Original Budget Re-Allocated represents a re-allocation by Staff of the expenses shared by all departments (benefits, field and office) to more properly reflect the pro-rata share of those costs for each department. Note that this re-allocation did not change the bottom line.

Approved Changes reflects the changes to the budget authorized by the Board during the current fiscal year. Refer to table below for details.

Description of Budget Change	Amount
September 2010 MOU Increases	\$35,000
Increase to Software & Computers for SCADA Hot Master computer, approved 8/4/10	10,711
Increases to Temp Labor Authorized 4/7/10; should have been carried forward to 10/11 budget Additional - Authorized 2/2/11	17,842 23,000
Decrease to Office Salary – CS to offset increase to Temp Labor, authorized 2/2/11	-15,000
Increase to Pumping Plant expense for Well 10 soft start, authorized 10/6/10	8,600
Total Increase	\$80,153

Current Budget reflects the budget including changes. This shows that net revenue has decreased \$80,147 to reflect the budget changes.

Year to Date Actual represents the balances as of 12/31/10, mid-point of our fiscal year, with a few exceptions to include later payments that make a material difference to the year-end

estimate.

% YTD Budget indicates the percentage that the amount in the previous column represents of the departmental budget.

Year End Estimate indicates the year-end Staff projection.

There are only a few accounts where we are asking the Board to increase budget as indicated below.

Revenues

01-41012 Allow for WAAP/Billing Adjustment

Increase budget by (\$2,227) (note this account reduces revenue)

New budget (\$5,686)

We anticipate the need for additional funding for the District's Water Account Assistance Program. This program provides water bill assistance for very large residential water bills, for customers who are the victims of extraordinary or unusual circumstances. This program is used for only the largest bills, at least \$700 - \$800 more than average. Smaller bills, although higher than normal, are determined to be within the ability of a customer to pay, over time. We allow those customers up to a year to make payment without interest. It is impossible to know how much need there will be in a given year and we attempt to make this program available for those most in need. We expect to exceed the current budget amount and request that the Board increase the budget to provide additional funding for this program.

Expenses

Staff took a global, department-wide approach as we reviewed the mid-year expense results. Where the year-end estimate for a department is less than or equal to the current budget, we have proposed no changes to the budget, even if individual line items exceed budget. There are only two departments (Production and Engineering) where the year-end estimate exceeds the current budget. We propose the following budget amendments to resolve those shortfalls.

Production

Current Budget: \$854,460

Year-end Estimate: \$886,260

01-510-03115 Pumping Plant Repair & Maintenance

Increase budget by \$26,448

New budget \$45,000

Last year's budget was \$46,000 with actual expense of \$39,973. More than half of that cost was paid in the last half of the year and we should not have reduced the budget from \$46,000 to \$27,152 this year. History shows that we have spent approximately \$40,000 for pumping plant repair and maintenance since at least 2006/2007.

Engineering

Current Budget: \$227,923

Year-end Estimate: \$229,148

01-505-2305 Maps/Drafting Supplies

Increase budget by \$916

New budget \$2,500

History for this account indicates an average cost of \$4,300 per year. Last year actual was less than average but not typical.

01-605-99750 Software & Computers

Increase budget by \$609

New budget \$11,320

This account represents the Hot Master SCADA computer authorized by the Board in August. The authorization by the Board, in the amount of \$10,711 was the purchase price. The total of \$11,320 includes overhead applied to the project. Note overhead is not additional expense, but instead represents the re-distribution of certain operating costs to the capital projects.

Total adjustments to budget of \$30,200 will decrease *budgeted* net revenue from \$187,923 to \$157,723. Note this is a decrease to the budget only. We still project that year-end net revenue will be \$222,118.

The Board receives regular updates on the status of your priority capital projects via the Project Priority List. These items include all of the Year 1 items from the Supplemental Budget so you understand how those projects are progressing.

FISCAL IMPACT:

Anticipate NO fiscal impact. Proposed changes are to budget only; not to the year-end estimate. Staff projects net revenue at year end of \$222,118 compared to current budget net revenue of \$187,923 .

JOSHUA BASIN WATER DISTRICT MID-YEAR BUDGET REVIEW AS OF DECEMBER 2010							
	ORIGINAL BUDGET	ORIGINAL BUDGET RE-ALLOCATED	APPROVED CHANGES	CURRENT BUDGET	YEAR TO DATE ACTUAL	% YTD BUDGET	YEAR END ESTIMATE
REVENUE SUMMARY							
TOTAL REVENUES	4,657,103	4,657,103		4,657,103	3,594,746	77%	4,673,950
EXPENSE SUMMARY							
Production	896,636	853,457	1,005	854,460	366,636	43%	886,260
Distribution	443,201	480,537	30,364	510,901	229,654	45%	491,357
Customer Service	701,252	611,019	(46,821)	564,198	256,651	45%	554,849
Administration	611,158	584,073	3,420	587,493	259,468	44%	583,209
Engineering	157,008	199,054	28,869	227,923	90,403	40%	229,148
Finance	312,940	364,928	60,270	425,198	182,885	43%	423,701
Personnel	51,544	80,670	3,042	83,712	34,999	42%	74,929
Legal	67,320	67,320	0	67,320	14,475	22%	67,320
Bonds & Loans	1,147,974	1,147,975	0	1,147,975	194,802	17%	1,141,058
TOTAL EXPENSES	4,389,033	4,389,033	80,149	4,469,180	1,629,973	36%	4,451,832
REVENUE OVER/(UNDER) EXPENSES		268,070		187,923			222,118
UNANTICIPATED REVENUE - CURRENT							
					350,000		
					291,000		
					32,449		
					26,650		
					6,105		
				Total	706,204		

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

March 16, 2011

To: President and Board of Directors
From: Susan Greer



TOPIC: Extension of Network Administration Contract

RECOMMENDATION: Staff recommends the following action be taken:

1. Authorize three-year extension of network administration contract at a cost of \$2,803 per month, \$33,636 per year, at a savings of 10% over the current pricing.
2. Authorize extension of Backup and Data Recovery contract to coincide with the network administration contract, at the current price of \$810 per month, subject to the amount of data being backed up.
3. Authorize withdrawal of \$10,678 from the Equipment and Technology Reserve account to fund installation and operating system software upgrade of 18 computer workstations and server.

ANALYSIS: The contract for the District's network administration services has expired and needs to be renewed. The network administrator maintains and monitors our network including security and virus protection and managing users. The District contracts with Computer Gallery for this service.

Staff reports that Computer Gallery does a good job and we have had no issues or reason to change service providers. We have been contracting with Computer Gallery for this service since October 2005.

Computer Gallery has agreed to a new contract with a 10% savings. The expired contract was in the amount of \$3,111 per month with the new contract amount of \$2,803; a savings of \$308 per month or \$3,696 per year. The contract is for a three-year term, ending in 2014.

At the same time, Staff would like the Board to approve an extension to the BDR contract, also with Computer Gallery. The Backup and Disaster Recovery (BDR) service includes data backup of key servers at least 12 times per day, data restoration as needed, virtual server capability in the event of a failed server and data storage at two offsite locations. This service was

authorized by the Board and added in 2009, with a three-year contract extending to 2012. We have asked Computer Gallery to extend the BDR contract two more years to coincide with the new three-year Network Administration contract. While Computer Gallery proposes no increase to the cost of the contract, the price is partially dependent on the amount of data being stored offsite. As the amount of data increases, so does the cost, at a rate of \$50 for 50 gigabytes of data. Currently, 300 gigabytes of data is being stored.

In addition to the contract issues, we need to install the new computers authorized by the Board several months ago. While the existing computers are five to six years old and need to be replaced for other reasons, it makes sense to install the Windows 7 software upgrade at the same time instead of doing that a year or two from now when the old software interferes with our ability to conduct business. At the same time the computers are upgraded to Windows 7, the server must also be upgraded.

Staff has negotiated a price of \$7,500 for the installation of 18 new computers; the typical price is \$650 per computer or \$11,700. The cost of the server upgrade is \$3,177 resulting in a combined total for the workstation and server installation/upgrades of \$10,678 which is less than our current contract price for the workstation installation alone. Staff proposes that the \$10,678 cost to install and upgrade the computers should come from the LAIF Equipment and Technology Reserve account; the same account which provided funding for the computer purchase. The balance in that fund is currently \$252,000.

FISCAL IMPACT:

Operating Budget

Network administration contract - \$33,636/year x 3 years

BDR contract - \$9,732/year x 2 years

Total - \$43,356 per year compared to current \$47,052 budget

Reserves

Computer Installation - \$10,678 from Equipment and Technology Reserve



STANDARD CONTRACT

Client: Joshua Basin Water District March 8, 2011
 Client Address: 61750 Chollita Rd
 Joshua Tree, CA 92252
 Principal Client Contact: Joe Guzetta

Project

Hardware and Software:
 Labor: _____
Project Total:

Platinum Maintenance Start Date: 5/1/2011
 End Date: 4/30/2014

Equipment	Monthly Fee	Qty	Extended	Set Up Fee	Extended
First Server	\$ 395.00	1	\$ 395.00	\$ 395.00	
Each additional Server	\$ 195.00	2	\$ 390.00	\$ 195.00	
Each Workstation	\$ 75.00	20	\$ 1,500.00	\$ 75.00	
Each Printer	\$ 30.00	4	\$ 120.00	\$ 35.00	
Internet Connection	\$ 195.00	1	\$ 195.00	\$ 195.00	
Discount	\$ (312.00)	1	\$ (312.00)		
Subtotal			\$ 2,288.00		\$ -

Security Services Start Date: 5/1/2011
 End Date: 4/30/2014

Equipment	Monthly Fee	Qty	Extended	Set Up Fee	Extended
Firewall Service including	\$ 450.00	1	\$ 450.00	\$ 600.00	
Intrusion Prevention			\$ -		\$ -
Anti-spyware, Content Filter			\$ -		\$ -
DoubleCheck Spam Filter	\$ 25.00	1	\$ 25.00	Included	
Anti-Spam Filter per User	\$ 2.00	20	\$ 40.00	Included	
			\$ -		
			\$ -		
Subtotal			\$ 515.00		\$ -

Monthly Total \$ 2,803.00 Set Up Total \$ -

The Computer Gallery Standard Terms and Conditions are made an integral part of this Contract. Client has read and understands the Contract as signified below:

AGREED by Joshua Basin Water District: _____
 Joe Guzetta, General Manager Date

AGREED by Computer Gallery: _____
 Joseph W. Popper, III, President Date

Client: Joshua Basin Water District
Client Address: 61750 Chollita Rd
Joshua Tree, CA 92252
Principal Client Contact: Joe Guzzetta

March 8, 2011

BDR (Backup and Disaster Recovery Service) by Computer Gallery includes local onsite backup, off-site remote storage at two data centers, a Network Attached Storage (NAS) device, and backup management as described below.

This contract is an addendum to the Computer Gallery Standard Terms and Conditions. All provisions of the standard terms and conditions apply to this addendum.

