

Item # 19B

**City of Carson City
Agenda Report**

Date Submitted: July 23, 2010

Agenda Date Requested: August 5, 2010

Time Requested: 5 minutes

To: Mayor and Supervisors
From: Purchasing and Contracts

Subject Title: Action to determine that Contract No. 0910-203 is a contract for the services of a professional engineer, professional land surveyor or registered architect; that the selection was made on the basis of the competence and qualifications of the engineer, land surveyor or architect for the type of services to be performed and not on the basis of competitive fees; and therefore not suitable for public bidding pursuant to NRS 625.530; and to approve Contract No. 0910-203 with Black and Veatch Corporation to provide Engineering Services for the Saw Mill Canyon Pipeline and Waterline Delivery Project through May 20, 2012, for a not to exceed cost of \$616,364.00 to be funded from the Water Fund Account as provided in FY 2009/2010. (Sandy Scott-Fisher)

Staff Summary: If approved, this Contract will utilize \$339,000.00 of USEPA grant funding and \$277,364 from Water capital to accomplish several critical tasks. Tasks to be completed with this contract are Project Management, Submittal to Request a Categorical Exclusion, Investigate and assess conditions of valves and flow meters, and prepare preliminary design for the Saw Mill Canyon Pipeline and Waterline Delivery Project. This contract is to be a Task Based Contract with prior approval from the Public Works Director for each task assignment. The first task of this Contract is to include completing an environmental study (NEPA) for the pipeline replacement, evaluating flow meters and control valve condition/operation, evaluating augmentation of storage at Marlette Lake, and assessment of outlet control valves at Marlette Lake (Phase I -\$167,000.00).

Type of Action Requested: (check one)

Resolution Ordinance
 Formal Action/Motion Other (Specify)

Does This Action Require A Business Impact Statement: Yes No

Recommended Board Action: I move to determine that Contract No. 0910-203 is a contract for the services of a professional engineer, professional land surveyor or registered architect; that the selection was made on the basis of the competence and qualifications of the engineer, land surveyor or architect for the type of services to be performed and not on the basis of competitive fees; and therefore not suitable for public bidding pursuant to NRS 625.530; and to approve Contract No. 0910-203 With Black and Veatch Corporation to provide Engineering Services for the Saw Mill Canyon Pipeline and Waterline Delivery Project through May 20, 2012, for a not to exceed cost of \$616,364 to be funded from the Water Fund Account as provided in FY 2009/2010. (Sandy Scott-Fisher)

Explanation for Recommended Board Action: Pursuant to **NRS 625.530**, staff is requesting the Board of Supervisors declare that this contract is not adapted to award by competitive bidding.

NRS 625.530 Restrictions upon public works. Except as otherwise provided in NRS 338.1711 to 338.1727, inclusive, and 408.3875 to 408.3887, inclusive:

1. The State of Nevada or any of its political subdivisions, including a county, city or town, shall not engage in any public work requiring the practice of professional engineering or land surveying, unless the maps, plans, specifications, reports and estimates have been prepared by, and the work executed under the supervision of, a professional engineer, professional land surveyor or registered architect.
2. The provisions of this section do not:
 - (a) Apply to any public work wherein the expenditure for the complete project of which the work is a part does not exceed \$35,000.
 - (b) Include any maintenance work undertaken by the State of Nevada or its political subdivisions.
 - (c) Authorize a professional engineer, registered architect or professional land surveyor to practice in violation of any of the provisions of chapter 623 of NRS or this chapter.
 - (d) Require the services of an architect registered pursuant to the provisions of chapter 623 of NRS for the erection of buildings or structures manufactured in an industrial plant, if those buildings or structures meet the requirements of local building codes of the jurisdiction in which they are being erected.
3. The selection of a professional engineer, professional land surveyor or registered architect to perform services pursuant to subsection 1 must be made on the basis of the competence and qualifications of the engineer, land surveyor or architect for the type of services to be performed and not on the basis of competitive fees. If, after selection of the engineer, land surveyor or architect, an agreement upon a fair and reasonable fee cannot be reached with him, the public agency may terminate negotiations and select another engineer, land surveyor or architect.

[12a:198:1919; added 1947, 797; A 1949, 639; 1943 NCL § 2875.06a]—(NRS A 1967, 953; 1971, 774; 1973, 1700; 1975, 208; 1977, 320; 1983, 807; 1989, 788; 1997, 1055; 1999, 3489; 2001, 2022; 2003, 119)

Applicable Statute, Code, Policy, Rule or Regulation: NRS 625.530

Fiscal Impact: \$616,364.00

Explanation of Impact: Amount of Contract.

Funding Source: Water Fund Account 520-3505-435-78-03

Alternatives: Provide other direction pursuant to Board Action.

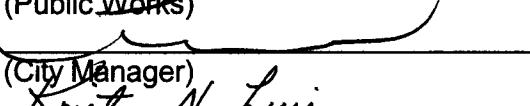
Supporting Material: Contract for Services of Independent Contractor No. 0910-203 and Exhibit A

Prepared By: Sandy Scott-Fisher, Purchasing and Contracts Coordinator

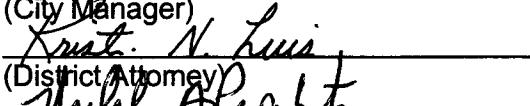
Reviewed By:


(Public Works)

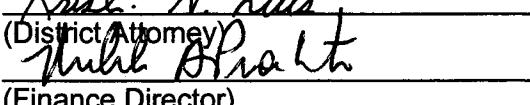
Date: 7/27/10


(City Manager)

Date: 7/27/10


(District Attorney)

Date: 7/27/10


(Finance Director)

Date: 7/27/10

Board Action Taken:

Motion: _____ 1) _____, Aye/Nay _____
2) _____, _____

(Vote Recorded By)

**PROFESSIONAL SERVICES AGREEMENT RELATED TO CONSTRUCTION
PROJECTS (Architects, Engineers, and Land Surveyor's)**
Contract No. 0910-203
**Engineering Services for the Saw Mill Canyon Pipeline
and Water Delivery Project**

rrrow **THIS CONTRACT**, made and entered into this 5th day of August, 2010, by and between the City and County of Carson City, a political subdivision of the State of Nevada, hereinafter referred to as the "CITY", and Black and Veatch Corporation hereinafter referred to as the "CONSULTANT".

WITNESSETH:

WHEREAS, the Purchasing and Contracts Coordinator for the City and County of Carson City is authorized, pursuant to Nevada Revised Statutes Chapter 332 and Carson City Purchasing Resolution #1990-R71, to approve and accept this Contract as set forth in and by the following provisions; and

WHEREAS, it is deemed that the services of **CONSULTANT** for **CONTRACT No. 0910-203 Engineering Services for the Saw Mill Canyon Pipeline and Water Delivery Project** are both necessary and in the best interests of **CITY**; and

NOW, THEREFORE, in consideration of the aforesaid premises, the parties mutually agree as follows:

1 REQUIRED APPROVAL:

1.1 This Contract shall not become effective until and unless approved by the Carson City Board of Supervisors.

2 CONTRACT TERM:

2.1 This Contract shall be effective from May 20, 2010, subject to Carson City Board of Supervisors' approval (anticipated to be May 20, 2010) to May 20, 2012, unless sooner terminated by either party as specified in **Section 7 Contract Termination**.

3 NOTICE:

3.1 Unless otherwise specified, termination shall not be effective until thirty (30) calendar days after a party has served written notice of default, or without cause upon the other party. All notices or other communications required or permitted to be given under this Contract shall be in writing and shall be deemed to have been duly given if delivered personally in hand, by e-mail with simultaneous regular mail, by telephonic facsimile with simultaneous regular mail, or by certified mail, return receipt requested, postage prepaid on the date posted, and addressed to the other party at the address specified below.

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For P&C Use Only

CCBL expires _____

GL expires _____

AL expires _____

PL expires _____

WC expires _____

3.1.1 Notice to CONSULTANT shall be addressed to:

Ira Rackley, P.E.
Black and Veatch Corporation
503 North Division Street
Carson City, Nevada 89703
775-720-0410/FAX 775-293-0494
rackleyis@bv.com

3.1.2 Notice to CITY shall be addressed to:

Carson City Purchasing and Contracts
Sandy Scott-Fisher, Purchasing and Contracts Coordinator
201 North Carson Street, Suite 3
Carson City, Nevada 89701
775-283-7137/ FAX 775-887-2107
SScott@ci.carson-city.nv.us

4 SCOPE OF WORK:

4.1 CONSULTANT shall provide and perform the following services set forth in **Exhibit A** attached hereto and incorporated herein by reference for and on behalf of **CITY** hereinafter referred to as the "**SERVICES**".

