

**MONTEREY PENINSULA WATER
SUPPLY PROJECT
DESALINATION INFRASTRUCTURE**



REQUEST FOR PROPOSALS

for
Design and Construction of Desalination Infrastructure
for the
Monterey Peninsula Water Supply Project

Issue Date: June 17, 2013

Due Date: September 17, 2013

Pacific Grove, California

TABLE OF CONTENTS

SECTION 1

INTRODUCTION

1.1.	EXECUTIVE SUMMARY	1-1
1.2.	PROPOSAL.....	1-2
1.3.	PROPOSAL SUBMITTAL.....	1-3

SECTION 2

GENERAL INFORMATION

2.1.	PURPOSE OF SOLICITATION.....	2-1
2.2.	MPWSP BACKGROUND AND OBJECTIVES.....	2-1
2.3.	PROJECT DESCRIPTION	2-3
2.3.1	GENERALLY	2-3
2.3.2	DESALINATION PLANT.....	2-3
2.3.3	BRINE CONVEYANCE PIPELINE	2-5
2.3.4	RAW WATER PIPELINE	2-6
2.3.5	SALINAS VALLEY DESALINATED WATER RETURN PIPELINE.....	2-6
2.3.6	DESALINATED WATER CONVEYANCE	2-6
2.3.7	MPWSP NON-PROJECT DESALINATION COMPONENTS	2-6
2.4.	AVAILABLE REPORTS AND MATERIALS	2-7
2.5.	ACCURACY OF RFP AND RELATED DOCUMENTS; RELIANCE ON ORAL COMMENTS	2-8
2.6.	PROJECT SITE.....	2-8
2.6.1	PROJECT SITE DESCRIPTION.....	2-8
2.6.2	PROJECT SITE PREPARATION	2-9
2.6.3	PROJECT SITE ACCESS DURING THE PROPOSAL PERIOD	2-9
2.6.4	GEOTECHNICAL TESTING	2-9
2.7.	PILOT TESTING STUDY.....	2-9
2.8.	FACILITY CAPACITY.....	2-10
2.9.	SCOPE OF SERVICES.....	2-10
2.9.1	DESIGN AND CONSTRUCTION REQUIREMENTS	2-10
2.9.2	BASIC PERFORMANCE REQUIREMENTS.....	2-11
2.9.3	ENVIRONMENTAL COMPLIANCE	2-11
2.9.4	DESIGN	2-12
2.9.5	EQUIPMENT PROCUREMENT	2-12
2.9.6	CONSTRUCTION	2-12
2.9.7	COMMISSIONING AND PRE-ACCEPTANCE TEST TESTING.....	2-13
2.9.8	ACCEPTANCE TESTING	2-13
2.9.9	QUALITY MANAGEMENT	2-13

2.9.10	OPERATION AND MAINTENANCE TRAINING	2-14
2.9.11	SPECIALIZED MAINTENANCE DESIGN-BUILD WORK	2-14
2.9.12	PROVEN TECHNOLOGIES.....	2-14
2.9.13	GOVERNMENTAL APPROVALS	2-16
2.9.14	POST-ACCEPTANCE OBLIGATIONS.....	2-17
2.10.	DRAFT DB AGREEMENT.....	2-17
2.10.1	PURPOSE AND SCOPE	2-17
2.10.2	PROPOSED CHANGES TO THE DB AGREEMENT OR APPENDICES.....	2-17
2.11.	UTILIZATION OF WOMEN, MINORITY, AND DISABLED VETERAN OWNED BUSINESS ENTERPRISES	2-18
2.12.	UTILIZATION OF LOCAL CONTRACTORS AND SUPPLIERS.....	2-19
2.13.	LABOR COMPLIANCE AND PREVAILING WAGE.....	2-19
2.14.	EQUAL EMPLOYMENT OPPORTUNITY	2-20
2.15.	LICENSING REQUIREMENTS.....	2-20
2.16.	EXAMINATION OF CONTRACT DOCUMENTS AND PROJECT SITE	2-20
2.16.1	PROPOSER’S RESPONSIBILITIES	2-20
2.16.2	SITE VISITS	2-21
2.16.3	SITE CONDITIONS	2-21
2.16.4	WORK AT THE SITE BY OTHERS	2-21
2.16.5	HAZARDOUS MATERIALS AND OTHER SPECIFIED CONDITIONS.....	2-21
2.17.	CHANGES IN PROPOSER’S ORGANIZATION.....	2-22
2.18.	SECURITY FOR PERFORMANCE	2-22
2.19.	LIMITATION ON LIABILITY.....	2-22
2.20.	PROPOSAL BOND	2-22

SECTION 3

DESCRIPTION OF PROCUREMENT PROCESS

3.1.	PROCUREMENT PROCESS SCHEDULE	3-1
3.1.1	PRE-PROPOSAL INTERVIEWS	3-2
3.2.	SELECTION COMMITTEE	3-2
3.3.	CAW RIGHTS AND OPTIONS.....	3-2
3.4.	EXPENSE OF PROPOSAL PREPARATION	3-4
3.5.	ADDENDA TO RFP.....	3-4
3.6.	COMMUNICATIONS PROTOCOL.....	3-4
3.7.	USE OF TECHNICAL INFORMATION.....	3-5
3.8.	INFORMATION DISCLOSURE TO THIRD PARTIES.....	3-5
3.9.	CAW RIGHT TO EXAMINE REFERENCE FACILITIES	3-5
3.10.	EVALUATION AND RANKING OF PROPOSALS	3-6
3.11.	NEGOTIATION OF DB AGREEMENT	3-6