Off-site (Remote) Storage (optional)

- Remote Storage is provided at two XO high availability Data Centers (currently located in Phoenix and Baltimore).
- Highly redundant storage with backup images stored at the data centers on a SAN at the primary facility then replicated to the secondary facility
- Connectivity is provided by multiple providers with automatic failover capabilities
- Facilities provide two fiber optic network drops for the backbone
- Full physical security at each facility includes security cameras, key card and biometric access
- Network is secured with high-end redundant, automatic failover firewalls
- Fire suppression, environmental control, and automatic backup power provided by on-site generators

Retrieval Testing

The integrity of backups is checked as they occur and are tested for recovery on a scheduled basis.

- Virtual Server Restore Test (2 times per year)
- Individual File Restore Test (Quarterly)
- Backup File Data Integrity Test (Daily)
- Data Restoration as needed or requested

Recovery Process and Time Objectives

- This service includes restoration of a file, file folder, email or an entire mailbox as needed at no-charge during normal business hours of 8 a.m. – 5 p.m. Monday through Friday.
- All backup and retrieval requests should be reported to the help desk. Computer Gallery will respond to access, backup, or retrieval problems over the phone on first call within 2 hours of the first request.
- **24 x7** support is available. Requests for remediation services after-hours will be billed on a time and material basis.
- In the event a server failure occurs, the local on-site NAS device can be utilized to temporarily virtualize the failed server with a 2 hour time objective.
- If the entire office and/or the NAS device is lost, stolen, damaged, or destroyed, a new NAS device imaged with the most current backup information from the remote Data Center will be shipped. If ordered by Noon CST, the new NAS device will be shipped via next-business day air transportation to a location of the Client's choice. The replacement fee is \$ 4500.00 to cover a new NAS device and all applicable shipment costs.

- When the replacement NAS arrives it can be implemented temporarily as a virtual server or can be used to perform a bare metal restore to dissimilar hardware. If used to virtualize the failed server, basic server functionality is established until the server can be fully restored to new physical hardware. Once the new server hardware is procured by the client, the NAS can be used to restore the most current data to the new server regardless of the server model.
- Service time to perform NAS based temporary virtualization and/or full restoration of data on new physical hardware will be billed on a time and material basis. Emergency rates will apply.
- The recovery time objective for a replacement NAS device to be delivered and a virtual server to be functional is 48 hours on weekdays and within 96 hours if the event occurs on a weekend.

Responsibilities

Client will be responsible for maintaining the password and secret key to restore data. Computer Gallery must have access to all applicable passwords to perform restores. The client acknowledges that Computer Gallery must have access to any and all client facilities, systems, and resources to perform their duties adequately under this service plan.

The NAS unit is fully warranted and no additional charges will be incurred by the client for hardware failure. NAS maintenance, firmware and software updates are the responsibility of Computer Gallery. The Client agrees that the NAS device is the property of Computer Gallery and must be returned if requested or upon termination of service. Although the Client, at their discretion, may retrieve and restore files, folders, or email themselves from the local NAS device, any problems with the NAS device resulting from Client activity will be remediated on a Time and Materials basis.

Exclusions

All other hardware, software, and services requested by Client such as restoring network infrastructure, PC deployments, internet connectivity, etc will be quoted and billed separately. Local data may reside on desktop and laptop machines. This service encompasses specific Windows 2003 Servers only as described in the Platinum Maintenance agreement.

BDR Pricing

Start Date: 5/1/2011

End Date: 4/30/2014

Equipment	Monthly Fee	Qty	Extended	Set Up Fee	Extended
BDR 1100T	\$ 360.00		\$ -	\$ 360.00	
BDR 2100T	\$ 460.00	1	\$ 460.00	\$ 360.00	
BDR 2100R	\$ 485.00		\$ -	\$ 360.00	
BDR 3100R	\$ 665.00		\$ -	\$ 360.00	
Each Additional Server		2	\$ -	\$ 100.00	
Each 50 Additional Mailboxes				\$ 150.00	
Subtotal			\$ 460.00		\$ -

Offsite Storage

Start Date: 5/1/2011

End Date: 4/30/2014

Equipment	Monthly Fee	Qty	Extended	Set Up Fee	Extended
Monthly Fee per 50 gb	\$ 50.00	6	\$ 300.00	\$ 200.00	
Disaster Recovery Fee	\$ 50.00	1	\$ 50.00	\$ 50.00	
Subtotal			\$ 350.00		\$ -

Monthly Total \$ 810.00 Set Up Total \$ -

The Computer Gallery Standard Terms and Conditions are made an integral part of this Contract. Client has read and understands the Addendum Contract as signified below:

AGREED by Joshua Basin Water District: _____
Joe Guzzetta, General Manager Date

AGREED by Computer Gallery: _____
Joseph W. Popper, III, President Date



73-965 Highway 111
 Palm Desert, Ca 92260
 760-779-1001
 760-779-0771

QUOTE

Quote # JWPQ3952
 Date 02/09/11
 Sales Rep. ccazeault

Quote To:
 Joshua Basin Water District
 Joe Guzzetta
 61750 Chollita Rd
 Joshua Tree, CA 92252

Ship To:
 Joshua Basin Water District
 Joe Guzzetta
 61750 Chollita Rd
 Joshua Tree, CA 92252

ph 760-366-2042 fax 760-366-9528

Qty	Description	Unit Price	Ext. Price
1	Workstation Installation Fixed Bid Labor	\$7,500.00	\$7,500.00
		SubTotal	\$7,500.00
		Sales Tax	\$0.00
		Shipping	\$0.00
		Total	\$7,500.00

Please order the above items on my behalf.

 Signature

 Date

Prices quoted are good for 15 days. Payment terms are 50% down and 50% upon receipt or approved finance plan. Many items are not returnable. All returns are subject to a 20% restock fee. Computer Gallery standard Terms and Conditions apply to this order.

Please fax the signed quote back to Computer Gallery for order processing.



SCOPE OF WORK

Client: Joshua Basin Water District
 Address: 61750 Chollita Rd
 City/State/Zip: Joshua Tree, CA 92252
 Phone: 760-366-2042X 226 Fax: 760-366-9528
 Contact: Joe Guzzetta
 E-Mail: Joeg@jbwd.com
 Date/Time of Call: 3/8/2011 1:50 PM

Scheduled: _____
 Tech: _____
 Time & Materials:
 Phone Support:
 Fixed Bid: Hours:
 S-Pak: Rate:
 Maint: Rate:
 Travel Zone: Rate:

Scheduling Instructions:

This scope of work outlines our time estimate to you. This document will be used to generate your bill. Please make sure you understand and agree with all of the provisions. Any changes to this scope will be documented on a Change Request.

Qty	Description
Workstation Installation	
• 18	Redeploy Windows 7 per Small Business Network Model to each workstation
• 18	Download and install latest security patches and service packs from Microsoft
• 18	Install Microsoft Office application per user matrix
• 18	Configure Outlook to connect to Exchange on each workstation
• 18	Install and configure Computer Gallery Managed Anti-Virus on each workstation
• 18	Install and configure AutoCAD LTI Viewer per user matrix
• 18	Install and configure Adobe Acrobat Standard Edition per user matrix
• 18	Install and configure Arc Info software per user matrix
• 18	Install and configure ArcGIS Reader per user matrix
• 18	Install and configure Reflections software per user matrix
• 18	Install and configure ILink software per user matrix

This total is not a guaranteed time quote. The above time estimates represent standard installation times with no equipment compatibility issues. Due to the complexities of computer systems, we cannot foresee all contingencies or compatibility issues. If we exceed our time estimates you are responsible for the additional time. We therefore provide this scope for planning purposes only.

Contact Name: _____ Signature: _____ Date: _____

I represent that I have the authority to approve a Scope of Work and to sign documents for the above person or company.

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 Palm Desert, Ca 92260
 760-779-1001
 760-779-0771

QUOTE

Quote # JWPQ3953
 Date 02/09/11
 Sales Rep. ccazeault

Quote To:
 Joshua Basin Water District
 Joe Guzzetta
 61750 Chollita Rd
 Joshua Tree, CA 92252

Ship To:
 Joshua Basin Water District
 Joe Guzzetta
 61750 Chollita Rd
 Joshua Tree, CA 92252

ph 760-366-2042 fax 760-366-9528

Qty	Description	Unit Price	Ext. Price
1	Configure Existing Server for Windows 7 GOVT OLP WINPRO 7 UPGRD NL LCL Fixed bid labor	\$3,163.00	\$3,163.00
		SubTotal	\$3,163.00
		Sales Tax	\$14.26
		Shipping	\$0.00
		Total	\$3,177.26

Please order the above items on my behalf.

 Signature

 Date

Prices quoted are good for 15 days. Payment terms are 50% down and 50% upon receipt or approved finance plan. Many items are not returnable. All returns are subject to a 20% restock fee. Computer Gallery standard Terms and Conditions apply to this order.

Please fax the signed quote back to Computer Gallery for order processing.



Client: Joshua Basin Water District
 Address: 61750 Chollita Rd
 City/State/Zip: Joshua Tree, CA 92252
 Phone: 760-366-2042X 226 Fax: 760-366-9528
 Contact: Joe Guzzetta
 E-Mail: Joeg@jbwd.com
 Date/Time of Call: 3/8/2011 1:50 PM

Scheduled: _____
 Tech: _____
 Time & Materials:
 Phone Support:
 Fixed Bid: Hours:
 S-Pak: Rate:
 Maint: Rate:
 Travel Zone: Rate:

Scheduling Instructions:

This scope of work outlines our time estimate to you. This document will be used to generate your bill. Please make sure you understand and agree with all of the provisions. Any changes to this scope will be documented on a Change Request.

Qty	Description
Windows 7 Deployment Creation	
• 1	Verify previous backup viability
• 1	Reconfigure Windows Deployment Service for Windows 7 deployment
• 1	Create appropriate profiles for Windows 7
• 1	Create appropriate group policies for Windows 7
• 1	Test deployment functionality

This total is not a guaranteed time quote. The above time estimates represent standard installation times with no equipment compatibility issues. Due to the complexities of computer systems, we cannot foresee all contingencies or compatibility issues. If we exceed our time estimates you are responsible for the additional time. We therefore provide this scope for planning purposes only.

Contact Name: _____ Signature: _____ Date: _____

I represent that I have the authority to approve a Scope of Work and to sign documents for the above person or company.



General

JSP Consulting Integration and Engineering, Inc. DBA Computer Gallery (hereinafter referred to as "Computer Gallery") agrees to sell to Client identified on the executed quotation and/or on the executed Standard Contract (hereinafter referred to as "Client") and Client agrees to buy from Computer Gallery, the Equipment and Services listed on the quotation attached to this Agreement and incorporated herein by this reference. Any purchase or future purchase of goods and services shall be in accordance with the terms and conditions hereinafter provided.

This Agreement, including any addendums and price schedules, contains the entire agreement between the parties with regard to the subject matter hereof, and Computer Gallery is not bound by any representations or inducements not set forth herein. Client acknowledges having read the terms and conditions herein, including all of those on the subsequent pages, addendums, and price schedules hereof and agrees to be bound thereby.