4.2 CONSULTANT shall abide by the provisions set forth in Exhibit A, "**Grant Application Package**" attached hereto and incorporated herein by reference.

4.3 CONSULTANT represents that it is duly licensed by Carson City for the purposes of performing the **SERVICES**.

4.4 CONSULTANT represents that it is duly qualified and licensed in the State of Nevada for the purposes of performing the **SERVICES**.

4.5 CONSULTANT represents that it and/or the persons it may employ possess all skills and training necessary to perform the **SERVICES** described herein and required hereunder. **CONSULTANT** shall perform the **SERVICES** faithfully, diligently, in a timely and professional manner, to the best of its ability, and in such a manner as is customarily performed by a

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person who is in the business of providing such services in similar circumstances. **CONSULTANT** shall be responsible for the professional quality and technical accuracy of all **SERVICES** furnished by **CONSULTANT** to **CITY**.

4.6 **CONSULTANT** represents that neither the execution of this Contract nor the rendering of services by **CONSULTANT** hereunder will violate the provisions of or constitute a default under any other contract or agreement to which **CONSULTANT** is a party or by which **CONSULTANT** is bound, or which would preclude **CONSULTANT** from performing the **SERVICES** required of **CONSULTANT** hereunder, or which would impose any liability or obligation upon **CITY** for accepting such **SERVICES**.

4.7 Before commencing with the performance of any work under this Contract, **CONSULTANT** shall obtain all necessary permits and licenses as may be necessary. Before and during the progress of work under this Contract, **CONSULTANT** shall give all notice and comply with all the laws, ordinances, rules and regulations of every kind and nature now or hereafter in effect promulgated by any Federal, State, County, or other Governmental Authority, relating to the performance of work under this Contract. If **CONSULTANT** performs any work that is contrary to any such law, ordinance, rule or regulation, he shall bear all the costs arising therefrom.

4.8 Special Terms and Conditions for Engineers, Architects, and Land Surveyors:

4.8.1 Use of CONSULTANT'S Drawings, Specifications and Other Documents:

4.8.1.1 The drawing, specifications and other documents prepared by **CONSULTANT** for this Contract are instruments of **CONSULTANT'S** service for use solely with respect to this Contract and, unless otherwise provided, **CONSULTANT** shall be deemed the author of these documents and shall retain all common law statutory and other reserved rights, including the copyright.

4.8.1.2 **CITY** shall be permitted to retain copies, including reproducible copies, of **CONSULTANT'S** drawings, specifications, and other documents for information and reference in connection with this Contract.

4.8.1.3 **CONSULTANT'S** drawings, specifications and other documents shall not be used by **CITY** or others without expressed permission of **CONSULTANT**.

4.8.2 Cost Accounting and Audits:

4.8.2.1 If required by **CITY**, **CONSULTANT** agrees to make available to **CITY** within two (2) years after the completion of the **SERVICES** under this Contract, such books, records, receipts, vouchers, or other data as may be deemed necessary by **CITY** to enable it to arrive

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at appropriate cost figures for the purpose of establishing depreciation rates for the various materials and other elements which may have been incorporated into the **SERVICES** performed under this Contract.

4.9 CITY Responsibilities:

4.9.1 **CITY** shall make available to **CONSULTANT** all technical data that is in **CITY'S** possession, reasonably required by **CONSULTANT** relating to the **SERVICES**.

4.9.2 **CITY** shall provide access to and make all provisions for **CONSULTANT** to enter upon public and private lands, to the fullest extent permitted by law, as reasonably required for **CONSULTANT** to perform the **SERVICES**.

4.9.3 **CITY** shall examine all reports, correspondence, and other documents presented by **CONSULTANT** upon request of **CITY**, and render, in writing, decisions pertaining thereto within a reasonable time so as not to delay the work of **CONSULTANT**.

4.9.4 It is expressly understood and agreed that all work done by **CONSULTANT** shall be subject to inspection and acceptance by **CITY** and approval of **SERVICES** shall not forfeit the right of **CITY** to require correction, and nothing contained herein shall relieve **CONSULTANT** of the responsibility of the **SERVICES** required under the terms of this Contract until all **SERVICES** have been completed and accepted by **CITY**.

5 CONSIDERATION:

5.1 The parties agree that **CONSULTANT** will provide the **SERVICES** specified in **Section 4 Scope of Work** and **CITY** agrees to pay **CONSULTANT** the **CONTRACT SUM** based upon time and materials and the attached phased fee schedule for a not to exceed maximum amount of Six Hundred Sixteen Thousand, Three Hundred Sixty-Four Dollars and No Cents (\$616,364.00).

5.2 **CONTRACT SUM** represents full and adequate compensation for the completed **WORK**, and includes the furnishing of all materials; all labor, equipment, tools, and appliances; and all expenses, direct or indirect, connected with the proper execution of the **WORK**.

5.3 **CITY** has provided a sample invoice and **CONSULTANT** shall submit its request for payment using said sample invoice.

5.4 Payment by **CITY** for the **SERVICES** rendered by **CONSULTANT** shall be due within thirty (30) calendar days from the date **CITY** acknowledges that the performance meets the

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requirements of this Contract or from the date the correct, complete, and descriptive invoice is received by **CITY** employee designated on the sample invoice, whichever is the latter date.

5.5 CITY does not agree to reimburse **CONSULTANT** for expenses unless otherwise specified.

6 TIMELINESS OF BILLING SUBMISSION:

6.1 The parties agree that timeliness of billing is of the essence to this Contract and recognize that **CITY** is on a fiscal year which is defined as the period beginning July 1 and ending June 30 of the following year. All billings for dates of service prior to July 1 must be submitted to **CITY** no later than the first Friday in August of the same year. A billing submitted after the first Friday in August will subject **CONSULTANT** to an administrative fee not to exceed \$100.00. The parties hereby agree this is a reasonable estimate of the additional costs to **CITY** of processing the billing as a stale claim and that this amount will be deducted from the stale claim payment due to **CONSULTANT**.

7 CONTRACT TERMINATION:

7.1 Termination Without Cause:

7.1.1 Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of both parties or unilaterally by either party without cause.

7.2 Termination for Nonappropriation:

7.2.1 The continuation of this Contract beyond June 30, 2010 is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the Carson City Board of Supervisors. **CITY** may terminate this Contract, and **CONSULTANT** waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the funding is not appropriated or is withdrawn, limited, or impaired.

7.3 Cause Termination for Default or Breach:

7.3.1 A default or breach may be declared with or without termination.

7.3.2 This Contract may be terminated by either party upon written notice of default or breach to the other party as follows:

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7.3.2.1 If **CONSULTANT** fails to provide or satisfactorily perform any of the conditions, work, deliverables, goods, or services called for by this Contract within the time requirements specified in this Contract or within any granted extension of those time requirements; or

7.3.2.2 If any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONSULTANT** to provide the goods or services required by this Contract is for any reason denied, revoked, debarred, excluded, terminated, suspended, lapsed, or not renewed; or

7.3.2.3 If **CONSULTANT** becomes insolvent, subject to receivership, or becomes voluntarily or involuntarily subject to the jurisdiction of the bankruptcy court; or

7.3.2.4 If **CITY** materially breaches any material duty under this Contract and any such breach impairs **CONSULTANT'S** ability to perform; or

7.3.2.5 If it is found by **CITY** that any quid pro quo or gratuities in the form of money, services, entertainment, gifts, or otherwise were offered or given by **CONSULTANT**, or any agent or representative of **CONSULTANT**, to any officer or employee of **CITY** with a view toward securing a contract or securing favorable treatment with respect to awarding, extending, amending, or making any determination with respect to the performing of such contract; or

7.3.2.6 If it is found by **CITY** that **CONSULTANT** has failed to disclose any material conflict of interest relative to the performance of this Contract.