SECTION 4

PROPOSAL REQUIREMENTS

4.1. OVERVIEW OF SUBMISSION REQUIREMENTS AND DESIGN CRITERIA FOR PROPOSALS 4-1

4.2. PROPOSAL FORMAT 4-1

4.3. PROPOSAL SUBMISSION 4-4

4.3.1 PROPOSAL DEADLINE 4-4

4.3.2 NUMBER OF COPIES 4-5

4.4. PROPOSAL CONTENTS..... 4-5

4.4.1 SECTION 1.0: EXECUTIVE SUMMARY 4-5

4.4.2 SECTION 2.0: PROJECT TEAM INFORMATION 4-7

4.4.3 SECTION 3.0: TECHNICAL PROPOSAL 4-14

4.4.4 SECTION 4.0: BUSINESS AND PRICE PROPOSAL..... 4-23

4.5. PROPOSAL FORMS GENERALLY 4-29

SECTION 5

EVALUATION OF PROPOSALS

5.1. EVALUATION OF PROPOSALS 5-1

5.2. EVALUATION CRITERIA..... 5-1

5.2.1 WEIGHTING OF EVALUATION CRITERIA..... 5-1

5.2.2 PROJECT DELIVERY 5-2

5.2.3 TECHNICAL RELIABILITY AND VIABILITY 5-3

5.2.4 OPERABILITY..... 5-4

5.2.5 TECHNICAL QUALIFICATIONS 5-4

5.2.6 COST EFFECTIVENESS OF PROPOSAL 5-5

5.2.7 BUSINESS TERMS AND CONDITIONS..... 5-6

5.2.8 FINANCIAL QUALIFICATIONS 5-6

ATTACHMENTS

A. PROPOSAL FORMS

Proposal Form 1	Transmittal Letter
Proposal Form 2	Non-Collusion Affidavit
Proposal Form 3	Disclaimer Statement
Proposal Form 4	Guarantor Acknowledgment
Proposal Form 5	Key Personnel
Proposal Form 6	Verification of Statement of Qualifications Information
Proposal Form 7	Financial Capacity Data
Proposal Form 8	Surety Letter of Intent to Issue a Performance Bond
Proposal Form 9	Surety Letter of Intent to Issue a Payment Bond
Proposal Form 10	Bank Letter of Intent to Issue a Letter of Credit
Proposal Form 11	Insurance Company Letter of Intent

Proposal Form 12	Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date
Proposal Form 13	Fixed Design-Build Price
Proposal Form 13A	Fixed Design-Build Price for Reduced Capacity
Proposal Form 13B	Required Alternative Proposals for 9.6 mgd Facility
Proposal Form 13C	Required Alternative Proposals for 6.4 mgd Facility
Proposal Form 13D	Voluntary Alternative Proposals
Proposal Form 14	Estimated Maximum Drawdown Schedule for 9.6 mgd Facility
Proposal Form 14A	Estimated Maximum Drawdown Schedule for 6.4 mgd Facility
Proposal Form 15	Estimated Operating and Maintenance Costs for 9.6 mgd Facility
Proposal Form 15A	Estimated Operating and Maintenance Costs for 6.4 mgd Facility
Proposal Form 16	Estimated Maximum Electricity Utilization
Proposal Form 17	Maximum Electricity Utilization for Acceptance Testing
Proposal Form 18	Maximum Combined RO Train Permeate Salt Concentrations for Acceptance Testing
Proposal Form 19	Estimated Major Maintenance, Repair, and Replacement Schedule for 9.6 mgd Facility
Proposal Form 19A	Estimated Major Maintenance, Repair, and Replacement Schedule for 6.4 mgd Facility
Proposal Form 20	Estimated RO System Membrane Replacement Schedule for 9.6 mgd Facility
Proposal Form 20A	Estimated RO System Membrane Replacement Schedule for 6.4 mgd Facility
Proposal Form 21	Suggested Changes to DB Agreement
Proposal Form 22	Form of Proposal Bond
Proposal Form 23	Governmental Approvals

B. SCHEDULE 1 - DB AGREEMENT

Article I	Definitions and Interpretation
Article II	Representations and Warranties
Article III	Permitting, Design and Construction of the Design-Build Improvements
Article IV	Acceptance of the Design-Build Improvements
Article V	Payment of the Design-Build Price
Article VI	Warranties
Article VII	Performance Period Obligations
Article VIII	Breach, Default, Remedies and Termination
Article IX	Insurance, Damage, Uncontrollable Circumstances and Indemnification
Article X	Security for Performance
Article XI	Miscellaneous Provisions

Transaction Forms

Form of Guaranty Agreement
Form of Labor and Materials Payment Bond
Form of Performance Bond
Form of Letter of Credit

Appendices

Appendix 1. Description of the Project Site
Appendix 2. Design and Construction Requirements
Appendix 3. Governmental Approvals
Appendix 4. General Design-Build Work Requirements
Appendix 5. Design-Build Quality Management Plan and Quality Control Requirements
Appendix 6. Design-Build Work Review Procedures
Appendix 7. Acceptance Test Procedures and Requirements
Appendix 8. [Reserved]
Appendix 9. Operation and Maintenance-Related Deliverables
Appendix 10. Key Personnel and Approved Subcontractors
Appendix 11. Insurance Requirements
Appendix 12. Allowances
Appendix 13. Payment Procedures and Estimated Drawdown Schedule
Appendix 14. Minimum Financial Criteria
Appendix 15. Restricted Persons
Appendix 16. WMDVBE Utilization Plan
Appendix 17. Local Resources Utilization Plan