THIS AGREEMENT SHALL BECOME EFFECTIVE AND BINDING UPON EXECUTION HEREOF BY CLIENT AND COMPUTER GALLERY. IN THE ALTERNATIVE, IN THE EVENT THAT THIS AGREEMENT IS NOT SIGNED, IF THIS AGREEMENT REQUIRES THE SHIPMENT OF GOODS OR PERFORMANCE OF SERVICES, THIS AGREEMENT SHALL BE BINDING AND EFFECTIVE UPON THE SHIPMENT OR DELIVERY OF ANY OF THE DESCRIBED GOODS TO CLIENT, OR COMMENCEMENT OF PERFORMANCE OF ANY SERVICES, OR PAYMENT OF ANY DEPOSIT OR PARTIAL PAYMENT. ALL OF THE TERMS AND CONDITIONS SET FORTH HEREIN ARE INCORPORATED BY THIS REFERENCE, INCLUDING THE AGREEMENT TO ARBITRATE IN THE EVENT OF ANY CONTROVERSY. NO TERMS VARYING THE TERMS SET FORTH HEREIN, UNLESS SPECIFICALLY AGREED TO AND ACKNOWLEDGED BY THE PARTIES, IN WRITING, SHALL BECOME A PART OF THIS AGREEMENT.

LIMITATION OF LIABILITY AND WARRANTY

For the purpose of this Agreement, "Installation and Acceptance Date" is here defined as the date upon which the equipment is installed at the Premises, and is substantially functioning. The estimated installation date is an approximate date and Computer Gallery shall not be liable for damages, special, consequential or otherwise, for delays in Installation and Acceptance Date, including, but not limited to those caused by circumstances beyond Computer Gallery's reasonable control or for unforeseen circumstances in the installation of the equipment. Client agrees that it shall be conclusively presumed that Installation and Acceptance Date is the commencement of the ten-day period in which the Client shall pay Computer Gallery the total price less any down payment. Client shall confirm the Installation and Acceptance Date in one of two ways. If Computer Gallery deems the project large enough, Computer Gallery will create a document of substantial operability (DSO). Client may amend the DSO in writing to specifying any defects in installation or other proper objection to the equipment. Computer Gallery will give completion dates for remedies of all documented issues and will remain liable for the completion of all documented issues. If the project is not large enough to warrant a DSO, Client shall accept the delivery and acceptance date as specified by the installing Engineer on the executed Service Ticket (ST). Client may amend the ST in writing to specifying any defects in installation or other proper objection to the equipment. Computer Gallery will give completion dates for remedies of all documented issues and will remain liable for the completion of all documented issues. It shall be conclusively presumed that the execution of the DSO or ST by the Client confirms Client's inspection, satisfaction and unqualified acceptance of the Equipment. Whenever necessary under this Agreement, Computer Gallery shall test the Equipment by using either the manufacturer's or Computer Gallery's standard inspection and diagnostic test procedures.

All hardware furnished hereunder is warranted to be free from defects in materials and workmanship as specified by the respective manufacturers. Computer Gallery may repair or replace, at its sole expense and option but in accordance with the manufacturer's warranty, any defective hardware, provided that the Client has timely notified Computer Gallery and Computer Gallery has found the hardware to be defective. Client's sole and exclusive remedy hereunder shall be limited to the repair or replacement specified herein. THE EXPRESS WARRANTIES SET FORTH IN THIS AGREEMENT ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION THOSE OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR OTHERWISE.

Client hereby assumes and shall bear the entire risk of direct and consequential loss and damage to Equipment or any part thereof from the date of delivery to Premises. Client shall pay any Municipal, County, State or Federal sales, excise or other taxes which may be laid upon the sale, transfer of ownership or installation of the Equipment. Client shall indemnify Computer Gallery against and hold Computer Gallery harmless from any and all claims, actions, suits, proceedings, costs, expenses, damages and liabilities, including attorney's fees, claimed by any person, organization,

association or otherwise arising out of, or relating to the Equipment, use, possession, operation and/or condition, thereof, except as caused exclusively by Computer Gallery.

Software will be installed per the publisher's guidelines and is warranted against failure by the publisher as specified by the publisher. Notwithstanding the foregoing, Computer Gallery provides the software and accompanying materials (including instructions for use) "as is" without any warranty by Computer Gallery of any kind. Computer Gallery does not warrant, guarantee or make any representations regarding the use, or the results of use, of the software or written materials in terms of correctness, accuracy, reliability, current issue or otherwise. The entire risk as to the results and performance of the software is assumed by Client. If the software or written materials are defective Client and not Computer Gallery, its agents or employees, assume the entire cost of all servicing, repair, or corrections. THE ABOVE IS THE ONLY SOFTWARE WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND IS IN LIEU OF ALL WARRANTIES, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. NO ORAL OR WRITTEN INFORMATION OR ADVICE GIVEN BY COMPUTER GALLERY, OR ITS AGENTS OR EMPLOYEES SHALL CREATE A WARRANTY AND CLIENT MAY NOT RELY ON ANY SUCH INFORMATION OR ADVICE. CLIENT MAY HAVE OTHER RIGHTS WHICH VARY FROM STATE TO STATE.

COMPUTER GALLERY PROVIDES A WARRANTY OF GOOD WORKMANSHIP WITH REGARD TO ALL SERVICES PROVIDED UNDER THIS AGREEMENT. THIS WARRANTY SHALL BE THE ONLY WARRANTY MADE BY COMPUTER GALLERY, AND IS IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED. Computer Gallery's limitation of liability, under this Agreement, for any reason whatsoever, shall be limited to the amount of the specific project, one monthly service fee or dispatched service in question. In no case shall a project dependency or service dependency create a greater liability for Computer Gallery.

CLIENT AGREES THAT COMPUTER GALLERY SHALL NOT BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, INDIRECT OR CONSEQUENTIAL DAMAGES OR FOR THE LOSS OF PROFIT, REVENUE OR DATA ARISING OUT OF THE SUBJECT MATTER OF THIS AGREEMENT, EVEN IF COMPUTER GALLERY SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH POTENTIAL LOSS OR DAMAGE.

Terms of purchase for Equipment

Unless otherwise modified by Computer Gallery in writing, the terms of payment of the prices set forth above shall be a down payment of fifty percent (50%) of the total price upon execution hereof by the Client. The initial deposit will be used to fund the SupportPak or project fee in its entirety if a SupportPak or project fee has been purchased, with the balance of the deposit being applied to the equipment purchase. The unpaid balance of said purchase price shall be paid "net 10" days from the date when the DSO or ST is subscribed to by the Client and Computer Gallery's Engineer attesting that said equipment is in operating condition according to accepted and recommended standards. Such payments shall be made without claim of set-off or reduction for any purpose whatsoever. Upon receipt by Computer Gallery of the total purchase price and the equipment is not provided as "Hardware as a Service" (HaaS), Title of Equipment shall pass to Client.

If any of Client's obligation to Computer Gallery be not promptly paid when due, or if Client breaches any provision hereof, Client shall be in default hereunder and all unpaid installments shall become immediately due and payable. Upon Client's default, Computer Gallery shall have the rights and remedies of a secured party under the Uniform Commercial Code and any other laws, including the right to any delinquent payments for which Client agrees to remain fully liable. Without prejudice to Computer Gallery's remedies hereunder, Computer Gallery shall be entitled to interest at the rate of 1.5% per month or at the maximum rate permitted by the law, whichever is lower, from the first day of the calendar month for which due until paid. As long as any part of the contract price remains outstanding, the security interest granted hereby shall continue effective, and title of the Equipment shall remain in Computer Gallery irrespective of any retaking and redelivery of collateral to Client until all amounts secured hereby are fully paid in money. If default continues for five (5) days after written or telegraphic notice thereof by Computer Gallery, Computer Gallery may render the Equipment unusable until Computer Gallery receives payment in full.

Terms of purchase for Platinum Monthly Managed Services

The monthly service term is effective from the Commencement Date set forth on the contract page of this Agreement and shall remain in effect as specified on the contract page. No work shall occur until such time as the initial monthly service fee is deposited with Computer Gallery.

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Computer Gallery will provide remedial and preventative maintenance for Client on an as needed basis at the request of Client or as scheduled by Computer Gallery. Maintenance shall include resolving service issues as identified by Computer Gallery, the Client, or Computer Gallery Monitoring Systems. Computer Gallery will proactively service network equipment according to Computer Gallery service policy as detailed by Computer Gallery's proactive service checklist. Computer Gallery's proactive service checklist is available for inspection at the request of the Client. Computer Gallery will provide the labor necessary to restore a failed server or workstation to its previously working condition due to one of the following failure conditions: failed hard drive, failure due to malicious code (virus) infection, failure due to malicious software attack (hacker), or general physical or mechanical failure. Part costs associated with the repair or replacement of any of the previously mentioned events are the responsibility of the Client. Significant upgrades to hardware, software or operating systems are not covered under monthly maintenance. Computer Gallery at its sole discretion is responsible for determining if a requested upgrade is covered under monthly maintenance.

Computer Gallery will make available to client as part of platinum service, access to Computer Gallery help desk facilities during normal business hours. Client may call help desk for resolution of the general network problems. Computer Gallery will install on clients workstation remote control software to enable remote deliver of service. Client agrees to allow Computer Gallery access to its network via this connection method.

Computer Gallery will patch operating systems according to Computer Gallery documented patch list and in accordance with Software Publishers guidelines with a 90% success rate. Operating System support packs will be applied at the discretion of Computer Gallery or at the Request of Client. Computer Gallery will periodically and at its sole discretion upgrade operating system utilities such as Internet Explorer to the latest version. Patching is included in the platinum service rate. On occasion, patching services may cause problems with the machine receiving the patch. Any remediation necessary to correct the problems caused by the patch deployment is included with Platinum service.

Computer Gallery will monitor client network for problems from its Network Operations Center (NOC) on a 7X24 basis as part of platinum service. Computer Gallery will maintain the NOC at a 95% availability level. Computer Gallery will respond to alerts generated by the NOC during normal business hours. After hours emergency response to NOC alerts are billed as a surcharge as detailed in the Computer Gallery rate sheet. Client must initiate any after hours emergency requests.

Emergency Response during business hours will be within 4 hours of the service request. Emergency response during business hours is included in the platinum service agreement. Computer Gallery will achieve this service level with a minimum 80% success rate.

Computer Gallery will periodically meet with the Client to provide ongoing recommendations for system operations and optimization. Computer Gallery will at its discretion, periodically provide Client with reports taken from Clients employees or system. Client has final responsibility for the accuracy and integrity of these reports, the system, its contents, and its ongoing operation.

Pricing of services for monthly maintenance is on a per device basis as detailed on the executed standard contract. If the Client increases the device count of the network, Computer Gallery will increase the monthly service fee in accordance with the executed standard contract. The price increase will be billed with regular monthly payment and is made part of the term of the original contract. Payment of monthly service is due in full prior to the beginning of month the service is rendered. Computer Gallery shall have no obligation to perform services for Client if the Client fails to keep their service account current.

The term of service begins on the date specified on the executed standard contract and continues for the term specified. Computer Gallery, at its discretion, may raise the price of service. Client may either accept the price increase, which will be reflected in the next billing cycle or cancel service. If the Client cancels service, the current pricing and agreement will remain in effect for 90 days after written notice to Computer Gallery not to accept the price increase. The agreement shall automatically renew for a successive term equal to the term of the original agreement unless Client or Computer Gallery provides written notice to the other of its intention to terminate the plan at least ninety (90) days prior to the expiration of the term or subsequent terms.

Terms of purchase for Silver or Gold Monthly Managed Services

The monthly service term is effective from the Commencement Date set forth on the contract page of this Agreement and shall remain in effect as specified on the contract page. No work shall occur until such time as the initial monthly service fee is deposited with Computer Gallery.