7.4 Time to Correct:

7.4.1 Termination upon a declared default or breach may be exercised only after service of formal written notice as specified in **Section 3 Notice**, and the subsequent failure of the defaulting party within fifteen (15) calendar days of that notice to provide evidence, satisfactory to the aggrieved party, showing that the declared default or breach has been corrected.

7.5 Winding Up Affairs Upon Termination:

7.5.1 In the event of termination of this Contract for any reason, the parties agree that the provisions of this paragraph survive termination:

7.5.1.1 The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this Contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

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7.5.1.2 **CONSULTANT** shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by **CITY**;

7.5.1.3 **CONSULTANT** shall execute any documents and take any actions necessary to effectuate an assignment of this Contract if so requested by **CITY**;

7.5.1.4 **CONSULTANT** shall preserve, protect, and promptly deliver into **CITY** possession all proprietary information in accordance with **Section 23 City Ownership of Proprietary Information**.

8 REMEDIES:

8.1 Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. The parties agree that, in the event a lawsuit is filed and a party is awarded attorney's fees by the court, for any reason, the amount of recoverable attorney's fees shall not exceed the rate of \$125 per hour. **CITY** may set off consideration against any unpaid obligation of **CONSULTANT** to **CITY**.

9 LIMITED LIABILITY:

9.1 **CITY** will not waive and intends to assert available Nevada Revised Statutes Chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any **CITY** breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to **CONSULTANT**, for the fiscal year budget in existence at the time of the breach. **CONSULTANT'S** tort liability shall not be limited.

10 FORCE MAJEURE:

10.1 Neither party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of this Contract after the intervening cause ceases.

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11 INDEMNIFICATION:

11.1 As required by AB 483, and NRS 338.155, **CONSULTANT** shall defend, indemnify and hold harmless the **CITY**, and the employees, officers and agents of the public body from any liabilities, damages, losses, claims, actions or proceedings, including without limitation, reasonable attorneys' fees, to the extent that such liabilities, damages, losses, claims, actions or proceedings are caused by the negligence, errors, omissions, recklessness or intentional misconduct of the **CONSULTANT** or the employees or agents of the **CONSULTANT** in the performance of the contract. Such obligation shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of the indemnity which would otherwise exist as to any party or person described in this paragraph.

11.2 Except as otherwise provided in Subsection 11.4 below, the indemnifying party shall not be obligated to provide a legal defense to the indemnified party, nor reimburse the indemnified party for the same, for any period occurring before the indemnified party provides written notice of the pending claim(s) or cause(s) of action to the indemnifying party, along with:

11.2.1 a written request for a legal defense for such pending claim(s) or cause(s) of action; and

11.2.2 a detailed explanation of the basis upon which the indemnified party believes that the claim or cause of action asserted against the indemnified party implicates the culpable conduct of the indemnifying party, its officers, employees, and/or agents.

11.3 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall not be obligated to fund or reimburse any fees or costs provided by any additional counsel for the indemnified party, including counsel through which the indemnified party might voluntarily choose to participate in its defense of the same matter.

11.4 After the indemnifying party has begun to provide a legal defense for the indemnified party, the indemnifying party shall be obligated to reimburse the reasonable attorney's fees and costs incurred by the indemnified party during the initial thirty (30) day period of the claim or cause of action, if any, incurred by separate counsel.

12 INDEPENDENT CONTRACTOR:

12.1 An independent contractor is a natural person, firm or corporation who agrees to perform services for a fixed price according to his or its own methods and without subjection to the supervision or control of the other contracting party, except as to the results of the work, and not as to the means by which the services are accomplished.

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12.2 It is mutually agreed that **CONSULTANT** is associated with **CITY** only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract. **CONSULTANT** is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract.

12.3 Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for **CITY** whatsoever with respect to the indebtedness, liabilities, and obligations of **CONSULTANT** or any other party.

12.4 **CONSULTANT** shall indemnify and hold **CITY** harmless from, and defend **CITY** against, any and all losses, damages, claims, costs, penalties, liabilities, expenses arising out of or incurred in any way because of, but not limited to, **CONSULTANT'S** obligations or legal duties regarding any taxes, fees, assessments, benefits, entitlements, notice of benefits, employee's eligibility to work, to any third party, subcontractor, employee, state, local or federal governmental entity.

12.5 Neither **CONSULTANT** nor its employees, agents, or representatives shall be considered employees, agents, or representatives of **CITY**.

13 INSURANCE REQUIREMENTS:

13.1 **CONSULTANT**, as an independent contractor and not an employee of **CITY**, must carry policies of insurance in amounts specified and pay all taxes and fees incident hereunto. **CITY** shall have no liability except as specifically provided in this Contract.

13.2 **CONSULTANT** shall not commence work before: (1) **CONSULTANT** has provided the required evidence of insurance to Carson City Purchasing and Contracts, and (2) **CITY** has approved the insurance policies provided by **CONSULTANT**.

13.3 Prior approval of the insurance policies by **CITY** shall be a condition precedent to any payment of consideration under this Contract and **CITY'S** approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this Contract. Any failure of **CITY** to timely approve shall not constitute a waiver of the condition.

13.4 Insurance Coverage:

13.4.1 **CONSULTANT** shall, at **CONSULTANT'S** sole expense, procure, maintain and keep in force for the duration of this Contract the following insurance conforming to the

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minimum requirements specified below. Unless specifically specified herein or otherwise agreed to by **CITY**, the required insurance shall be in effect prior to the commencement of work by **CONSULTANT** and shall continue in force as appropriate until the latter of:

- 13.4.1.1 Final acceptance by **CITY** of the completion of this Contract; or
- 13.4.1.2 Such time as the insurance is no longer required by **CITY** under the terms of this Contract.

13.4.2 Any insurance or self-insurance available to **CITY** shall be in excess of and non-contributing with any insurance required from **CONSULTANT**. **CONSULTANT'S** insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by **CITY**, **CONSULTANT** shall provide **CITY** with renewal or replacement evidence of insurance no less than thirty (30) calendar days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by this Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as **CONSULTANT** has knowledge of any such failure, **CONSULTANT** shall immediately notify **CITY** and immediately replace such insurance or bond with an insurer meeting the requirements.

13.5 General Requirements:

13.5.1 **Certificate Holder:** Each liability insurance policy shall list Carson City c/o Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701 as a certificate holder.

13.5.2 **Additional Insured:** By endorsement to the general liability insurance policy evidenced by **CONSULTANT**, The City and County of Carson City, Nevada, its officers, employees and immune contractors shall be named as additional insureds for all liability arising from this Contract.

13.5.3 **Waiver of Subrogation:** Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.

13.5.4 **Cross-Liability:** All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

13.5.5 **Deductibles and Self-Insured Retentions:** Insurance maintained by **CONSULTANT** shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by **CITY**. Such approval shall not relieve **CONSULTANT** from the obligation to pay any deductible or self-insured retention. Any

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deductible or self-insured retention shall not exceed \$5,000 per occurrence, unless otherwise approved by **CITY**.

13.5.6 Policy Cancellation: Except for ten (10) calendar days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) calendar days prior written notice to Carson City Purchasing and Contracts, the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to Carson City Purchasing and Contracts, 201 N. Carson Street Suite 3, Carson City, NV 89701.

13.5.7 Approved Insurer: Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to the State and having agents in Nevada upon whom service of process may be made, and currently rated by A.M. Best as "A-VII" or better.

13.5.8 Evidence of Insurance: Prior to commencement of work, **CONSULTANT** must provide the following documents to Carson City Purchasing and Contracts, 201 North Carson Street Suite 3, Carson City, NV 89701:

13.5.8.1 Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to Carson City Purchasing and Contracts to evidence the insurance policies and coverages required of **CONSULTANT**.

13.5.8.2 Additional Insured Endorsement: An Additional Insured Endorsement (CG20 10 or C20 26), signed by an authorized insurance company representative, must be submitted to Carson City Purchasing and Contracts to evidence the endorsement of **CITY** as an additional insured per Subsection 13.5.2.