SECTION 1

INTRODUCTION

1.1. EXECUTIVE SUMMARY

California-American Water Company (“CAW”) through this Request for Proposals (“RFP”) is soliciting sealed Proposals from pre-qualified respondents (“Proposers”) for a contract to design, permit, and construct certain desalination infrastructure associated with the Monterey Peninsula Water Supply Project (the “Project”). The solicitation of Proposals is the second step in a two-step procurement process being implemented by CAW for the Project. In the first step CAW issued a Request for Qualifications (“RFQ”) for the Project on April 1, 2013. Statements of Qualifications (“SOQs”) were received from respondents on May 1, 2013. CAW evaluated nine SOQs in accordance with the RFQ and has pre-qualified the following five respondents to the RFQ as eligible to submit proposals in response to this RFP (“Proposals”):

- **CDM Constructors, Inc.**
- **MWH Constructors, Inc.**
- **Kiewit Infrastructure West Co.**
- **Black & Veatch Construction, Inc.**
- **CH2M Hill Engineers, Inc.**

The Project is a central component of the Monterey Peninsula Water Supply Project (“MPWSP”). The purpose of the MPWSP is to replace a significant portion of the existing water supply from the Carmel River, as directed by the State Water Resources Control Board (“SWRCB”). CAW is proposing a three-pronged approach to replace the water supply reductions ordered by the SWRCB. The three prongs consist of: (1) desalination, (2) groundwater replenishment (“GWR”), and (3) aquifer storage and recovery (“ASR”). This RFP is being issued to procure significant elements of the desalination portion of the MPWSP including the plant.

The desalination portion of the MPWSP will consist of several components. Those elements that will be included as part of the Project being procured by this RFP including the desalination plant are described in Section 2.3. Those elements of the desalination portion of the MPWSP that will not be developed pursuant to this RFP including the slant wells are described in subsection 2.3.6.

The GWR project is being led by the Monterey Regional Water Pollution Control Agency (“PCA”). Depending on the availability of water from the GWR project, the desalination plant will be sized at either 9.6 million gallons daily (“mgd”) or 6.4 mgd as described in Section 2.8. As CAW will not know whether or not the GWR project will proceed until sometime in 2015 (but prior to construction commencement), this RFP seeks Proposals for a 9.6 mgd plant and also requires that Proposers identify how their design, anticipated operation and maintenance costs

(including the maximum electricity utilization), and price would be impacted in the event that a 6.4 mgd plant were to be required as further described in Section 2.8 below.

CAW has secured an approximately 46-acre parcel of land located just to the northwest of the PCA's wastewater treatment plant as the site for the proposed desalination plant (the "Project Site"). A description of the Project Site is included in Appendix 1 of the draft DB Agreement included with this RFP. CAW is also working to secure permanent easements on an approximately 376-acre parcel of land located due west of the Project Site for the slant intake wells.

The Project budget is estimated to be within a range of \$70,000,000 to \$100,000,000. CAW, the Monterey Peninsula Regional Water Authority, the Monterey Peninsula Water Management District, and the County of Monterey have formed an oversight committee (the "Governance Committee") to ensure efficient and effective public input into the development and operation of the MPSWP. The Governance Committee was formed pursuant to an agreement of the Governance Committee members dated March 8, 2013 (the "Governance Committee Agreement").

Additional information concerning the Project history, the Project Site conditions, background technical and environmental documents, the Governance Committee Agreement, and public outreach are available on the project website at www.watersupplyproject.org (the "Project Website").

CAW expects to enter into a contract for the Project (the "DB Agreement") with the Proposer that submits the most advantageous Proposal (the "DB Entity") as determined by CAW with input from the Governance Committee.

This RFP provides background information for the Project, a description of the overall procurement process, the Proposal submission requirements, and the evaluation criteria that will be used to select a firm to perform the Contract Services (as defined in Section 2.1 of this RFP). This RFP also includes a draft DB Agreement and Appendices attached as Schedule 1. Unless otherwise defined in this RFP, all capitalized words, abbreviations and terms used herein shall have the meanings set forth in Article I of the draft DB Agreement.

1.2. PROPOSAL

IN ORDER TO BE CONSIDERED RESPONSIVE TO THIS RFP, PROPOSERS SHALL PROVIDE ALL REQUESTED INFORMATION IN ACCORDANCE WITH THE REQUIREMENTS OF THIS RFP.

CAW is soliciting a detailed Proposal with specific forms and textual requirements from the Proposers. Proposals shall comply with the submittal requirements for Proposals outlined in Section 4 of this RFP. Proposers are encouraged to present high value technical and business solutions to CAW. Accordingly, Proposers are strongly encouraged to be innovative while utilizing proven technology and design of the Project, within the requirements established by this

RFP including the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement. Proposers shall provide adequate information with respect to its proposed designs, systems and components in order to demonstrate that: (1) all Governmental Approvals can be obtained and the Project can be completed within the Project schedule; (2) the Project will be designed and constructed in accordance with the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement as well as all other Contract Standards; and (3) the completed Project will meet the standards for Acceptance in accordance with the draft DB Agreement. Proposers shall provide sufficient design detail in compliance with the submission requirements set forth in Section 4 of this RFP to enable CAW to evaluate the technical merits of the Proposal. Proposers must prepare a base Proposal (“Base Proposal”) which fully complies with the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement (including the ability to downscale to a 6.4 mgd desalination plant) (the “Base Project”). As described in subsections 2.9.1 and 4.4.4, Proposers are also required to respond to the UV disinfection and post-stabilization alternatives and are encouraged to identify voluntary alternatives that reduce life cycle cost or improve operation which deviate from the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement. Each deviation must be separately identified and accompanied by an explanation of the benefits, price adjustment associated with such deviation, and its anticipated effect on operation and maintenance costs. Proposers are encouraged to raise any contemplated deviations from the Design and Construction Requirements included in Appendix 2 of the draft DB Agreement at the individual Proposer pre-Proposal technical meeting.