Computer Gallery will provide remedial and preventative maintenance for Client on an as needed basis at the request of Client. Maintenance shall include resolving service issues as identified by Computer Gallery, the Client, or Computer Gallery Monitoring Systems. Unless otherwise stated,

all service work will be billed at Computer Gallery standard SupportPak rates. All material costs will be charged to client.

Computer Gallery will make available to client as part of Gold service, access to Computer Gallery help desk facilities during normal business hours. Client may call help desk for resolution of the general network problems. Computer Gallery will install on clients workstations remote control software to enable remote deliver of service. Client agrees to allow Computer Gallery access to its network via this connection method. Client will be charged for help desk support at SupportPak rates. A minimum ½ hour charge will be assessed for each help desk call. Help desk calls in excess of 30 minutes will be billed in 15 minute increments thereafter.

If client purchases patching services, Computer Gallery will patch operating systems according to Computer Gallery documented patch list and in accordance with Software Publishers guidelines with a 90% success rate. Operating System support packs will be applied at the discretion of Computer Gallery or at the Request of Client. Computer Gallery will periodically and at its sole discretion upgrade operating system utilities such as Internet Explorer to the latest version. Patching service pricing is detailed on the executed Standard Contract. On occasion, patching services may cause problems with the machine receiving the patch. Any remediation necessary to correct the problems caused by the patch deployment is not included in patch services. Computer Gallery will resolve any issues caused by the patch at normal SupportPak rates.

If client purchases monitoring service, Computer Gallery will monitor client network for problems from its Network Operations Center (NOC) on a 7X24 basis. Computer Gallery will provide monitoring for 4 (four) KNE's (Key Network Elements) as part of the base monthly fee. Additional KNE monitoring may be purchased at the rates indicated on the standard contract. Computer Gallery will maintain the NOC at a 95% availability level. Computer Gallery will respond to alerts generated by the NOC during normal business hours for Gold service clients. Silver service clients have alerts forwarded to them and are the responsibility of the client. After hours emergency response to NOC alerts are billed as a surcharge as detailed in the Computer Gallery rate sheet. Client must initiate any after hours emergency requests. Pricing for Silver and Gold monitoring service is detailed on the executed Standard Contract.

For Gold level service customers, emergency response during business hours will be within 8 hours of the service request. Computer Gallery will achieve this service level with a minimum 80% success rate.

Computer Gallery will at its discretion, periodically provide Client with reports taken from Clients employees or system. Client has final responsibility for the accuracy and integrity of these reports, the system, its contents, and its ongoing operation.

Pricing of monthly service is detailed on the executed standard contract. General Service work not covered by silver or gold service is billed on a time and materials basis. SupportPaks can be used to cover labor costs. Payment of monthly service is due in full prior to the beginning of month the service is rendered. Computer Gallery shall have no obligation to perform services for Client if the Client fails to keep their service account current.

The term of service begins on the date specified on the executed standard contract and continues for the term specified. Computer Gallery, at its discretion, may raise the price of service. Client may either accept the price increase, which will be reflected in the next billing cycle or cancel service. If the Client cancels service, the current pricing and agreement will remain in effect for 90 days after written notice to Computer Gallery not to accept the price increase. The agreement shall automatically renew for a successive term equal to the term of the original agreement unless Client or Computer Gallery provides written notice to the other of its intention to terminate the plan at least ninety (90) days prior to the expiration of the term or subsequent terms.

Terms of purchase for Security Services

The monthly service term is effective from the Commencement Date set forth on the contract page of this Agreement and shall remain in effect as specified on the contract page. In no event shall the term be less than one year. No service shall be given until such time as the initial monthly service fee is deposited with Computer Gallery.

If client subscribes to security services, Computer Gallery will provide the necessary equipment (HaaS) and software to provide the following services on an a la carte basis:

Firewall Service - Computer Gallery will provide a firewall for the use of the customer. Firewall shall also be capable of basic network address translation, routing, and IPsec tunnels (VPN). All equipment provided by Computer Gallery is owned by Computer Gallery for the purpose of providing service outlined in this agreement. All equipment will be kept under warranty/maintenance during the period of the agreement and equipment will be replaced according to the manufacturer warranty.

Intrusion Prevention System - Computer Gallery will provide to customer an intrusion prevention system to thwart basic system attacks. Computer

Gallery will customize the IPS ruleset on an ongoing basis to defend against general security issues. The IPS system can be monitored by Computer Gallery. Monitoring is an additional service and is not included in the price of IDS.

Content Filtering - Computer Gallery will provide to client web content filtering. Client web requests can be scanned and blocked as necessary to enforce company network acceptable use policy. Client will provide Computer Gallery feedback on what types of content is acceptable.

Spam Filtering - Client emails can be scanned for viruses and blocked. Client emails can be scanned for spam and flagged as such. Computer Gallery will make its spam service available to the client via its designated portal on a 7x24 basis.

Pricing of the above services is detailed on the executed standard contract. Acceptance of any one security service does not include portions of any other service. Payment of monthly service is due in full prior to the beginning of month the service is rendered. Computer Gallery shall have no obligation to perform services for Client if the Client fails to keep their service account current.

Computer Gallery security services are provided as a basic foundation for network security. Security Services will not make the client network "impenetrable" or provide absolute protection. Security services are intended to "harden" the client network such that would be attackers will look elsewhere for easier targets. Computer Gallery makes no representations of compliance with various regulatory laws, such as CA AB700, HIPAA, Graham Leach Bliley, Sarbanes Oxley, or others, with respect to provided security services. Computer Gallery recommends that Client consults with its attorney for advice regarding compliance. Computer Gallery can arrange audits with certified third party security experts on behalf of the Client.

The term of service begins on the date specified on the executed standard contract and continues for the term specified. Computer Gallery, at its discretion, may raise the price of service. Client may either accept the price increase, which will be reflected in the next billing cycle or cancel service. If the Client cancels service, the current pricing and agreement will remain in effect for 90 days after written notice to Computer Gallery not to accept the price increase. The agreement shall automatically renew for a successive term equal to the term of the original agreement unless Client or Computer Gallery provides written notice to the other of its intention to terminate the plan at least ninety (90) days prior to the expiration of the term or subsequent terms.

Terms of purchase for SupportPak

The SupportPak term is effective from the Commencement Date set forth on the contract page of this Agreement and shall remain in effect for one year thereafter or until SupportPak is used up, whichever occurs first. No work shall occur until such time as the SupportPak is deposited with Computer Gallery.

SUPPORTPAK DEPOSIT

Client will deposit with Computer Gallery the SupportPak amount given on the first page of this Agreement. Unless stated otherwise, the Commencement Date shall be the date the SupportPak is received by Computer Gallery. Work done without a SupportPak on account is billed at full rate with no discount and is due and payable upon completion.

Computer Gallery will provide remedial and preventative maintenance for Client on an as needed basis at the request of Client. Client will be invoiced by Computer Gallery for all services provided to Client at the prices stated herein; however, the invoices will be paid from the SupportPak provided there is a positive balance remaining of the SupportPak. Such invoices will be sent to Client for information purposes only.

At the end of the one year from the deposit of the SupportPak, the balance remaining of the SupportPak will be disposed of in one of two ways, at the option of Client:

50% of the balance remaining will be returned to Client and 50% retained by Computer Gallery as an additional fee for the services provided under this Agreement, or

100% of the balance remaining will be applied to a SupportPak for Client in the subsequent year, provided, the total amount of the new SupportPak is at least as large as the prior year's SupportPak.

Computer Gallery shall have no obligation to perform services for Client if the balance remaining in the SupportPak falls below zero. Materials cannot be purchased with monies deposited on a SupportPak.

RESPONSIBILITIES OF CLIENT

Prior to the installation of any equipment, Client shall prepare the installation site in accordance with Computer Gallery's installation instructions. Client shall specify the location for the installation. Client will

provide adequate space for the Equipment. Client will provide adequate network or communication cable in accordance with standards as required by Computer Gallery. Client will also insure that necessary light, adequate separate AC power sources, ventilation and other physical characteristics necessary for the operation of the goods or services to be delivered hereunder are available.

In the event that Client requires additions to or modifications of existing equipment or an existing network, either Local area or Wide area, Computer Gallery reserves the right to inspect said equipment or network. If Computer Gallery determines that said equipment or network does not meet minimum standards of performance or practices, Computer Gallery shall inform Client of identified equipment network deficiencies. Computer Gallery shall then make recommendations in writing necessary to bring said equipment or network up to minimum standards of performance or practices. In any event Computer Gallery shall not be held responsible or liable for guarantees of prices, performance, or time frames resulting from such existing network or equipment deficiencies.

The Client will need to designate a single point of contact to interface with Computer Gallery. This network administrator will have the authority to authorize purchases and generally dictate network policy to Computer Gallery. The network administrator is responsible for maintaining the company help desk. This includes triage of calls, assignment of work orders to internal personnel or Computer Gallery, and documentation of the completion of all work orders. Maintenance plans are very much a partnership arrangement. Success will be determined by active participation on the customer's part. It is Computer Gallery's expectation that the customer will participate in the management process as well as provide the necessary feedback for proper network maintenance.

If the client has purchased SupportPak services and the balance of the SupportPak falls negative and Client wants additional services performed, Client will add an additional amount to the SupportPak, such amount to be mutually agreed upon. Work performed while the SupportPak remains negative will be billed at standard rates and will not receive SupportPak discounts.

Computer Gallery will on occasion provide warranty work at the request of Client. Manufacturers require most warranty parts to be exchanged with Manufacturer provided service parts. Manufacturers require the return of those parts in extremely short time frames. Therefore, Client will return service parts within 3 days of receipt of replacement parts. If client fails to return defective parts timely, and manufacturer charges Computer Gallery for said part, Client agrees to reimburse Computer Gallery for all manufacturer charges related to said part.

Client will promptly provide approval or disapproval, while the Computer Gallery Support Representative is on-site, for services required beyond the one hour minimum labor and \$100 parts limit described herein. If Client fails to provide such timely approval, travel time required to make repairs caused by failure in timely approval will be charged at the labor rate provided herein.

Computer Gallery at its sole discretion may install software and/or hardware to assist in the process of managing and maintaining the client's network. Client agrees to abide by the licenses of the respective software publishers and hardware manufacturers. Copies of the respective licenses are available upon request. Upon termination of this agreement, client agrees to remove and return all property of Computer Gallery promptly. Client will not hold any equipment belonging to Computer Gallery for claims of set-off or reduction for any purpose whatsoever. Client agrees to deinstall all software associated with Computer Gallery's managed services. If Client fails to return any software and/or hardware, Computer Gallery is entitled to collect Computer Gallery published list price of product in damages. Client agrees to allow Computer Gallery access to any Computer Gallery hardware or software on customer site during normal business for maintenance purposes provided Computer Gallery has given reasonable notice to client. Client is responsible for Computer Gallery equipment while equipment is on Client's site. If Computer Gallery equipment is damaged in any way, such as fire or natural disasters, or stolen from Client premises, the Client has full responsibility for costs associated with replacement.