13.5.8.3 Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

13.5.9 Review and Approval: Documents specified above must be submitted for review and approval by Carson City Purchasing and Contracts prior to the commencement of work by **CONSULTANT**. Neither approval by **CITY** nor failure to disapprove the insurance furnished by **CONSULTANT** shall relieve **CONSULTANT** of **CONSULTANT'S** full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of **CONSULTANT** or its sub-contractors, employees or agents to **CITY** or others, and shall be in addition to and not in lieu of any other remedy available to **CITY** under this Contract or otherwise. **CITY** reserves the right to request and

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review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

14 COMMERCIAL GENERAL LIABILITY INSURANCE:

14.1 Minimum Limits required:

14.1.1 Two Million Dollars (\$2,000,000.00) - General Aggregate

14.1.2 Two Million Dollars (\$2,000,000.00) - Products & Completed Operations Aggregate

14.1.3 One Million Dollars (\$1,000,000.00) - Each Occurrence

14.2 Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

15 BUSINESS AUTOMOBILE LIABILITY INSURANCE:

15.1 Minimum Limit required:

15.1.1 One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage

15.2 Coverage shall be for "any auto", including owned, non-owned and hired vehicles. The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

16 PROFESSIONAL LIABILITY INSURANCE:

16.1 Minimum Limit required: One Million Dollars (\$1,000,000.00)

16.2 Retroactive date: Prior to commencement of the performance of this Contract

16.3 Discovery period: Three (3) years after termination date of this Contract.

16.4 A certified copy of this policy may be required.

17 WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY INSURANCE:

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17.1 **CONSULTANT** shall provide workers' compensation insurance as required by Nevada Revised Statutes Chapters 616A through 616D inclusive and Employer's Liability insurance with a minimum limit of \$500,000 each employee per accident for bodily injury by accident or disease.

17.2 **CONSULTANT** may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that **CONSULTANT** is a sole proprietor; that **CONSULTANT** will not use the services of any employees in the performance of this Contract; that **CONSULTANT** has elected to not be included in the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive; and that **CONSULTANT** is otherwise in compliance with the terms, conditions, and provisions of Nevada Revised Statutes Chapters 616A-616D, inclusive.

18 BUSINESS LICENSE:

18.1 **CONSULTANT** shall not commence work before **CONSULTANT** has provided a copy of his Carson City business license to Carson City Purchasing and Contracts.

18.2 The Carson City business license shall continue in force until the latter of: (1) final acceptance by **CITY** of the completion of this Contract; or (2) such time as the Carson City business license is no longer required by **CITY** under the terms of this Contract.

19 COMPLIANCE WITH LEGAL OBLIGATIONS:

19.1 **CONSULTANT** shall procure and maintain for the duration of this Contract any state, county, city, or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by **CONSULTANT** to provide the goods or services of this Contract. **CONSULTANT** will be responsible to pay all government obligations, including, but not limited to, all taxes, assessments, fees, fines, judgements, premiums, permits, and licenses required or imposed by law or a court. Real property and personal property taxes are the responsibility of **CONSULTANT** in accordance with Nevada Revised Statutes 361.157 and 361.159. **CONSULTANT** agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this Contract. **CITY** may set-off against consideration due any delinquent government obligation.

20 WAIVER OF BREACH:

20.1 Failure to declare a breach or the actual waiver of any particular breach of this Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

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21 SEVERABILITY:

21.1 If any provision contained in this Contract is held to be unenforceable by a court of law or equity, this Contract shall be construed as if such provision did not exist and the nonenforceability of such provision shall not be held to render any other provision or provisions of this Contract unenforceable.

22 ASSIGNMENT/DELEGATION:

22.1 To the extent that any assignment of any right under this Contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the performance of this Contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by **CITY**, such offending portion of the assignment shall be void, and shall be a breach of this Contract. **CONSULTANT** shall neither assign, transfer nor delegate any rights, obligations or duties under this Contract without the prior written approval of **CITY**.

23 CITY OWNERSHIP OF PROPRIETARY INFORMATION:

23.1 Any files, reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer programs, computer codes, and computer records (which are intended to be consideration under this Contract), or any other documents or drawings, prepared or in the course of preparation by **CONSULTANT** (or its subcontractors) in performance of its obligations under this Contract shall be the exclusive property of **CITY** and all such materials shall be delivered into **CITY** possession by **CONSULTANT** upon completion, termination, or cancellation of this Contract. **CONSULTANT** shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of **CONSULTANT'S** obligations under this Contract without the prior written consent of **CITY**. Notwithstanding the foregoing, **CITY** shall have no proprietary interest in any materials licensed for use by **CITY** that are subject to patent, trademark or copyright protection.

23.2 **CITY** shall be permitted to retain copies, including reproducible copies, of **CONSULTANT'S** drawings, specifications, and other documents for information and reference in connection with this Contract.

23.3 **CONSULTANT'S** drawings, specifications and other documents shall not be used by **CITY** or others without expressed permission of **CONSULTANT**.

24 PUBLIC RECORDS:

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24.1 Pursuant to Nevada Revised Statute 239.010, information or documents received from **CONSULTANT** may be open to public inspection and copying. **CITY** will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. **CONSULTANT** may clearly label specific parts of an individual document as a "trade secret" or "confidential" in accordance with Nevada Revised Statute 332.061, provided that **CONSULTANT** thereby agrees to indemnify and defend **CITY** for honoring such a designation. The failure to so label any document that is released by **CITY** shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

25 CONFIDENTIALITY:

25.1 **CONSULTANT** shall keep confidential all information, in whatever form, produced, prepared, observed or received by **CONSULTANT** to the extent that such information is confidential by law or otherwise required by this Contract.

26 FEDERAL FUNDING:

26.1 In the event federal funds are used for payment of all or part of this Contract:

26.1.1 **CONSULTANT** certifies, by signing this Contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

26.1.2 **CONSULTANT** and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

26.1.3 **CONSULTANT** and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions).

27 LOBBYING:

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27.1 The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this Contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

- 27.1.1** Any federal, state, county or local agency, legislature, commission, counsel or board;
- 27.1.2** Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or
- 27.1.3** Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

28 GENERAL WARRANTY:

28.1 **CONSULTANT** warrants that all services, deliverables, and/or work product under this Contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications as set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

29 PROPER AUTHORITY:

29.1 The parties hereto represent and warrant that the person executing this Contract on behalf of each party has full power and authority to enter into this Contract. **CONSULTANT** acknowledges that this Contract is effective only after approval by the Carson City Board of Supervisors and only for the period of time specified in this Contract. Any services performed by **CONSULTANT** before this Contract is effective or after it ceases to be effective are performed at the sole risk of **CONSULTANT**.

30 ALTERNATIVE DISPUTE RESOLUTION:

30.1 Pursuant to NRS 338.150, public body charged with the drafting of specifications for a public work shall include in the specifications a clause requiring the use of a method of alternative dispute resolution before initiation of a judicial action if a dispute arising between the public body and the contractor engaged on the public work cannot otherwise be settled. Therefore, in the event that a dispute arising between **CITY** and **CONTRACTOR** cannot otherwise be settled, **CITY** and **CONTRACTOR** agree that, before judicial action may be initiated, **CITY** and **CONTRACTOR** will submit the dispute to non-binding mediation. **CITY** shall present **CONTRACTOR** with a list of three potential mediators. **CONTRACTOR** shall

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select one person to serve as the mediator from the list of potential mediators presented by CITY. The person selected as mediator shall determine the rules governing the mediation.

31 GOVERNING LAW; JURISDICTION:

31.1 This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. **CONSULTANT** consents and agrees to the jurisdiction of the courts of the State of Nevada located in Carson City, Nevada for enforcement of this Contract.

32 ENTIRE CONTRACT AND MODIFICATION:

32.1 This Contract and its integrated attachment(s) constitute the entire Contract of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other Contracts that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this Contract specifically displays a mutual intent to amend a particular part of this Contract, general conflicts in language between any such attachment and this Contract shall be construed consistent with the terms of this Contract. Unless otherwise expressly authorized by the terms of this Contract, no modification or amendment to this Contract shall be binding upon the parties unless the same is in writing and signed by the respective parties hereto and approved by the Carson City Board of Supervisors.