1.3. PROPOSAL SUBMITTAL

Proposals shall be submitted and received by CAW, pursuant to Section 4.3 of this RFP, **NO LATER THAN 3:00 P.M., PACIFIC STANDARD TIME (“PST”), ON SEPTEMBER 17, 2013**. All Proposals shall be submitted in sealed packages and in accordance with the requirements of Section 4.3 of this RFP.

By submitting a Proposal, Proposers acknowledge and agree to the following conditions:

- All Proposals submitted in response to this RFP will become the property of CAW and will be subject to disclosure as and to the extent provided in Section 3.8 of this RFP.
- CAW’s selection of a Proposal, to the extent that approval or determination of adequacy of any systems, processes, procedures, or representations contained in a Proposal may be inferred, shall not waive or limit any assumptions of risk, provision of indemnity, or other obligations of the DB Entity under the DB Agreement, as may be executed between a Proposer and CAW.
- Proposers shall comply with the communications protocol set forth in Section 3.6 of this RFP with respect to all communications concerning this RFP.

- Proposals shall comply with all requirements of Section 4 of this RFP. Failure to comply with Section 4 of this RFP may result in a Proposer being deemed unresponsive by CAW.
- The qualification of the Proposers to receive this RFP and provide a Proposal does not waive or abridge CAW's right to find that any Proposer or Proposal is non-responsive to the requirements of this RFP or to find that a Proposer is less qualified than another Proposer and have their evaluation scoring reflect such finding.
- After selection of a Proposal, the selected Proposer shall be required to execute the DB Agreement following the conclusion of successful negotiations with the selected Proposer.

SECTION 2

GENERAL INFORMATION

2.1. PURPOSE OF SOLICITATION

CAW is soliciting Proposals from the Proposers identified in Section 1.1 of this RFP to perform the Design-Build Work for the Project as required by the draft DB Agreement. The services described in this paragraph are referred to herein as the “Contract Services.”

CAW intends to select a qualified Proposer that provides CAW the benefits discussed below and that best meets CAW’s objectives set forth in Section 2.2 of this RFP. CAW will select the most advantageous Proposal by applying the evaluation criteria contained in Section 5 of this RFP to the Proposals. It is anticipated that CAW will not know whether it will require a 9.6 mgd or 6.4 mgd plant at the time of selection, therefore, information submitted regarding both plant sizes will be evaluated.

By utilizing a design-build project delivery approach, CAW expects to secure substantial benefits. These expected benefits include efficient and cost-effective design and construction, optimal risk allocation, an optimal Project schedule, competitive design selection, clear assignment of responsibilities to a single contracting entity, and optimal life cycle costs. Other expected benefits include the full and appropriately-balanced integration of key design, construction, and QA/QC personnel in all aspects of the Project development.

2.2. MPWSP BACKGROUND AND OBJECTIVES

CAW has served the Monterey Peninsula since it acquired properties from California Water & Telephone Company in 1966. CAW’s Monterey service area is located in the semi-arid central California coastal area that is currently entirely dependent on local rainfall for its water supply; imported water is not an available option. By reason of its geography and rainfall patterns, the area is prone to severe droughts. Wells located along the Carmel River that draw water from the Carmel River Aquifer are the primary source of water for CAW. An additional source of water for CAW is a network of eight wells located in the Seaside Basin, which CAW shares with a number of users and purveyors. The CAW Monterey service area, also known as the Monterey District, includes six incorporated cities, the Monterey Airport District, the unincorporated areas of Carmel Highlands, Carmel Valley, and Pebble Beach, and other unincorporated areas in Monterey County. The City of Marina, unincorporated Castroville, and other areas of unincorporated Monterey County lie north of the CAW service area. The proposed water supply is needed to replace existing supplies that are constrained by recent legal decisions affecting the Carmel River and Seaside Groundwater Basin water resources: SWRCB Order No. WR 95-10 (“Order 95-10”) and the Monterey County Superior Court adjudication of water rights in the Seaside Groundwater Basin. Both rulings reduce CAW’s use of its two primary sources of supply for the Monterey District and provide the most immediate impetus for the MPWSP. In addition, in October 2009, the SWRCB issued a Cease and Desist Order (“CDO”) claiming that

CAW had not complied with Order 95-10, requiring CAW to terminate unauthorized diversions from the Carmel River, and that these diversions constitute a trespass of water. The CDO imposed a deadline of December 31, 2016, for CAW to reduce its diversion of water from the Carmel River by approximately 70%. The MPWSP is the result of a multi-year planning effort that has considered several different proposed projects and various related documents. Since 1989, several options have been proposed that proponents have hoped would meet the water supply needs of the Monterey Peninsula and address the impacts on the Carmel River underlying Order 95-10, as well as the Seaside Basin adjudication. The objectives that were considered during development of the MPWSP projects are as follows:

- Satisfy CAW’s obligations to meet the requirements of Order 95-10;
- Diversify and create a reliable drought-proof water supply;
- Protect the Seaside Groundwater Basin for long-term reliability;
- Protect the local economy from the effects of an uncertain water supply;
- Minimize water rate increases by creating a diversified water supply portfolio;
- Minimize energy requirements and greenhouse gas emissions per unit of water delivered to the extent possible;
- Provide facilities that can accommodate sea level changes;
- Explore opportunities for regional partnerships; and
- Provide flexibility to incorporate alternative water supply sources, such as GWR.