Client agrees that it shall not solicit for employment any employee of Computer Gallery during the term of this Agreement and for a period of one year afterwards. Client agrees that, if it hires any employee of Computer Gallery during the period set forth above, it shall be presumed that Client solicited the employee and Client shall pay to Computer Gallery, as liquidated damages, and not as penalty, an amount equal to twice the annual salary paid to that employee by Computer Gallery.

If Client has purchased any monthly service from Computer Gallery and the term of the contract expires, Computer Gallery will continue to provide service on a month to month basis. Client agrees to give 90 day advanced notice of cancellation of any term based service, whether it is the expiration of a Standard Contract or month to month service.

PRICING of Services

Labor rates are specified on the attached Computer Gallery SupportPak rate sheet. These rates apply to services performed during normal business hours 8-5 Monday through Friday. Services performed after hours and on weekends will be billed at the specified rates times 1.5.

A minimum one-hour of labor will be charged for each on-site service call. No work will be performed for Client after the first hour without Client's prior approval. In addition, for each service call, no parts will be used without Client's prior approval if the price of such parts is greater than \$100.

A minimum of ½ hour of labor will be charged for each call to the help desk. All time billed on the help desk will assumed to be approved as Client is involved with the process. If help desk personnel are unable to resolve the issue, an Engineer will be dispatched to the Client location. Standard Computer Gallery SupportPak rates will apply the on-site service call.

There will be a travel charge for travel time between Computer Gallery and Client's site. Travel charges are determined by geographic zones. Travel will be billed according to the geographic zone where the service site is located.

All services shall be performed during Computer Gallery's normal working hours. However, if Client requests work to be performed during non-working hours, Computer Gallery will attempt to contact available personnel to provide such services. Computer Gallery makes no guarantees regarding availability of personnel.

At Client's request, and if Computer Gallery has the resources available, Computer Gallery will respond on site within the following Priority Response times, at an additional charge for each such service call:

Level 1 Priority Response - Same Day ON-SITE Response Additional 1/2 hour surcharge

Level 2 Priority Response - 4 hour ON-SITE Response Additional 1 hour surcharge

Level 3 Priority Response - 2 hour On-Site Response & 7 X 24 -Custom Quote

Computer Gallery will use its best efforts to meet these Priority Response times but there may be occasions where this may not be possible due to prior commitments.

Silver, Gold, or Platinum service pricing is detailed on the standard contract executed by the client. Security Service pricing is also detailed on the standard contract as executed by the client.

GENERAL RESPONSIBILITIES OF COMPUTER GALLERY while providing service

In furtherance of the above, Computer Gallery shall:

Provide services as requested by Client, on-site at the location stated on the first page of this Agreement. Services will be performed at the same priority as regular Service Contract Clients.

Provide a designated point of contact to receive service requests from Client. Service requests can be placed by calling Computer Gallery, and requesting extension 201. If a Computer Gallery Support Representative is not immediately available when Client places a call for services, Computer Gallery will use its best efforts to respond by telephone to such service requests within 4 hours.

Provide the items of equipment (test equipment, tools, etc.) necessary to perform the maintenance services.

All parts furnished in the performance of this Agreement will meet Computer Gallery's quality standards. Replaced parts removed from the Client's equipment shall become the property of Computer Gallery.

Computer Gallery shall always have the option to remove Client's equipment to a Computer Gallery service depot for repairs, if it is determined that this will expedite repairs.

When Computer Gallery removes equipment to its service depot for repairs, Computer Gallery shall be responsible for any damage to or loss of said equipment from the time the equipment is removed from Client's site until it is returned.

Provide a monthly summary report to Client which shows the services performed under this Agreement.

MUTUAL NON-DISCLOSURE

During the term of this and for a period of 2 years after the term of this agreement, it is understood and agreed that certain business and trade information which the parties deem confidential may be provided or

disclosed by one to the other. In consideration of the receiving party being granted access to such information, it is agreed as follows:

"Confidential Information" shall mean any information, technical data or know-how which relates to the business, services or products of the disclosing party or a third party, including without limitation, any research, products, services, developments, inventions, processes, techniques, designs, distribution, engineering, marketing, financial, merchandising, sales and/or salary information which is disclosed by such party or on its behalf, before or after the date hereof, to the other party or its employees or agents, directly or indirectly, in writing, orally or by drawings or inspection and is designated in writing as confidential, provided that if such information is in non-tangible information. "Confidential Information" does not include information, technical data or know-how which (i) is already published or available to the public other than by a breach of this Agreement; (ii) is rightfully received from a third party not in breach of any obligation of confidentiality; (iii) is independently developed by personnel or agents of the receiving party without access to the Confidential Information or the other; (iv) is proven to be known to the receiving party at the time of disclosure; or (v) is provided in compliance with applicable law or a court order, provided that the receiving party first gives the disclosing party opportunity to defend and/or attempt to limit such production.

The receiving party agrees not to use the Confidential Information for its own use or for any purpose except to evaluate whether it desires to enter a business transaction with the disclosing party or as necessary to carry out the terms of such business relationship. The receiving party further agrees that it will not disclose Confidential Information to any person other than the receiving party's employees who are directly involved in the decision whether or not to pursue a business transaction with the disclosing party. The receiving party agrees it shall take reasonable security measures and use care to preserve and protect the secrecy of, and to avoid disclosure or use of, the other party's Confidential Information. The receiving party agrees to promptly advise the disclosing party in writing of any misappropriation or misuse by any person of such Confidential Information, which may come to its attention.

Any equipment, documentation or other information of the disclosing party which has been furnished to the receiving party will be promptly returned by the receiving party to the disclosing party accompanied by all copies of such documentation made by the receiving party upon request of the disclosing party.

No party acquires any rights of ownership or title in the other party's confidential information by virtue of this Agreement. Nothing herein contained shall be deemed to limit or restrict the rights of the disclosing party to assert claims for patent or copyright infringement against the receiving party.

The receiving party acknowledges and agrees that its obligations and promises under this Agreement are of a unique character that gives them a particular value. The receiving party acknowledges and agrees that a breach of any promise or covenant related to confidential information or proprietary rights contained in this Agreement will result in irreparable and continuing damage to the other party for which there shall be no adequate remedy at law and, in the event of such a breach, the other party shall be entitled to injunctive relief and/or a decree for specific performance, and such other relief as may be proper.

Provided that the receiving party uses all reasonable efforts to protect the Confidential Information of the disclosing party in accordance with the terms of the Agreement, the receiving party will not be liable for loss of profits, loss or inaccuracy of data, or indirect, special, incidental or consequential damages, even if the party has been advised of the possibility of such damages.

OPERATIVE AGREEMENT

No delay or failure of either party in exercising any right hereunder, shall be deemed to constitute the waiver of such right(s). If any provision of this Agreement is held to be invalid, illegal or unenforceable, the remaining provisions shall nevertheless continue in full force and effect without being impaired or invalidated in any way.

If either party neglects or fails to perform any of its obligations under this agreement, and such failures continue for a period of thirty (30) days after written notice thereof, the other party shall have the right to terminate this Agreement. If early termination of the SupportPak Services at the request of Client occurs, 50% of the balance remaining in the SupportPak shall be returned to Client, and 50% shall be retained by Computer Gallery. If early termination occurs at the request of Computer Gallery, 100% of the remaining balance in the SupportPak shall be returned to Client.

All written notices required to be given by either party to the other under this Agreement shall be addressed to the Computer Gallery or Client office listed on the first page of this Agreement. Such notice shall be deemed to have been given five days after post marked by the United States Postal Service, return receipt requested.

Any controversy, dispute or claim arising out of the interpretation, performance or breach of this agreement shall be resolved by binding arbitration, in accordance with the Commercial Arbitration Rules of the American Arbitration Association. One arbitrator shall be appointed by the American Arbitration Association who shall have a background in computer hardware and software. The arbitrator shall have authority to assess attorney's fees and costs. The arbitration shall be held in the City of Palm Desert, County of Riverside, State of California.

If more than one (1) Client is named in this Agreement, the liability of each shall be joint and several.

This Agreement shall not be amended or altered except in writing signed by both parties hereto.

Client shall have no right to cancel this agreement without cause other than 90 day cancellation clause previously stated. Computer Gallery shall have

the right to terminate this Agreement in the event of any breach by Client, an assignment for the benefit of creditor's of Client or filing of a petition in bankruptcy by Client or Client's failure or neglect to observe any of its existing or future obligations under this Agreement, or for other good cause.

This Agreement shall be deemed to have been made in, and shall be construed according to, the laws of the State of California.

If any provision of this Agreement is deemed invalid, the remaining portions of the Agreement shall be considered binding and valid.

If any legal action is necessary to enforce any provision of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs.

March 1, 2010

JOSHUA BASIN WATER DISTRICT

Regular Meeting of the Board of Directors

February 16, 2011

Report to: President and Members of the Board
From: Michael Metts, PE, District Engineer

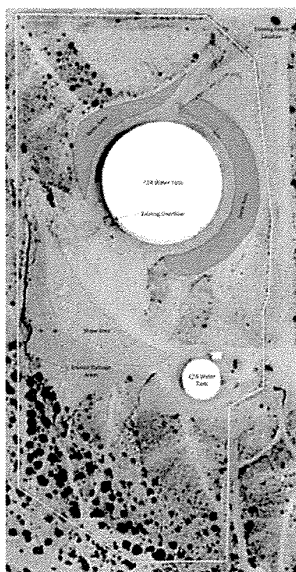


TOPIC: C2B WATER TANK SITE CHALLENGES

RECOMMENDATION: Informational Item at Board Request.

ANALYSIS: The Board recently discussed a series of challenges associated with the existing C2B Water Tank site, including the following:

- Seismic flexibility of the tank pipeline connections
- Overflow from the tank may present a threat to the tank foundation as a result of erosion and settlement
- Erosion from tank overflow may present a threat to existing site, site fencing, and potentially off-site properties
- Ongoing challenges for operations staff and potential corrosion concerns resulting from localized ponding of water and lack of positive drainage.



In response to operations staff and Board concerns, we have reviewed the C2B tank site to ascertain status, causes and potential remedies to these identified challenges.

Tank Site Overview. The C2B Water Tank is a 5.13 million gallon (5.13 MG) welded steel tank, located on the southwest of the intersection of Avenida Del Sol and Canterbury Street. The tank is 200 feet in diameter and 24 feet tall. The tank was constructed in approximately 2001. As mitigation to the visual impacts of the tank, berms were constructed (blue area in picture to right) around the majority of the tank site – blocking tank visibility from local residential properties. The tank overflow is located on the southwest side of the tank. Overflow discharges are currently conveyed west to the fence line, where they flow south along the fence line to the lower portion of the property. Significant erosion has occurred along the western fence line.

Seismic Flexibility. As currently constructed, there are Flex-Tend double ball expansion joints on the inlet and outlet of the C2B tank (16-inch and 12-inch respectively). Flex-Tend joints are available with flanged or mechanical joint connection joints, and are designed for direct burial (with a protective polyethylene wrap), vault installation, or above ground installation. The joints on the C2B tank are direct burial and above grade, respectively.

Review of the Flex-Tend manufacturer's data indicates that a 12-inch joint provides 20 degrees (approximately 11 inches) of deflection. A 16-inch Flex-Tend joint provides 15 degrees (approximately 12 inches) of deflection. The Flex-Tend joint is typically installed parallel to the tank wall, thereby making use of the joint deflection for both vertical and horizontal movement.