**PROFESSIONAL SERVICES AGREEMENT RELATED TO CONSTRUCTION
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Contract No. 0910-203

**Engineering Services for the Saw Mill Canyon Pipeline
and Water Delivery Project**

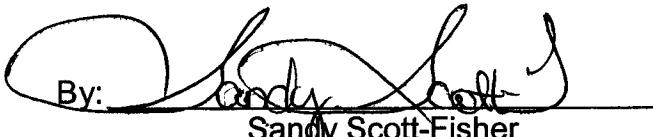
33 ACKNOWLEDGMENT AND EXECUTION:

33.1 In witness whereof, the parties hereto have caused this Contract to be signed and intend to be legally bound thereby.

CARSON CITY

Finance Director

Attn: Sandy Scott-Fisher, Purchasing &
Contracts Coordinator
201 North Carson Street, Suite 3
Carson City, Nevada 89701
Telephone: 775-283-7137
Fax: 775-887-2107
SScott@ci.carson-city.nv.us

By: 

Sandy Scott-Fisher

DATED 7/27/10

CITY'S LEGAL COUNSEL

Neil A. Rombardo, District Attorney

I have reviewed this Contract and approve
as to its legal form.

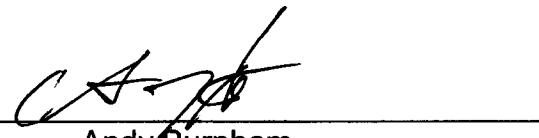
By: 

Krist N. Luis
Deputy District Attorney

DATED 7/27/10

CITY'S ORIGINATING DEPARTMENT

BY: Andrew Burnham, Director
Carson City Public Works Department
3505 Butti Way
Carson City, NV 89701
Telephone: 775-887-2355
Fax: 775-887-2112
ABurnham@ci.carson-city.nv.us

By: 

Andy Burnham

DATED 7-27-10

**PROFESSIONAL SERVICES AGREEMENT RELATED TO CONSTRUCTION
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SAMPLE INVOICE

Invoice Number: _____

Invoice Date: _____

Invoice Period: _____

Vendor Number: _____

Black and Veatch Corporation

503 North Division Street

Carson City, Nevada 89703

Invoice shall be submitted to:

Carson City Public Works

Attn: Karen White

3505 Butti Way

Carson City NV 89701

Line Item #	Description	Unit Cost	Units Completed	Total \$\$
Total for this invoice				

Original Contract Sum \$ _____
Less amount previously billed \$ _____
= contract sum prior to this invoice \$ _____
Less this invoice \$ _____
=Dollars remaining on Contract \$ _____

ENCLOSE COPIES OF RECEIPTS & INVOICES FOR EXPENSES & OUTSIDE SERVICES

**PROFESSIONAL SERVICES AGREEMENT RELATED TO CONSTRUCTION
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CONTRACT ACCEPTANCE AND EXECUTION:

The Board of Supervisors for Carson City, Nevada at their publicly noticed meeting of May 20, 2010 approved the acceptance of **CONTRACT No. 0910-203**. Further, the Board of Supervisors authorizes the Mayor of Carson City, Nevada to set his hand to this document and record his signature for the execution of this contract in accordance with the action taken.

CARSON CITY, NEVADA

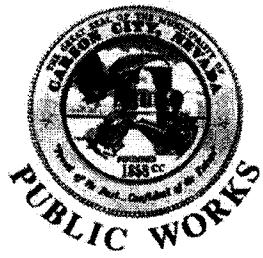
ROBERT L. CROWELL, MAYOR

DATED this 5th day of August, 2010.

ATTEST:

ALAN GLOVER, CLERK-RECORDER

DATED this 5th day of August, 2010.



**GRANT APPLICATION PACKAGE
FOR
SAW MILL CANYON PIPELINE AND WATER DELIVERY
PLANNING**

Submitted by:
Carson City Department of Public Works
3505 Butti Way
Carson City, NV 89701

Submitted to:
Grants Management Office (MTS-7)
Management and Technical Services Division
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105-3901

March 2010



Introduction

Carson City (City) is taking a proactive approach to ensure a sustainable and reliable water supply for its customers. The proposed Marlette-Hobart System Improvements Project (Project) between the State of Nevada (State) and the City seeks to maximize delivery and hydraulic capacity of the State's raw water sources in the Marlette-Hobart conveyance system, Franktown Creek and the East Slope system (collectively referred as the State System) to the City's supply system as well as the Storey County water system.

Background

Carson City has a current population of approximately 57,000 people and a controlled growth plan that sets a cap on annual growth at a maximum of 3 percent per year and a maximum population of 80,000 people. Over the last two years, Carson City has completed a Water Supply Master Plan that identifies the needed water supply and water treatment and transmission facilities to meet its build out population. While the City's growth has tapered off during the last several years, the City's supplies have experienced impacts due to new water quality regulations and the existing facilities have not been upgraded to meet new system demands. In particular, the City's distribution system experiences storage and pressure issues at several locations, particularly during high demand periods.

Water quality monitoring results indicate that several wells in the City's potable water system have arsenic and uranium concentrations that exceed the current United States Environmental Protection Agency (USEPA) maximum contaminant level (MCL) of 10 µg/L for arsenic and 30 µg/L for uranium. Arsenic impacted wells include Wells 4, 7, 11, 24, 45, 47, 49, 53, and 54. The City is has completed the constructing an arsenic treatment facility. However, this new facility will only treat groundwater produced by Wells 4 and 49.

Uranium impacted wells include Wells 5, 6, 7, 10B, 34, 46, 51, and 55. The Water Supply Master Plan has identified the high quality raw water from the MHWS as the primary source of water to provide blending of the Uranium impacted wells to bring them into compliance with the regulatory standards.

The Eagle Valley Basin, the largest hydrographic resource area for the City, has experienced a decline in well yields and drier than normal climate has limited available surface water resources and reduced groundwater recharge. This situation has apparent impacts to the overall production of water available from the City's existing water rights granted by the State's Engineer Office.

Currently, through efficiently and conjunctively operating its existing water resources and facilities, the City's Department of Public Works has been able to manage these challenges and continue providing adequate water quality and quantity to its population. However, it is clear that this situation is not sustainable and that the City will not be able to reliably provide adequate drinking water service unless the water from the MHWS can be made into a reliable source of water for the City.

Through implementation of the development of additional ground water wells in adjacent hydrographic resource areas and the development of an inter-county water system, the City has a firm water supply for a population of approximately 65,000 people. The development



EXHIBIT A WORK PLAN

of additional water supplies from the (MHWS) has been identified as the primary source of water for the City to meet its build out population limit of 80,000 people.

The MHWS is an existing State owned and operated system that has provided water supplies to Carson City and Storey County in Nevada since the Virginia City area was a booming Gold and Silver mining town. This system was specially constructed in the 1860s to provide needed water supply to Virginia City and surrounding mining communities. Over the years, the system was augmented to provide water deliveries to Carson City. Today, this system is the sole source of water for the Storey County water system and also provides Carson City with a significant portion of its present day water supply.

The Marlette-Hobart System or State System consists of the Marlette Lake, Hobart Lake, and associated network of piping and pump stations to convey water to the City and Storey County. The project area is shown in Figure 1. The pipeline designated for replacement was severely damaged by heavy equipment using the roadway that the pipeline occupies to access and fight a recent major forest fire.

Water from Marlette Lake (approximate EL 7838) is pumped to the Hobart Creek/Hobart Lake drainage area via a 12 inch pipeline (Refer to EPA Project No. XP-97966501). Water from Hobart Reservoir (El 7650) discharges into Franktown creek and is conveyed to the Red House Diversion Structure. The Red House Diversion structure diverts water from the East Slope watershed (conveyed by the East Slope Collection Pipeline) and Franktown Creek into an 18 inch pipeline which conveys this water to a 22,000 gallon capacity steel storage tank at the Tanks (approximate EL 7000)¹. The Tanks provides water to Storey County via a 10 inch pipeline and to Carson City's Quill Water Treatment Plant (WTP) via a 10 inch steel pipeline. Water received at the Quill WTP is treated and sent to the City's distribution system.