CAW submitted an application to the CPUC for the MPWSP in April 2012. As part of this application, an Environmental Impact Report (“EIR”) will be prepared by the California Public Utilities Commission (“CPUC”) pursuant to the California Environmental Quality Act (“CEQA”). The EIR will analyze and assess the potential environmental impacts of a proposed new water supply project for the Monterey Peninsula. The desalination infrastructure portion of the MPWSP will produce desalinated water, convey it to the existing CAW distribution system, and increase the system’s use of storage capacity in the Seaside Groundwater Basin. The MPWSP consists of several distinct components: a source water intake system consisting of slant wells; a 9.6 mgd desalination plant; a brine discharge system; product water conveyance pipelines and storage facilities; and an ASR system. In addition, the PCA is pursuing a 3,500 acre foot per year GWR project that if implemented will reduce the size of the Project’s desalination plant from 9.6 mgd to 6.4 mgd as further discussed in Section 2.8.

The CPUC, as the Lead Agency under CEQA, is actively working on the EIR and expects to issue a Draft EIR in February 2014, followed by a Final EIR (“FEIR”) in June 2014. With the CDO date approaching, CAW would like to have the DB Entity for the Project in place so as to begin the design and permitting of the desalination infrastructure as soon as possible. A final order from the CPUC approving the entire MPWSP is expected in August 2014.

The Project being procured by this RFP consists of certain elements of the desalination infrastructure component of the MPWSP as further described in subsections 2.3.2 - 2.3.5.

2.3. PROJECT DESCRIPTION

2.3.1 Generally

The DB Entity will be asked to provide all necessary design, permitting, construction, commissioning, start-up and testing services to bring the Project described in subsections 2.3.2 through 2.3.5 of this RFP on-line as close as possible to the CDO deadline of December 31, 2016. Certain permits that relate to the entire MPWSP, such as the Coastal Development Permit, will not be the responsibility of the DB Entity; however, certain information from the DB Entity will be required to assist CAW in obtaining such permit. Refer to Appendix 3 of the draft DB Agreement for a list of permits that will be the responsibility of CAW. All other permits and approvals necessary for the Project will be the responsibility of the DB Entity. The DB Entity will not finance, own, operate, or maintain the Project.

The desalination plant will be required to achieve specified performance standards during Acceptance Testing. CAW personnel will operate the plant during Acceptance Testing. Prior to testing, the DB Entity will be required to train CAW staff in accordance with Appendix 4 of the draft DB Agreement. Proposers shall submit their training protocol for the Project as part of their Proposals in accordance with CAW's training standards set forth in Appendix 4. The specific standards that will be required to be met during Acceptance Testing are set forth in Appendices 2 and 7 of the draft DB Agreement. A portion of the technical evaluation points under this RFP will be dedicated to the demonstrated ability of the Proposer's facilities to meet required performance standards, both at Acceptance Testing and during commercial operations. Proposers are informed that the RFP seeks the best Proposals as evaluated over the life cycle of the Project. The evaluation of Proposals will take into account capital costs as well as anticipated operation and maintenance costs.

Detailed information on the Project description, estimated costs, and Project size are contained in the Attachments in the Supplemental Testimony of Richard C. Svindland which can be found under the "Download" area of the Project Website.

2.3.2 Desalination Plant

The desalination plant is to be constructed at the Project Site, an approximately 46 acre site of currently vacant land owned by CAW described in Section 2.6 of this RFP and Appendix 1 of the draft DB Agreement. Structures and facilities at the Project Site are expected to consist of the following: pre-treatment filtration process; filter backwash supply system; filtered feedwater receiving tanks; waste washwater storage, clarification, and recycling facilities; desalination process; post-treatment stabilization process and chemical systems; reverse osmosis concentrate equalization discharge, aeration, equalization and pumping facilities; desalinated/finished water storage tanks and pumping station; electrical systems; buildings to house process and non-process facilities.

The following subsections describe in concept each of these facilities:

Pretreatment Process

Feedwater supplied from the beach wells is to be piped to pressure or gravity granular media filters for removal of iron and manganese and small particles that could otherwise foul the downstream cartridge filters and/or reverse osmosis (“RO”) membranes.

Filter Backwash Supply System

The granular media pretreatment filters are to be backwashed periodically using process filtrate as backwash supply.

Waste Backwash Storage/Settling Basin

Wastewater from the granular media backwashing process is to flow from the filters by gravity to storage, clarification, prior to being recycled upstream of the granular media filters.

Feedwater Receiving Tanks

Filtered water will be directed to two above-ground feedwater receiving tanks upstream of the RO process. Transfer pumps will draw filtered water from the feedwater receiving tanks and deliver to the RO trains.

Reverse Osmosis Desalination Process

Reverse osmosis is a separation process that uses semi-permeable membranes to remove salts and other impurities to produce desalinated water (which is also called “product water” or “permeate”). Pretreated seawater is forced at high pressures through the membranes, and the water molecules, smaller than almost all impurities, including salts, are selectively able to pass through the membranes. The remaining impurities and residual water are discharged as concentrate. The RO system is comprised of a number of parallel trains, each equipped with a cartridge filter, high pressure pump, membranes and pressure vessels, and energy recovery devices. The RO system is to be a two-pass RO system comprised of a first pass and a full or partial second pass.

UV Disinfection

The use of ultraviolet light (“UV”) disinfection may be included in the Project to provide additional disinfection credit in addition to the RO process and the contact with chlorine in the finished water storage tanks. The UV disinfection system, if included, is to be located after the RO process but prior to post-stabilization.

Post-Stabilization and Chemical Systems

Hardness, alkalinity, and pH of the product water is to be adjusted after the RO process to protect piping and plumbing materials and to make the water compatible with the water quality of other sources of supply in the CAW system. Facilities are to be included at the desalination plant to add carbon dioxide (to adjust alkalinity), followed by filtration through calcite beds (to adjust hardness), and addition of sodium hydroxide (to adjust pH). Hydrated lime (calcium hydroxide) may be used instead of calcite in the post-stabilization process. Sodium hypochlorite will also be added for disinfection.