Installation of the Flex-Tend expansion joint (or equal product of another manufacturer) is typical for water tanks in California to allow for seismic movement. As such, the C2B tank connection is constructed within the standard of care of the industry. It is noted that these joints do not guarantee the tank connection not to break. In an extremely large earthquake, ground movement could potentially exceed the deflection of the Flex-Tend expansion joint. However, the largest regional earthquakes in recent history were the 7.3 Landers Earthquake in June of 1992 and the 6.2 Joshua Tree Earthquake in April 1992. To my knowledge, the District did not experience water tank connection failure during those events.

Staff has discussed the merits of installing seismic valves at District reservoirs to prevent water loss in the event of pipeline rupture. Seismic valves react to both seismic events and high flow within the discharge pipeline. The valve closes under these conditions to prevent loss of water. A recent project in Thousand Oaks, California, installed seismic valves on seven of the City's 16 reservoirs. The low bid for the project was \$367,455 (an average of approximately \$52,500 per reservoir). This information is provided to give an approximate cost for this type of equipment. Based on the fact that the District has not experienced tank connection failures in past seismic events, the Flex-Tend joints appear to be providing necessary protection.

Tank Overflow Challenge. Overflow from the tank is eroding the western edge of the property, and has the potential to continue on to adjacent properties. Additionally, at the point where the overflow exits the tank, significant erosion has also occurred. Failure to provide control of overflow water may result in localized erosion at the southwestern side of the tank, within the foundation area of the tank, and more significant erosion along the western and southern portions of the property. The tank foundation is not currently damaged by these erosive conditions.

The solution to these challenges is to construct a concrete catch basin adjacent to the tank to channel overflow water away from the tank foundation and into a local below-grade drain pipe. The drain pipe would convey the water south, down the slope area, and into an energy dissipation structure. The water would be dispersed into the lower portion of the tank site without damage to the property. Depending on the volume of water, a small detention basin may be required to fully control the water and prevent erosive damage. Exhibit A (attached) provides an illustration of the type of catch basin that could be provided.

Tank Site Drainage Challenge. The berms, constructed on the site for visual mitigation, are trapping water on the northwest side of the tank. The area to the east and southeast of the tank also retain water, but to a lesser extent. The berms have no brow ditches or other stormwater control structures to convey the water away from the toe of the slope. Grading around the tank does not drain the water away from the tank. The driving area around the tank is unusable until such time as the water either evaporates or percolates into the ground – which is usually a significant period of time.

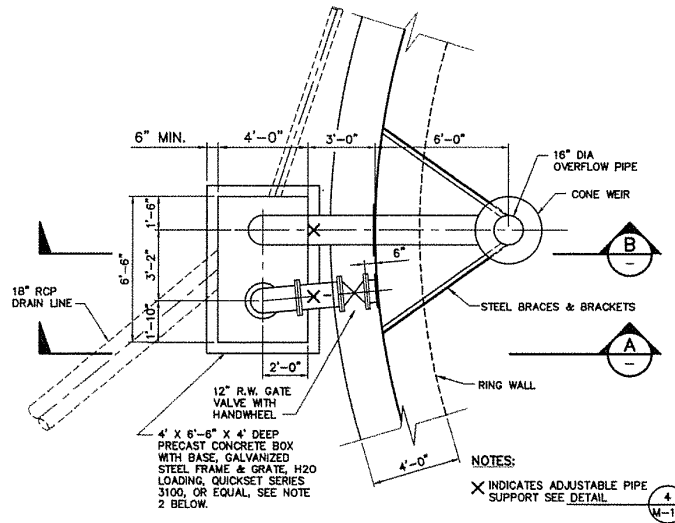
Development of a permanent solution will require surveying of the tank site to determine the existing topography. From that data, a solution can be designed that will provide positive drainage of these areas away from the tank. Depending on the existing grading, it may be necessary to provide a more solid drivable surface around the tank to provide a permanent solution to these challenges. It is possible that the two site solutions could be combined to convey both site drainage and overflow water safely to the lower portion of the property.

It will be necessary to complete a site survey to facilitate development and planning of both solutions. A preliminary design concept could then be developed to define the overall solution, as well as the various costs involved.

FISCAL IMPACT:

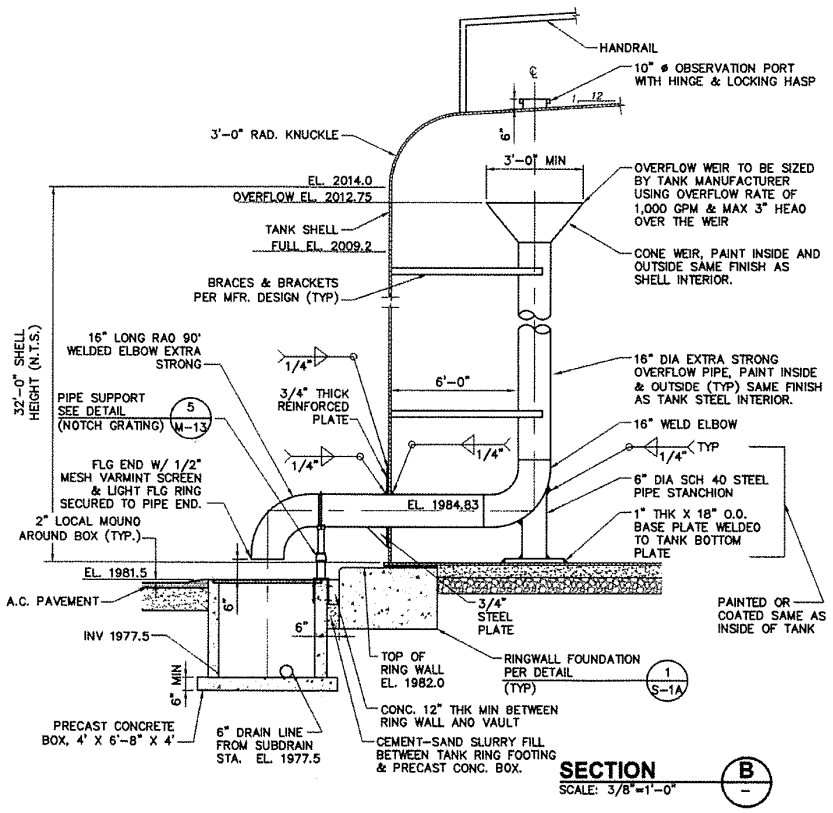
EXHIBIT A

TYPICAL RESERVOIR OVERFLOW CATCH BASIN



RESERVOIR OVERFLOW AND DRAIN DETAIL PLAN
SCALE: 3/8"=1'-0"

1
M-1



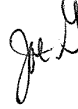
SECTION B
SCALE: 3/8"=1'-0"

JOSHUA BASIN WATER DISTRICT

Regular Meeting of the Board of Directors

February 16, 2011

Report to: President and Members of the Board
From: Michael Metts, PE, District Engineer



TOPIC: E1-D2 BOOSTER PUMP STATION REPLACEMENT PROJECT – MOBILIZATION PAYMENT

RECOMMENDATION: Informational Item at Board Request.

ANALYSIS: The bid results for the E1-D2 Booster Station Replacement Project (Project) were presented to the Board of Directors on February 3, 2010. Information presented at that meeting included a description of the overall bid process, a summary of the bids received, and ultimately a recommendation and Board approval to award the project to AToM Engineering Construction (low bidder) in the amount of \$416,979.

It is my understanding that the Board is currently questioning the amount of the initial mobilization payment to the Contractor. For clarification, the initial payment to the Contractor totaled \$59,364 after the retention was withheld in the amount of \$6,596. Breakdown of the initial payment (after retention) includes:

- Mobilization: \$ 37,440
- Demobilization: \$ 2,520
- Excavation: \$ 19,404

Therefore, the total mobilization amount paid to the contractor, after retention, was \$37,440. The demobilization cost resulted from the waterline break, which required time to resolve. The excavation cost was actual work that was performed. The mobilization payment computes to approximately 9 percent of the original contract value. With the additional work added to the project, the mobilization payment represents approximately 7.3 percent of the contract value.

The bid documents for the Project were developed using the District's standard bidding documents. The work to be completed was defined by the plans and specifications. The bid form included a single lump sum bid item for completion of the work. As a result, the bid form did not define individual line items for specific work elements, including Contractor mobilization.

Section 01505 of the Specifications, Mobilization, defines but does not limit the items of work that can be included in Contractor mobilization. A copy of Section 01505 is provided for reference herewith. Section 01505 does not specifically limit the amount to be paid to the Contractor for mobilization.

Section 01200, Measurement and Payment, provides definition of how items on the bid form will be quantified and paid during the Project. This section does not define a specific limit to the payment of mobilization. A copy of Section 01200 is provided for reference herewith.

Section 9, Measurement and Payment, of the General Conditions defines District amendments to the Standards Specifications for Public Works Construction (Greenbook). Section 9 of the General Conditions defines the procedures for progress and final payment to the Contractor. Section 9 does not define a limit to the payment of mobilization. A copy of Section 9 of the specifications is provided for reference herewith.

Section 9-3.4 of the Greenbook defines that when no Bid Item is provided for mobilization, payment for such costs can be considered to be included in the other items of work. However, the bid form for the Project has only one bid item of work. As the contract allows the Contractor to bill monthly for work completed, it is reasonable to pay mobilization costs at the beginning of the project.

Therefore, because the District standard specifications do not currently place a specific limit on mobilization payments, District staff is left to consider the Contractor's payment request in determining whether to pay or reject the mobilization payment. As stated previously, the mobilization payment to the Contractor represented 9 percent of the overall contract value. Typical mobilization cost range between 5 and 10 percent of contract value, depending on the size of the project. Smaller projects may have relatively higher percentages, and larger projects may have relatively smaller percentages. In this case, District staff reviewed the payment request and determined that the payment request was reasonable relative to the overall project, and consistent with the project specifications and District procedures. The payment was approved.

FISCAL IMPACT:

The fiscal impact of the subject mobilization payment did not significantly affect the overall project cash flow. The District has retained 10 percent of all payment requests to date in accordance with the contract documents. The Contractor submitted his initial payment request in April 2010. The Contractor's remaining payment requests were submitted in November 2010, December 2010 and February 2011. Payment for the project will not exceed

the amount authorized by the Board for the Project. Furthermore, the Contractor was charged for the cost of the pipeline break, and we will be discussing additional reductions as a result of the extended time required to complete the project. Final payment on the project will not be made until 30 days after filing of the Notice of Completion, as defined in the Contract Documents.

SECTION 01505

MOBILIZATION

PART 1 - GENERAL

1.01 GENERAL

A. Mobilization shall include the acquisition of all permits; moving onto the site of all equipment, and other construction facilities, all as required for the proper performance and completion of the Work. Mobilization shall include, but not be limited to, the following principal items:

1. Installing temporary construction power, wiring, and lighting facilities.
2. Developing construction water supply as required.
3. Providing all on-site communication facilities, including telephones and radios for Contractor personnel.
4. Providing on-site sanitary facilities and potable water facilities for Contractor personnel.
5. Arranging for and erection of Contractor's storage yard as required.
6. Obtaining all required permits.
7. Having all OSHA required notices and establishment of safety programs.
8. Submitting initial submittals.