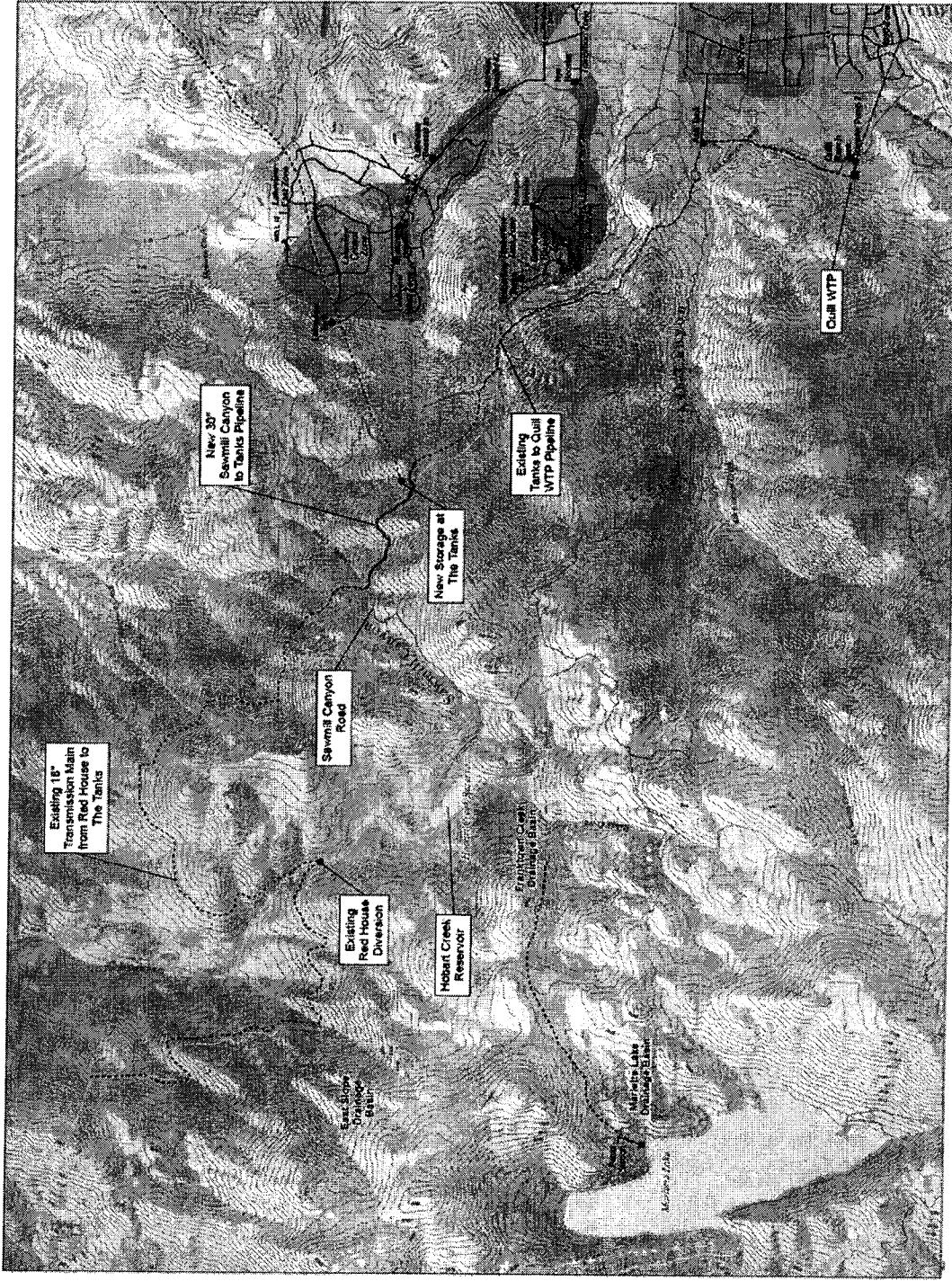
The City's Quill WTP currently receives water from three sources: Ash Canyon, King Canyon, and State System. The existing rated capacity of Quill is approximately 4 MGD (2,800 gpm) with an ultimate build out capacity of 9.2 MGD (6,400 gpm). Currently, The State System does not have the capacity to deliver this quantity of water to the Quill WTP.

Preliminary hydraulic yield analysis indicates that the State System may be able to yield approximately 8,000 gpm with frequent yields in excess of 9,000 gpm. These levels of flow generally occur during the spring runoff period on all of the tributaries included in this analysis. In the future, it is envisioned that once necessary improvements are made to the MHWS the operation of the Quill WTP will take water from the State System first and that Ash and Kings Canyons will provide the secondary, supplemental supply to allow the Quill WTP to operate at or near full capacity. This will also allow flows from the Ash and Kings Canyon to recharge the ground water basin.

¹ The 24 inch pipeline reduces to an 18 inch steel pipeline approximately 2000 feet below the Red House Diversion Structure.

EXHIBIT A WORK PLAN

SAW MILL CANYON PIPELINE AND WATER DELIVERY PLANNING



BLACK & VEATCH

Figure 1: Mariette Hobart Water System Overview

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March 30, 2010

[®]

EXHIBIT A WORK PLAN

SAWMILL CANYON PIPELINE AND WATER DELIVERY PLANNING

PROJECTS GOALS/OBJECTIVES

The goal of this project is to enhance reliability and provide a sustainable water supply for the City and Storey County. The work proposed in this Work Plan is critical in maintaining the water supply for the City and Storey County since the State System is a key source of water available to meet its supply needs. Additional benefits and outcomes of the Project include:

- Maintain a high quality water supply for the City and Storey County
- Provide reliable and sustainable water supply for the City to meet water demands under build out conditions.
- Increase water supply for blending to lower uranium levels in the City's water supply
- Optimize hydraulic performance of the conveyance, storage, and distribution facilities

The City has identified raw water supplies to accommodate a population of approximately 65,000 people without an expansion of the State System. The City would increase the size of the replacement pipeline to provide the additional supply for the build-out population of 80,000 people and to accommodate the use of MHWS water supply for groundwater recharge. This additional water supply represents less than a thirty percent increase in water supply and population increase.

The City has already completed a preliminary study and identified the necessary improvements for the overall Project. Several projects (e.g. pipeline replacements, water treatment plant expansion, pump station upgrade, etc.) have been identified and prioritized in the City's implementation plan over a total of 8 phases. The proposed Work Plan detailed below contains some of the projects identified in overall Project implementation plan. The projects or objectives proposed for this Work Plan will be broken into three phases as follows:

Phase 1

1. Prepare a submittal for a request for a Categorical Exclusion (CE) for the design of the replacement pipeline from Saw Mill Canyon to the Tanks. This will also include preparing a letter report of the species review that will be used for recommendations to the appropriate Federal, State and crosscutter agencies. If recommendations recommend further assessment, the SOW, Budget and Schedule will be adjusted to reflect the recommended action.
2. Evaluate Tanks Meter House flow meter and control valve operation and recommend improvements
3. Assess condition and provide recommendations to replace existing outlet control valves on the Marlette Lake Dam and Hobart Reservoir Dam
4. Investigate feasibility and prepare preliminary planning for installation of flashboards at Marlette Lake for seasonal storage augmentation



Phase 2

1. If the assessment of species and CE submittal under Phase 1 result in an EID or EA being necessary, the SOW, Budget and Schedule will be adjusted to reflect the recommended action. If work done under the CE submittal is approved by EPA, then design documents will be prepared for the Saw Mill Canyon Pipeline. This may or may not include supplemental storage at The Tanks to provide the current operations with additional capacity to avoid occasional spills.
2. The Tank Meter House flow meter and control valve assessment under Phase 1 will recommend improvements to the existing system which will be included in the Saw Mill Canyon Pipeline design.
3. Based on the recommendations from the outlet valves evaluation and discussion with State Engineer in Phase 1, the SOW, Budget and Schedule for the Marlette Lake Water Management Plan, will submitted for review and approvals. If the State Engineer recommendations indicate that installing flashboards is not feasible, then the Water Management Plan will not be pursued.

Phase 3

If any grant funds are remaining after the completion of Phase 1 and Phase 2, they will be applied to the construction of the pipeline.

Only the work tasks to execute the Phase 1 work are included in this work plan. The tasks for Phase 2 and Phase 3 will be provided as a supplement to this work plan after the Phase 1 work is complete.