Concentrate Equalization Storage Basin

A 3-million-gallon open-lined basin is to be provided to equalize the flow of RO concentrate in the event of an interruption of concentrate discharge to the ocean outfall. This storage will provide time for the plant to remain in operation for a short period of time to allow plant personnel to adjust or cease production and for system personnel to increase production from other sources.

Desalinated Water Storage Tanks and Pumping Stations

Following post-treatment, desalinated water is to flow by gravity to on-site storage tanks, called “clearwells”. The clearwells will provide disinfection contact time with free chlorine, equalization volume, and emergency storage. Finished water pumps are to deliver water from the clearwells to the transmission piping and distribution system.

Non-Process Facilities

A space to house visitor reception, offices, restrooms, locker rooms, break rooms, conference rooms, control room, laboratory, equipment storage and maintenance area, and electrical service equipment for the adjacent desalination/post-treatment/chemical building is required.

Electrical Power Supply

Electrical power to the MPWSP intake wells and the desalination plant is to be supplied by the existing power grid and potential connection to the adjacent PCA landfill gas electric power generating facilities as described in Appendix 2. Other than a standby electric generator, no new power plant or other industrial emissions sources are to be constructed.

2.3.3 Brine Conveyance Pipeline

The brine conveyance pipeline is needed to convey brine or concentrate from the desalination plant to the headworks of the PCA’s outfall, where it will mix with effluent from the PCA’s Regional Treatment Plant and be discharged to the ocean through the existing outfall diffusers. For this Project, Proposers are responsible for the portion of the pipeline that runs from the fence line of the Project Site to the desalination plant.

2.3.4 Raw Water Pipeline

The Raw Water pipeline is needed to convey Raw Water to the desalination plant. For this Project, Proposers are responsible for the portion of the pipeline that runs from the fence line of the Project Site to the desalination plant.

2.3.5 Salinas Valley Desalinated Water Return Pipeline

The return pipeline is needed to convey desalinated water to the Salinas Valley Groundwater Basin. For this Project, Proposers are responsible for the portion of the pipeline that runs from the fence line of the Project Site to the desalination plant.

2.3.6 Desalinated Water Conveyance

Desalinated water will be pumped by the desalinated water pump station at the desalination plant into a 36-inch diameter product water pipeline. For this Project, Proposers are responsible for the portion of the pipeline that runs from the fence line of the Project Site to the desalination plant.

2.3.7 MPWSP Non-Project Desalination Components

In addition to the components of the desalination infrastructure that constitutes the Project, CAW, simultaneous with the implementation of the Project, will separately be implementing significant desalination infrastructure that will be necessary for the plant to be Acceptance Tested and to operate commercially. These improvements include development of the slant intake wells, construction of the raw water conveyance system to the Project Site, construction of the desalinated water conveyance system from the Project Site to CAW’s water distribution system, construction of the brine conveyance pipeline from the Project Site to the discharge point and construction of a pipeline from the Project Site to return a portion of the desalinated water to the Salinas Valley Groundwater Basin. CAW anticipates that these improvements will be commenced and completed prior to the time that the plant will be ready to be Acceptance Tested. The draft DB Agreement will address any delays to the DB Entity caused by the failure of CAW to timely implement these non-Project components. An anticipated schedule for implementation of these non-Project components is provided below:

	<u>Start</u>	<u>Finish</u>
CAW PROJECT	4/23/2012	12/7/2017
<u>File with CPUC</u>	4/23/2012	4/23/2012
<u>Permitting</u>	4/23/2012	1/8/2015
CPUC Approval	4/23/2012	8/18/2014
Pre-Application Activities	4/23/2012	12/28/2012
Permit Application Preparation and Submittal	12/31/2012	6/17/2014

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

	<u>Start</u>	<u>Finish</u>
Permit Processing	6/17/2014	8/10/2015
<u>Feedwater Test Well</u>	4/23/2012	11/13/2014
Permitting	4/23/2012	6/14/2013
Site Acquisition	4/23/2012	3/22/2013
Design	3/25/2013	7/26/2013
Driller Procurement	7/29/2013	9/6/2013
Construction	11/1/2013	3/6/2014
Operation	3/7/2014	11/13/2014
<u>DBB Delivered Items</u> (Intake, Pipelines)	12/31/2012	7/24/2017
Design Contract Procurement	12/31/2012	10/25/2013
Design	8/11/2014	2/8/2016
Bid	5/9/2016	3/21/2016
Construction/Startup	3/22/2016	2/19/2018
DECISION ON GWR	10/1/2015	10/1/2015
<u>GWR PROJECT</u>	3/1/2013	3/1/2017
Environmental Planning	3/1/2013	5/22/2014
Pilot Plant Testing and Develop Final Design	7/1/2013	1/2/2015
Final Design	3/3/2014	6/19/2015
Construction	3/2/2015	3/1/2017

2.4. AVAILABLE REPORTS AND MATERIALS

Certain Project and Project Site-related and relevant background information is available for review by the Proposers at the Project Website. The following documents are (or will be) available for review on the Project Website:

- Phase I Environmental Site Assessment, October 2012
- Geotechnical Baseline Report (pending completion)
- Topographic Site Survey
- Coastal Development Permit Application for the Monterey Bay Regional Desalination Project, March 31, 2011

- CPUC Application A.12-04: Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover all Present and Future Costs in Rates.
- Governance Committee Agreement
- California-American Water Company, Coastal Water Project, Final Environmental Impact Report, October 30, 2009
- Coastal Water Project Pilot Report, May 2010
- Summary of Raw Water Quality, May 10, 2013