1.02 CONSTRUCTION FACILITIES PLAN

A. Prior to commencement of any field work, the Contractor shall submit a Construction Facilities Plan to the District for approval. Said plan shall show the layout, equipment, materials and procedures that Contractor proposes for construction of temporary electrical, telephone, lighting, water, sanitation, field offices and sheds, and other similar site facilities.

B. The Contractor's construction facilities shall be of a temporary nature and shall be removed by Contractor prior to submission of final payment request. The Contractor shall be wholly responsible for the security of its lay down area, and for all its materials, equipment and tools at all times.

PART 2 - PRODUCTS (NOT USED)

PART 3 - EXECUTION (NOT USED)

END OF SECTION 01505

SECTION 01200

MEASUREMENT AND PAYMENT

PART 1 - GENERAL

1.01 GENERAL

- A. Work under this contract will be paid on a unit price or lump-sum basis as outlined on the Bid Form for the quantity of work installed.
- B. The unit prices and lump-sum prices include full compensation for furnishing the labor, materials, tools, and equipment and doing all the work involved to complete the work included in the contract documents.
- C. The application for payment will be for a specific item based on the percentage completed or quantity installed. The percentage complete will be based on the value of the partially completed work relative to the value of the item when entirely completed and ready for service.
- D. A retention of ten percent (10%) of the value of work completed will be withheld from progress payments. This retention amount will remain constant throughout the contract period, and will not be payable until the expiration of thirty-five (35) days after the recordation of the Notice of Completion.

1.02 WORK NOT LISTED IN THE SCHEDULE OF WORK ITEMS

- A. The General Conditions and items in the Special Provisions, general requirements, and specifications which are not listed in the schedule of work items of the bid form are, in general, applicable to more than one listed work item, and no separate work item is provided therefore. Include the cost of work not listed but necessary to complete the project designated in the contract documents in the various listed work items of the bid form.
- B. The bids for the work are intended to establish a total cost for the work in its entirety. Should the Contractor feel that the cost for the work has not been established by specific items in the bid form, include the cost for that work in some related bid item so that the proposal for the project reflects the total cost for completing the work in its entirety.

PART 2 - PRODUCTS

2.01 REMOVAL AND REPLACEMENT OF THE D2 AND E1 BOOSTER STATION

- A. Method of Payment - Lump Sum
- B. Method of Measurement – Percent Complete
- C. Payment shall constitute full compensation for all labor, material, equipment, and incidentals required for the removal and replacement of the D2 and E1 Booster Station in accordance with the contract plans and specifications. The bid price shall include but not limited to: pump house construction; electrical features; power supply; installation and testing of new pumps, influent and effluent piping, temporary connection piping; grading, testing and disinfection.

PART 3 - EXECUTION (NOT USED)

END OF SECTION 01200

The warranty provided herein shall not be in lieu of, but shall be in addition to any warranties or other obligations otherwise imposed by the Contract Document or by law. The remedies provided herein shall not be exclusive and the District shall be entitled to any and all remedies provided by law.

SECTION 8 - FACILITIES FOR AGENCY PERSONNEL

This section is deleted in its entirety.

SECTION 9 - MEASUREMENT AND PAYMENT

Section 9 is amended as follows:

9-3.2 Progress and Final Payment. The closure date for the purpose of making monthly progress payments shall be the last working day of the month unless otherwise assigned by the Engineer during the pre-construction meeting. Payment, less deductions, unearned work and retention, will be made within 30 days of the closure date. If a dispute exists between the District and the Contractor regarding an item included in the Contractor's Monthly Progress Payment Request, progress payments will be withheld until said dispute is resolved, in which case longer period of time will be required to make such payment. No such payment shall be required to be made, when in the judgment of the District, the total value of the work since the last estimate amounts to less than \$500. If, in the opinion of the District, work is not progressing according to the approved schedule, payments may be withheld until the Contractor returns to the approved schedule.

The originals of certified payrolls are to be submitted to the District along with each payment request within 10-calendar days of the closing of each pay period for the contractor. No progress payment will be made to the contractor, unless the certified payrolls are submitted to the District for that particular pay period for which the progress payment is requested. The certified payroll shall include all personnel who worked on the project during that particular pay period.

Deductions will be made for: (1) amounts due the District for equipment or material furnished or services rendered; (2) amounts due the District under the terms of the Contract; (3) amounts of any claims of lien filed with the District; (4) accrued amounts of liquidated damages; (5) amounts required to be deducted by Federal, State or local governmental authorities. From the balance thus determined will be deducted the amounts of all previous payments, and the remainder shall constitute the monthly payment due the Contractor.

A retention of ten percent (10%) will be withheld from each and every progress payment to the Contractor. This percentage will remain constant throughout the duration of the Contract. The District shall make a progress payment within thirty (30) days after receipt of an undisputed and properly submitted payment request from Contractor pursuant to Public Contract Code section 20104.50.

After completion of the work to the satisfaction of the District, the District shall make a final estimate of the amount of work done. The District shall pay the entire sum so found to be due after

deducting there from all previous payments and all amounts to be retained under the provisions of the Contract. All prior partial estimates and payments shall be subject to correction in the final estimate and payment. The final payment shall not be due and payable until the expiration of sixty (60) days from and after the recordation of the Notice of Completion filed by the District.

After issuance of the District's final written acceptance, the Contractor may make application for final payment following the procedure for progress payments. Neither the final payment nor the remaining retained percentage shall become due unless the application for final payment is accompanied by such supporting data as the District may require, together with complete and legally effective releases or waivers, satisfactory to the District, of all liens arising out of the Contract Documents and the labor and services performed and the material and equipment furnished thereunder. In lieu thereof and as approved by the District, the Contractor may furnish receipts or releases in full; an affidavit of the Contractor that the releases and receipts include all labor, services, material and equipment for which a lien could be filed, and that all payrolls, material and equipment bills, and other indebtedness connected with the Work for which the District or his property might in any way be responsible, have been paid or otherwise satisfied; and consent of Surety, if any, to final payment. If any Subcontractor, Sub-subcontractor, or supplier fails or refuses to furnish a release or receipt in full, the Contractor may furnish a Bond satisfactory to the District to indemnify him against any such lien. If any such lien remains unsatisfied after all payments are made, the Contractor or his surety shall pay to the District all moneys the District may be compelled to pay in discharging such lien, including all costs and reasonable attorneys' fees.

- (a) The Contractor must obtain an unconditional waiver and release of claims upon final payment from all suppliers and subcontractors which have filed preliminary notices with the District.
- (b) The Contractor must obtain in writing releases from each owner of real property from which the Contractor has obtained permission to use land. Such release shall state that the land is returned to the property owner in an acceptable condition. Similar releases must be obtained from owners of property disturbed by the Contractor from which the Contractor has not obtained permission to use or enter; except that releases are limited to restoration of land to original lines and grades, restoration of vegetation and removal of waste material.

The application will be returned if the above items are not submitted with the final application for payment. The Contractor may make application for final payment upon obtaining unconditional releases of claims from each sub-contractor or supplier for each preliminary notice submitted to the District. After the work is complete and the District receives unconditional releases from all subcontractors and suppliers, the District will file a Notice of Completion with the County Recorder. After thirty-five (35) days have elapsed following recording of such notice, final payment will be made to the Contractor.

As provided by paragraph 22300 of the California Public Contract Code, the Contractor may substitute securities for any monies withheld by the District to ensure performance under the Contract. Substitute securities shall be deposited in a financial institution in a form acceptable to the District. The Escrow Agreement to be used is set forth in the Special Conditions of the Contract Documents (SC 7).

9-3.3 Delivered Materials. Payment will be made for project materials delivered and stored onsite based upon presentation by the Contractor of a Bill of Sale, an Invoice or an Affidavit certifying that the material is received by the Contractor free and clear of all liens, encumbrances and secured interests of any kind, and including, evidence acceptable to the District that "all-risks" property insurance in an amount sufficient to protect the interests of the District is in effect at the approved site, and that the District is a loss payee and an additional insured

9-3.4 Extras. Without invalidating the Contract, the District may order extra work or make changes by altering, adding or deducting from the work, the Contract sum being adjusted accordingly and the consent of the Surety being first obtained where necessary or desirable. All the Extra Work shall be paid for at the price stipulated on the proposal, and no claims for any extra work or material shall be allowed unless the work is ordered in writing by the District and the price is stated in such order.

9-3.5 Claims for Extra Costs. No claim for extra work or cost shall be allowed unless the same was done in pursuance of a written order by the District, as aforesaid, and the claim presented with the first estimate after the changed or extra work is done. When work is performed under the terms of the General Conditions, the Contractor shall furnish satisfactory bills, payrolls, and vouchers covering all items of cost and when requested by the District, give the District access to accounts relating thereto.

SECTION 10 - ASSIGNMENT OF UNFAIR BUSINESS PRACTICES CLAIMS.

10-1. In entering into a public works contract or a subcontract to supply goods, services, or materials pursuant to a public works contract, the Contractor or subcontractor offers and agrees to assign to the District all rights, title and interest and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2, commencing with section 16700 of part 2 of division 7 of the Business and Professions Code), arising from the purchase of goods, services, or materials pursuant to this public works agreement. This assignment shall be made and become effective at the time the District tenders final payment to the Contractor, without further acknowledgment by the Parties.

SECTION 11 – HAZARDOUS MATERIALS.

11-1. the Contractor shall promptly and before the following conditions are disturbed, notify the District in writing, of any:

- (1) Material that the Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code that is required to be removed to a Class I, Class II or Class III disposal site in accordance with provisions of existing law.
- (2) Subsurface or latent physical conditions differing from those indicated.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

March 16, 2011

Report to: President and Members of the Board
From: Joe Guzzetta, General Manager

TOPIC: PROPOSED CALIFORNIA IRRIGATION MANAGEMENT
INFORMATION (CIMIS) WEATHER STATION AT COPPER
MOUNTAIN COLLEGE

RECOMMENDATION: That the Board authorize staff to join with the Alliance for Water Awareness and Conservation (AWAC) in funding and installing a CIMIS weather station to collect local data needed to comply with the current Water Efficient Landscape Ordinance and for use in the Urban Water Management Plan.

ANALYSIS: The California Department of Water Resources manages a network of over 135 weather stations that are used to assist irrigators in managing water resources efficiently. The information is also used by planners and local water agencies to develop water budgets for new development as required under State and local landscape ordinances. The nearest CIMIS stations, located in Cathedral City and Victorville, are not accurate for Joshua Tree and surrounding communities.

AWAC has agreed to provide \$10,000 in funding to fill this data gap, while Copper Mountain College will provide the land, and the DWR will install the equipment and provide the cellular service needed for daily uploads of data to their central computers. Bollinger Consulting Group is donating irrigation materials and design work valued at \$1185. JBWD's contribution of a 5/8" water meter and labor to install the irrigation system for the 900-foot area will complete the installation.

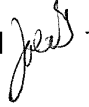
JBWD's in kind contributions are estimated at 12 labor hours for trenching and installing mainline pipe and a subsurface irrigation system. Post-installation maintenance costs are estimated at \$100 per month to maintain the weather station, native turf grass, and irrigation system during a one-year establishment period. Thereafter maintenance may be reduced to once every two months.