DELIVERABLES/WORK PRODUCTS

The deliverables of this project will include meetings/workshops and site visits, and a series of technical memoranda (TMs). Each TM will include an executive summary as appropriate. The list of deliverables for this project includes:

1. The following meetings/workshops (Total of 5 meetings):
 - a. Two meetings with the EPA with regards to the CE request
 - b. Meeting to discuss the Tank Meter House flow meter and valve TM
 - c. Meeting to discuss the divers report and recommendation for outlet valves on Marlette Lake Dam and Hobart Reservoir Dam
 - d. Meeting with State Engineer to Review Dam Safety and Flashboard Installation
2. The following site visits:
 - a. One site visit to Saw Mill Canyon Pipeline (combined with one of the meetings)
 - b. One site visit to monitor the divers work for Marlette Lake and Hobart Reservoir outlet valves



3. The following technical memoranda:

- a. TM1: Evaluation of the Tanks Meter House Flow Meter and Control Valve
- b. TM2: Review of Diver's Report and Recommendation for Marlette Lake and Hobart Reservoir Outlet Valves
- c. TM3: Marlette Lake Flashboards Evaluation

All the documents described above, with the exceptions of the workshop/meeting material, will be initially presented to the City in draft form for their review. After receiving the City's feedback on their review of the draft document, Black & Veatch will issue a final version of each document that will address the City's comments and incorporate the City's suggestions.

PROJECT SCHEDULE

It is estimated that the timeframe to complete this project is four months from the issuance of the Notice to Proceed. A preliminary project schedule, broken down by the tasks described in the tasks section, is provided in Appendix A and includes timeframes for task completion and associated deliverables.

INCREMENTAL STEPS TO ACCOMPLISH THE WORK PRODUCTS (TASKS)

Black & Veatch has prepared a work plan with tasks specifically crafted to achieve the objectives described above with an integrated, methodical, and efficient approach. This work plan includes the following tasks:

Task 1 - Project Management

Task 2 – Prepare a Submittal to Request a Categorical Exclusion (CE) for the design of a replacement pipeline from Saw Mill Canyon to Tanks

If request for CE is approved by the EPA and a CE is issued, then the design of pipeline will be performed in Phase 2 as mentioned earlier. If supplemental documentation, such as an Environmental Information Document or an Environmental Assessment, is requested by the EPA to grant the CE approval, such document will be prepared and the scope and budget for this task will be adjusted to reflect that effort.

Task 3 – Tank Meter House Flow Meter and Control Valve Evaluation

Task 4 – Condition Assessment of Existing Outlet Control Valves/Piping at the Marlette Lake Dam and Hobart Reservoir Dam.

Task 5 - Meet with the State Engineer to determine the feasibility for installation of flashboards at Marlette Lake for seasonal storage augmentation. Prepare Letter Report on results and determinations from State Engineer with recommendations.



EXHIBIT A
WORK PLAN
SAWMILL CANYON PIPELINE AND WATER DELIVERY PLANNING

These tasks are described in detail in the Work Plan provided below.

TASK 1 - PROJECT MANAGEMENT

Task 1.1 - Administration and Invoicing

This task includes general administration duties associated with the project, including progress monitoring, scheduling, general correspondence, office administration, invoicing, and communication with City staff to execute work in accordance with scope, budget, and schedule.

Task 1.2 - Project Procedures Manual

A Project Procedures Manual will be prepared for the "Marlette Hobart System Improvements" project. At a minimum, this manual will include updated information on project contacts, a project schedule, a project budget, a Quality Assurance/Quality Control (QA/QC) plan, and other information pertinent to this project execution.

Task 1.3 – Quality Assurance and Control

A Quality Assurance/Quality Control review will be performed using Black & Veatch's standard continuous QC plan. B&V will implement the QA/QC plan to check, as a minimum, design methods, calculations, drawings, specifications, cost estimates, field investigations and measurements, and other technical issues associated with the Project design.

TASK 2 – PREPARE A SUBMITTAL TO REQUEST A CATEGORICAL EXCLUSION (CE) FOR THE DESIGN OF A REPLACEMENT PIPELINE FROM SAW MILL CANYON TO TANKS

Task Description

An information packet for the project will be prepared to provide the information needed to request a Categorical Exclusion (CATEX) in accordance with EPA Publication No. 315-K-08-001, Chapter 2 and the Cross-Cutter Coordination and Consultation Process identified in Appendix C. Documentation will include:

- 1) Concurrence from the applicable environmental agencies on the crosscutter list at: http://www.epa.gov/region4/water/gtas/workbookdocs/crosscutter_chart.pdf.
Typically this list will include the following:
 - a. The State Historic Preservation Office,
 - b. The US Fish and Wildlife Service,
 - c. The US Army Corps of Engineers,
 - d. Other crosscutter federal agencies as appropriate.



- 2) Detailed description of the project and/or preliminary engineering report along with any site plan showing the project location and its extent. Documents will clearly describe the project, including pipe sizes and lengths, etc.
- 3) This will also include preparing a letter report of the species review that will be used for recommendations to the appropriate Federal, State and crosscutter agencies. Since the extent of work is not fully known at this stage, a sub consultant cost of \$10,000 is budgeted for this work.
- 4) Any city or regional maps that show the project in relation to the local area and help demonstrate the limited nature of the project.
- 5) Information regarding the environmental results of the proposed project as referenced in EPA's Projected Environmental Results for Drinking Water Projects at http://www.epa.gov/region4/water/gtas/workbookdocs/projected_ENV_Results_DW102407.pdf.

Two meetings with EPA to discuss the CE process are budgeted.

If EPA determines that an Environmental Information Document or an Environmental Assessment will be necessary, a revised Task Description, Scope of Services, Budget and Schedule will be prepared and submitted to EPA for approval and funding prior to proceeding.

TASK 3 – TANKS METER HOUSE FLOW METER AND CONTROL VALVE INVESTIGATION

The Tanks storage tank facilities consist of a 20,000 gallon steel storage tank that receives water from Marlette Lake, Hobart Reservoir, and East Slope collection system via an 18 inch raw water pipeline. There are two outlet pipelines that emerge from this tank that discharge raw water to Story County and Carson City. The City has reported that the 10-inch diameter line to Carson City has a control valve and flow meter and its capacity is limited to 2,000 gpm. The control valve closes when the flow reaches around 2,000 gpm. The City has requested B&V to investigate the valve and flow meter, verify its operation, and prepare recommendations for improvements in order to get more flow through the Meter House to the pipeline servicing the Quill Water Treatment Plant.

Task 3.1 – Tank Meter House Valve and Flow Meter Investigation TM

B&V will review the installation of the Tank meter house valve and flow meter including the mechanical piping arrangement and electrical and I&C setup to evaluate the modifications needed.

B&V will prepare a technical memorandum (TM) presenting the evaluation of the valve and flow meter and provide recommendations for repairs as required. A draft and final TM will be prepared, and the City's comments on the Draft TM will be incorporated in the Final TM. One meeting is included in the budget for review of TM1

Deliverable: TM1: Control Valve and Flow Meter Technical Memorandum



TASK 4 - ASSESS CONDITION AND DEVELOP METHOD TO REPLACE EXISTING OUTLET CONTROL VALVES ON THE MARLETTA LAKE DAM AND HOBART RESERVOIR DAM

B&V will review the existing data and information provided by the State on the outlets for Marlette Lake dam and Hobart Reservoir dam. In addition to reviewing the existing as-built data provided by the City and State, field investigation of the existing valves and outlet pipes would be necessary. It is anticipated that an underwater investigation would be required to accurately characterize the configuration and condition of the existing facilities that are submerged. The City/State will contract directly with a local diving company that specializes in performing underwater investigations. The scope of work does not include the effort associated with doing underwater investigation. B&V will coordinate with the City/State selected firm in terms of the information needed to ascertain the condition of existing facilities. B&V engineer will be present onsite for one day to witness the underwater video inspection work performed by the divers.

Based on the review of the available information and the inspection report provided by the divers, B&V will evaluate and make recommendations on the repair/replacement of the existing valves. This evaluation and recommendation will be provided to the City/State in the form of a technical memorandum.