2.5. ACCURACY OF RFP AND RELATED DOCUMENTS; RELIANCE ON ORAL COMMENTS

Except as specifically set forth in the draft DB Agreement, CAW neither makes any representation or warranty with respect to nor assumes any responsibility for the appropriateness, completeness or the accuracy of this RFP or any of the related documents, addenda or information provided in connection with this RFP, including the available reports and materials provided on the Project Website. Under no circumstances shall a Proposer to this RFP rely on oral statements made on behalf of CAW or any of their respective agents, employees, contractors, advisors or consultants. To the best of its ability, CAW has tried to provide timely and up-to-date information; however, CAW cannot guarantee the accuracy or completeness of all data provided. Thus, Proposers are cautioned to use their best judgment in determining how to use the data and information provided, and whether or not further independent research and due diligence is required for the preparation of their Proposals and the subsequent delivery of the Design-Build Work under the DB Agreement. Except as specifically provided in the DB Agreement (e.g. the Geotechnical Baseline Report), no information derived from any part of the foregoing documents, this RFP or from CAW or any of their respective agents, employees, contractors, advisors or consultants shall relieve the DB Entity from any risk or from fulfilling all terms of the DB Agreement.

2.6. PROJECT SITE

2.6.1 Project Site Description

The Project Site is to be located on an approximately 46 acre site of currently vacant and undisturbed land owned by CAW. The Project Site is primarily situated within an agricultural area of Monterey County near the City of Marina. The Project Site is generally located to the north of Charles Benson Road, south of the Salinas River, east of State Route 1 and Del Monte Boulevard and west of Nashau Road, near the City of Marina, unincorporated County of Monterey, California. The Last Chance Mercantile and the Monterey Regional Waste Management District adjoin the Project Site to the east.

The Project Site consists of APN (assessor's parcel number) 229-011-021. The Project Site ranges from approximately 40 feet above mean sea level (msl) to 100 feet msl and slopes to the northeast towards the Salinas River. An unimproved roadway is in the central portion of the Project Site.

Refer to Appendix 1 of the draft DB Agreement for additional details and information about the Project Site. A map of the Project Site will be included on the Project Website.

2.6.2 Project Site Preparation

CAW does not intend to perform any Project Site preparation work prior to entering into the DB Agreement with the DB Entity.

2.6.3 Project Site Access during the Proposal Period

CAW will provide appropriate opportunities to each Proposer, at its own cost and expense, to visit the Project Site. Proposers may only access the Project Site after obtaining written authorization from CAW and may be required to enter into a site access agreement with CAW as a condition of such authorization. Access shall be allowed only by appointment on weekdays between 8:00 a.m. and 5:00 p.m. PST.

2.6.4 Geotechnical Testing

CAW will undertake geotechnical testing at the Project Site and will post the data (the "Geotechnical Baseline Report") from such testing on the Project Website when such testing is concluded. CAW will attempt to post such report as early as possible during the Proposal preparation process. Proposers shall assume subsurface geotechnical conditions at the Project Site as reflected in the Geotechnical Baseline Report set forth in Appendix 1 of the draft DB Agreement. Each Proposer shall in its Proposal describe its foundation design and associated assumptions which shall in part be based upon the Geotechnical Baseline Report posted on the Project Website. The draft DB Agreement will provide relief for differing subsurface conditions discovered during the geotechnical investigations undertaken following execution of the DB Agreement which could not have been reasonably anticipated from the Geotechnical Baseline Report (as well as relief from other specified site conditions identified in the draft DB Agreement) which materially and adversely affect the DB Entity. In light of such risk allocation, foundation designs and associated stated assumptions which do not appear reasonable to CAW may be evaluated accordingly. CAW will attempt to accommodate requests from Proposers to perform their own independent geotechnical testing during the procurement process.

2.7. **PILOT TESTING STUDY**

As it is anticipated that the slant wells will not be installed and raw water will not be available until the construction phase of the Project is underway, there is no requirement by CAW or opportunity for pilot testing to occur. Pilot testing was conducted in 2008-2009 at the Moss Landing Power Plant, and the pilot report (Coastal Water Project Pilot Report, May 2010) is

included in the list of reference documents. Proposers should make conservative allowances for the unknowns associated with the lack of pilot testing data from the future slant wells. Raw Water can be supplied from the Sand City desalination plant for pilot testing up to 500 gallons per week. Proposers are encouraged to make their own arrangements for local Pacific Ocean water testing if they deem appropriate.

2.8. FACILITY CAPACITY

The Base Project shall be designed such that the capacity that can be treated and delivered with the largest single pump or RO train out of service (the “Rated Capacity”) shall be either 9.6 mgd or 6.4 mgd depending on the outcome of the GWR project as described in Section 2.2 of this RFP. A decision on the Rated Capacity will be made by the Construction Commencement Date. Section 2 of Appendix 2 of the draft DB Agreement identifies items that shall be designed to have a Rated Capacity of 9.6 mgd regardless of the final decision on Rated Capacity. Section 2 of Appendix 2 of the draft DB Agreement also includes a table describing the items that shall be designed to be capable of being downsized if the final decision is for a Rated Capacity of 6.4 mgd. Proposers are to propose on Proposal Form 13A the reduction to the Fixed Design-Build Price if CAW elects a 6.4 mgd Rated Capacity.

2.9. SCOPE OF SERVICES

The required scope of services is set forth in detail in the draft DB Agreement and is summarized below.

2.9.1 Design and Construction Requirements

The Design and Construction Requirements are set forth in Appendix 2 of the draft DB Agreement. The proposed design of the Design-Build Improvements must be in compliance with the Design and Construction Requirements set forth in Appendix 2.