Approval of this project will contribute to our required conservation measures. Without the JBWD participation the CIMIS station will not be installed.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

March 16, 2011

Report to: President and Members of the Board
From: Joe Guzzetta, General Manager 

TOPIC: WATER SUPPLY ASSESSMENT FOR CASCADE SOLAR PROJECT

RECOMMENDATION: That the Board take the following action:
1) State its intent to conduct a Water Supply Assessment for the Cascade Solar Project under direction of Joshua Basin Water District at the cost of Cascade Solar/Axiom; and
2) Authorize staff to retain Kennedy Jenks at a cost of approximately \$17,000 for the study.

ANALYSIS San Bernardino County Land Use rules and recent court cases require a Water Supply Assessment (WSA) to be completed for a proposed solar project in the Coyote Lake area. The project is expected to use about 30 acre feet of water during construction and one to four acre feet of water for annual maintenance, about the amount required for three to twelve homes. However, since it would occupy 150 acres of land it exceeds the threshold for requiring a WSA.

The purpose of the WSA is to demonstrate that there is sufficient water for the project over the next several decades. Usually the WSA is applied to housing projects with more than 500 units and large commercial projects.

It is typical for either the developer or the water agency to conduct the WSA. Given the Board's development policies staff anticipates that the Board would want the District to complete the study to be paid by Cascade Solar. Staff recommends that Kennedy-Jenks prepare the WSA since they are preparing the Urban Water Management Plan which provides the basic information for the WSA. The WSA will also be acknowledged in the Plan.

Alternatively, the Board could allow Cascade Solar to prepare the WSA and have it reviewed by a District-selected firm.

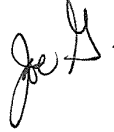
For the Board's information the Cascade Solar Project is located generally north of 4th Street, south of Sunflower Road, east of Lawrence Ave, and west of Barnaby Drive crossing Broadway St. and Sun Mesa Rd. The project will consist of an 18.5 MW utility-scale photovoltaic field, with onsite ancillary facilities, including an enclosed control facility.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

March 16, 2011

Report to: President and Members of the Board
From: Joe Guzzetta, General Manager



TOPIC: FUNDING FOR PROPOSITION 84 APPLICATION FOR
GROUNDWATER RECHARGE PROJECT

RECOMMENDATION: That the Board authorize the expenditure of \$7,000 for the Preparation of the Proposition 84 grant application of \$4 million for the groundwater recharge project to be paid from the unappropriated reserves.

ANALYSIS: Mojave Water Agency (MWA) has prepared an application for \$10 million of Proposition 84 funds on behalf of Joshua Basin Water District (\$4 million), High Desert Water District (\$4 million) and MWA (\$2 million). MWA was the only agency within the MWA service area authorized to submit a grant proposal because it was MWA that prepared the Integrated Regional Water Management Plan that was a prerequisite for applying for funds.

MWA retained the engineering firm of GEI at a cost of \$70,000 to prepare the extremely detailed and complicated application. There were \$14,000 of overruns which MWA is obligated to pay.

Staff of the three agencies have consulted and have agreed to propose that JBWD and HDWD each pay \$7,000 of the overrun.

MWA (as opposed to JBWD and HDWD) was originally under no legal requirement to pay for the original \$70,000 of application fees. They could have reasonably requested JBWD and HDWD to each pay one-third of the entire amount.

MWA has been very generous in helping to fund the JBWD groundwater recharge project having already contributed \$350,000 and having committed at least an additional \$650,000, though it is not legally bound to do so. In comparison the \$7,000 is a minimal contribution by JBWD toward the Proposition 84 application.

Due to the 675-page length of the application it has not been included with this staff report.

JOSHUA BASIN WATER DISTRICT
SUPPLEMENTAL DATA SHEET

Regular Meeting of the Board of Directors

March 16, 2011

Report to: President and Members of the Board
From: Joe Guzzetta, General Manager



TOPIC: CONSIDERATION OF SPONSORSHIP OF SAN BERNARDINO
COUNTY WATER CONFERENCE

RECOMMENDATION: That the Board co-sponsor of the annual San Bernardino
County Water Conference at no cost to the District.

ANALYSIS: The 2011 San Bernardino County Water Conference will take
place on Friday, August 26 at the Double Tree Hotel in
Ontario. Joshua Basin Water District has been asked to
consider being a sponsor of the event. The District has been a
"co-host" in the past at no cost to the District.

Cost to attend the conference is \$85 this year which is \$40 less
than the cost in previous years. Cost has been reduced by
ending at noon without a lunch, and by holding the event at
the Double Tree Hotel rather than the Ontario Convention
Center.

The event is co-produced by the County of San Bernardino and
the Baldy View Building Industry Association.

Project Priority List

PROJECTS NEARING COMPLETION

Personnel Policy Manual (Joe Guzzetta)

This will be considered during labor negotiations this year.

PROJECTS UNDERWAY

Update Urban Water Management Plan (Joe Guzzetta – Year 1)

Contract was awarded to Kennedy Jenks at the August 4th 2010 Board meeting. State law requires this update to be completed by July 1, 2011. Three chapters have been drafted.

Property Acquisition for Future Water Facilities (Joe Guzzetta – Year 1)

The Master Plan identifies 27 to 37 million gallons of additional reservoir storage that will be needed to operate the District in the future. Staff proposes to begin acquiring the land before the most ideal parcels are developed, especially for reservoirs which are constrained by altitude, proximity to the existing system, and other considerations. Potential sites are under evaluation. . The Board's next agenda will have a proposed contract with our property consultants, CE Prime, to provide services to acquire the proposed parcels.

Recharge Basin & Pipeline Project (Joe Guzzetta)

Property has been purchased. Monitoring well has been installed. Final design contract was awarded to Krieger & Stewart Engineers at August 4th Board meeting and is 40% complete. Construction is contingent on Proposition 84 and other funding.

Final Phase of 4" Pipe Replacement (Joe Guzzetta, Joe Bocanegra, Keith Faul)

Priorities have been established. 15,000' of pipeline has been designed with 60,000' yet to be designed. Completion design and construction of this project is pending a financial strategy to be considered by the Board. Referred to Board Committee (Luhrs/Wilson) at the January 19, 2011 Regular Board Meeting.

Record Archival System (Susan Greer – Year 1)

Staff had second presentation. This will eventually enable the District to maintain more electronic files for easier access and less physical storage.

Field Laptop Computers (Keith Faul – Year 1)

Laptops are being installed

Hauling Station Coin/Card Reader – Under Study (Jim Corbin – Year 1)

Staff is considering a system to enable selling of water at the hauling station.

PROJECTS COMPLETED

Well #16 (Randy Little)

The well has been completed and is permitted by Department of Health Services.

Hot Master + Backup Computer – SCADA (Randy Little – Year 1)

Complete. This computer provides backup to the Telemetry System.

LAFCO Mandatory Municipal Services Review (Joe Guzzetta – Year 1)

State law requires LAFCO to conduct a review of each agency's boundaries and services (at agency cost) to determine the appropriateness and to recommend any changes. LAFCO will conduct a hearing on January 19.

PROJECTS NOT BEGUN: YEAR 1

Develop/Update Board Policies and Procedures (Susan Greer)

Update 3030 Plan (Joe Guzzetta)

Staff intends to solicit proposals for this project.

Election to Charge Private Wells for Replacement Water

Attorney is reviewing election options.

Fire Cabinet for Maps (Keith Faul – Year 1)

Custom Software Programming (Susan Greer/Keith Faul – Year 1)

Adds lacking features to the District's main software program, such as reports or functions, and specific items not yet identified.

Conduct Fee Study/Update Rate Study (Susan Greer – Year 1)

Miscellaneous fees are being developed based upon resources used; staff, vehicle, equipment, etc.

A rate study update will determine what rate changes are needed in the next several years to maintain services. A proposal is under consideration by the Board.

GIS Server for Field Login (Keith Faul – Year 1)

Field crew will receive laptop computers to be used in the field for more accuracy and efficiency. This server is needed in order to connect to the GIS system.

Storage Bays for Rock, Sand, Asphalt (Jim Corbin – Year 1)

This will allow for more orderly storage of rock, sand, and asphalt which are used regularly in normal district operations.

Pressure Reducing Station Replace/Refurbishment (Randy Little – Years 1-2)

Assess and overhaul or replace PRV/PSV/Altitude valve over a three year period. Twelve in use, one completed.

PROJECTS NOT BEGUN: YEAR 2

Carpet for Office (Terry Spurrier – Year 2)

D31 New Booster Pumps and Housing (Randy Little – Year 2)

The pumps at this booster station operate at a low efficiency rate such that it is timely to replace them.

Chlorine Analyzers With Telemetry Programming (Randy Little – Year 2)

Install analyzers to monitor chlorine residual at up to four remote sites.

Flow Meter Refurbishment (Randy Little – Year 2)

Four remaining flow meters (2 this year) with digital displays and telemetry plus DTS programming.

Asphalt Installation Equipment – Under Study (Jim Corbin – Year 2)

Pipe Holder (Jim Corbin – Year 2)

The District stores small amounts of plastic pipe for repairs. There is nowhere out of the sun to do so. Over time the pipe can deteriorate when exposed to the sun. This will provide shade.

Altitude Valves at C2B, SCADA Electric Controls C1 and C3 Tanks (Randy Little – Year 2)

These valves will prevent the overflowing of the C Zone tanks.

Space Needs Assessment for Office Building Addition (Joe Guzzetta – Year 2 (per Board deferral)

A needs assessment will determine how much space the District needs for an Emergency Operations Center in order to apply for grant construction funds. This item was discussed at the August 4, 2010 Board meeting, and deferred.

Relocate C2 Tank & J Booster (Randy Little – Years 2-3)

This project has been designed and would relocate a 500,000 gallon tank from the C Zone where it is no longer needed to the H Zone where it is severely needed. The project was deferred pending funding.

System Reliability Upgrade for Hospital and County Complex; C, B and D3 zones (Jim Corbin – Years 2-3)

This entire area has one single water supply feed. It does not have a redundant water supply for emergency situations. Staff has proposed a secondary "emergency" source.

PROJECTS NOT BEGUN: YEAR 3

Security (Motion Sensors) at Shop and Well 10 (Randy Little – Year 3)

This would provide security to an expanded area at the shop.

EMERGENCY PREPAREDNESS PROJECTS: (Postponed to determine funding potential)

Well 10 and 14 Soft Start Bypass – Generator Controls (Randy Little – Year 1)

The new 600 KW generators need this equipment in order to operate properly at the two largest producing wells.

Earthquake Shutoff Valves for Three Tanks (Randy Little – Year 1)

Currently, if a pipe from a reservoir is broken the entire reservoir can be drained unless a valve is manually located and shut off. This will provide automatic shutoff in case of earthquake to the two major C tanks and the B tank serving the hospital.

Transfer Switches at Remaining Booster Sites (Randy Little – Year 1)

The switches are needed in order to be able to use the emergency generators at the pump stations.

Large Meter Bypasses (Jim Corbin – Year 1)

Currently, in order to test or remove a large meter, the service needs to be disconnected. This is a serious problem for some large meters such as the hospital. The bypass will allow the meter to be removed and replaced without discontinuing service.

Emergency Supplies (Rick Cook – Years 1-2)

These include food, water, cots, etc. for serious emergencies for employees.