One site visit and one meeting to discuss the TM are included in the budget

Deliverable: TM2: Review of Diver's Report and Recommendation for Marlette Lake and Hobart Reservoir Outlet Valves

TASK 5 - INVESTIGATE FEASIBILITY AND PREPARE PRELIMINARY PLANNING FOR INSTALLATION OF FLASHBOARDS AT MARLETTA LAKE FOR SEASONAL STORAGE AUGMENTATION

The use of seasonal flashboards to allow seasonal augmentation of storage in Marlette Lake has been reviewed by the State Buildings and Grounds, the Nevada Department of Wildlife, and Carson City. There is a desire to continue the planning process for the installations of seasonal flashboards on the existing dam spillway. This work task will include the preliminary planning for the seasonal flashboards, meeting with the Nevada State Engineer to determine if there are dam safety issues that need to be considered. Based on the discussions with the State Engineer and review of available data, B&V will prepare a memorandum summarizing the findings and recommendations related to seasonal flashboards installation. The TM will only report the State Dam Safety code requirements and summarize the discussions with the State Engineer with regards to dam safety including issues, if any, raised by the State Engineer. One meeting with State Engineer to Review Dam Safety and Flashboard Installation

Deliverable: TM3: Marlette Lake Flashboards and Dam Safety Evaluation



EXHIBIT A
WORK PLAN
SAWMILL CANYON PIPELINE AND WATER DELIVERY PLANNING

PROJECT BUDGET

The project budget enclosed in Appendix B provides a breakdown of the costs associated with the work products and tasks described in this work plan.

SOURCE OF MATCHING FUNDS

As required by the Appropriations Act, the City will provide matching funds for the 45 percent of the total cost of this project or \$ 277,364 of the total cost of \$616,364. The total budget for Phase 1 is \$167,000.

MEASURES USED TO EVALUATE THE SUCCESS OF THE WORK PRODUCTS AND ENVIRONMENTAL BENEFITS AND OUTCOMES

This work effort will provide essential investigations, planning, and analyses to identify feasible solutions to enhance the existing State System to continue reliable and sustainable water delivery to the City and Storey County.

The environmental benefits associated with this project include:

- Maintain a high quality water supply for the City and Storey County
- Increase water supply for blending to lower uranium levels in the City's water supply

Given the nature of this project, the success of the work products and environmental benefits and outcomes will be evaluated by assessing how the project deliverables (technical memoranda) address the objectives of this project. Completion of new pipeline and other facilities identified in this project in subsequent phases would ultimately validate the success of the work products and environmental benefits.

LOCATION MAP

The location map of the water system, which is the focus of this project, is provided in Figure 1 at the beginning of this document.

REPORTING

The project will prepare Quarterly Reports. The last Quarterly Report will serve as a Final Report. Quarterly Reports will include an executive summary of work done to date and how effective the project was in achieving the stated environmental and public health objectives. Quarterly Reports will also include any deliverable produced during the reporting quarter. Per EPA guidance, the following quarterly report schedule will be followed:

<u>Reporting Period</u>	<u>Report Due Date</u>
January 1 - March 31	April 30
April 1 - June 30	July 31
July 1 - September 30	October 31
October 1 - December 31	January 31

EXHIBIT A

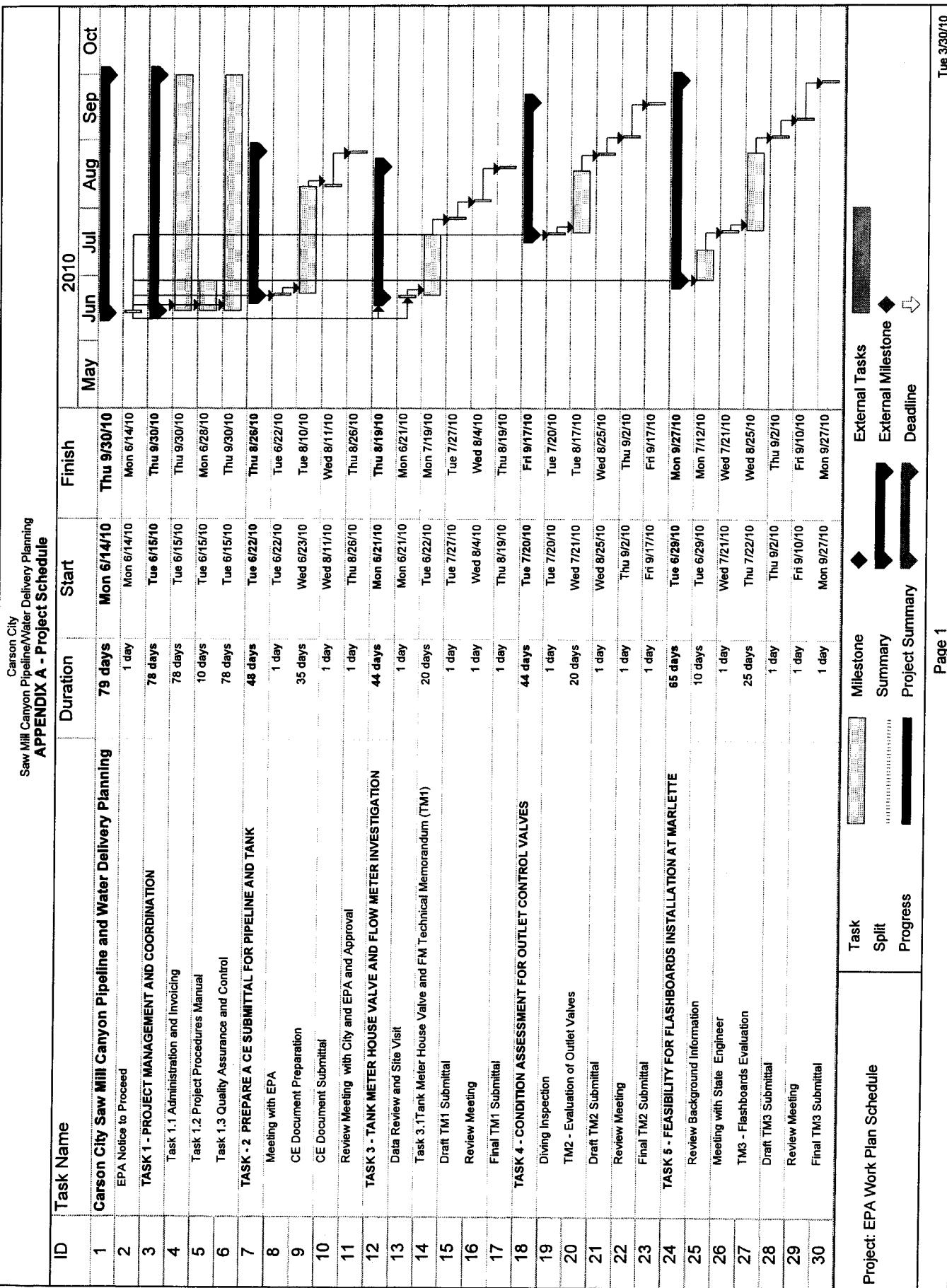


EXHIBIT A

Carson City
Saw Mill Canyon Pipeline and Water Delivery Planning
APPENDIX B - Hours and Fee Estimate

Project Element & Task Descriptions	Labor Hours	Labor Cost	Expenses	Total Cost
TASK 1 - PROJECT MANAGEMENT AND COORDINATION	166	\$30,400	\$1,300	\$31,700
Task 1.1 Administration and Invoicing	100	\$16,800	\$1,000	\$17,800
Task 1.2 Project Procedures Manual	26	\$4,100		\$4,100
Task 1.3 Quality Assurance and Control	40	\$9,500	\$300	\$9,800
TASK - 2 PREPARE A CE SUBMITTAL FOR PIPELINE AND TANK	204	\$37,100	\$17,000	\$54,100
Coordination with Governmental Agencies	76	\$14,100	\$2,000	\$16,100
Prepare Project Description	60	\$10,800	\$2,000	\$12,800
Environmental Results Preparation	68	\$12,200	\$13,000	\$25,200
TASK 3 - TANK METER HOUSE FLOW METER AND VALVE EVALUATION				
Task 3.1 - Tank Meter House Valve and Flow Meter Investigation TM	120	\$22,600	\$1,500	\$24,100
TASK 4 - CONDITION ASSESSMENT FOR OUTLET CONTROL VALVES	144	\$29,000	\$2,000	\$31,000
TASK 5 - FEASIBILITY FOR FLASHBOARDS INSTALLATION AT MARLETT	118	\$24,100	\$2,000	\$26,100
TOTAL FEE	752	\$143,200	\$23,800	\$167,000

APPENDIX B