Notwithstanding the Design and Construction Requirements or any other information or requirement provided by CAW in connection with this RFP, the DB Entity shall be fully responsible for the design and construction of the Project and for ensuring that the Project meets the Acceptance Criteria in accordance with the DB Agreement.

The design described in Appendix 2 of the draft DB Agreement represents the Base Project. Proposers are required to include alternative proposals if CAW elects not to construct the UV disinfection system and if CAW decides to require a hydrated lime post-stabilization system or calcite contractor post-stabilization system (“Required Alternative Proposals”). Proposals must include the Base Proposal and pricing of the Base Project (as well as for the 6.4 mgd alternative and for the Required Alternative Proposals as set forth on Proposal Forms 13A, 13B, and 13C). Proposals that do not include the Base Proposal in compliance with Appendix 2 of the draft DB Agreement, a Proposal for reduced Rated Capacity from 9.6 mgd to 6.4 mgd, and the Required Alternative Proposals will be rejected. Proposers are encouraged to submit voluntary alternative proposals for each element of the Project that reduce life cycle cost or improve operations which

deviate from the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement (“Voluntary Alternative Proposals”). Each such Voluntary Alternative Proposal shall include detail sufficient for CAW to evaluate each element of the Voluntary Alternative Proposals individually including price impact and anticipated effect on operation and maintenance costs, comparison of its advantages and disadvantages to the Base Project, and contact information to allow CAW to perform diligence where such alternative has been implemented. CAW may elect to choose any or all such Voluntary Alternative Proposals at its sole discretion. Proposers are encouraged to raise any contemplated significant deviation from the Design and Construction Requirements included in Appendix 2 of the draft DB Agreement at the individual Proposer pre-Proposal technical interview.

CAW encourages Proposers to include additional environmentally beneficial and sustainable design concepts with their Proposals that are consistent with the EIR.

2.9.2 Basic Performance Requirements

The DB Agreement will require the DB Entity to provide a quality assurance and quality control program during the design and construction phases of the Project. In performing the Design-Build Work, the DB Entity shall comply with the Contract Standards, which include all requirements of Applicable Law, Good Engineering and Construction Practice and Good Industry Practice.

The design of the Design-Build Improvements and the quality of the water it produces must meet all the requirements of the California Safe Drinking Water Act and all the drinking water regulations of the California Department of Public Health (“CDPH”), including maximum contaminant limits and notification levels. In addition, the Design-Build Improvements must be designed to meet the requirements established by CAW in Appendix 2 of the draft DB Agreement.

The DB Entity will begin the performance of the Design-Build Work on the Contract Date, but must satisfy all Construction Date Conditions prior to the commencement of physical construction of the Project. The DB Entity will be required to achieve Acceptance of the Project by the Scheduled Acceptance Date as proposed on Proposal Form 12. To achieve Acceptance, the Project must demonstrate that the Acceptance Standards and Requirements set forth in Appendix 7 of the draft DB Agreement have been achieved pursuant to the testing protocol identified in such Appendix.

2.9.3 Environmental Compliance

The DB Entity will be required to perform its design and conduct its construction activities consistent with the EIR and such that no action or inaction on the part of the DB Entity will result in non-compliance with any mitigation requirements, environmental and cultural constraints and stipulations included in permits, easements and other grants of access to property owned by federal and state governments and by private concerns. The DB Entity will be required to prepare and implement strategies to mitigate unavoidable impacts and otherwise comply with

all applicable mitigation requirements. The final EIR for this Project has not yet been issued. For purposes of preparing their Proposals, Proposers will be required to comply with the environmental mitigation measures included in a forthcoming addendum, which will be based on the applicable environmental mitigation measures set forth in the final EIR published in connection with the Coastal Water Project, which was an earlier proposed project to replace existing Carmel River water supplies for the CAW Monterey District service area. The final EIR for that project is posted on the Project Website. The environmental mitigation measures contained in the final EIR for this Project will be incorporated into the DB Agreement as a Change Order following issuance of the final EIR.

Additional environmental compliance requirements for the DB Entity are set forth in the implementing regulations of the Clean Water Act, the Endangered Species Act, the National Historic Preservation Act, and the Migratory Bird Treaty Act.

2.9.4 Design

The DB Entity will have full responsibility for design of the Project. Proposals must equal or exceed the minimum requirements set forth in the Appendices of the draft DB Agreement. Each Proposer must verify that its Proposal will achieve the Acceptance Criteria. CAW will require interim and final submittals of the design of the Project. Pursuant to the Governance Committee Agreement, a value engineering process will be undertaken at the 30% design level. The design prepared by the DB Entity will be required to incorporate the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement. Design information included in the selected Proposer's Proposal will be incorporated into Appendix 2 prior to execution of the final DB Agreement.

2.9.5 Equipment Procurement

Appendix 2 of the draft DB Agreement provides lists of manufacturers for particular types of equipment and systems to be incorporated into the Project. To ensure that CAW's quality objectives are met, the Proposer must comply with these requirements and unless a Voluntary Alternative Proposal is accepted by CAW which modifies such requirements, the DB Entity must not deviate from such requirements during design and construction.

2.9.6 Construction

The DB Entity will have full responsibility for construction of the Project, including safety of the Project Site and the construction work and all means and methods of construction. All construction work will be required to conform to the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement and the General Design-Build Work Requirements included in Appendix 4 of the draft DB Agreement. The DB Entity will be required to perform all construction work in compliance with the Contract Standards, including all environmental and other stipulations, conditions and mitigation requirements set forth in the various requirements and permits, approvals and grants of rights to CAW property access and

use. The DB Entity will be required to provide for the observation of its construction work by CAW and regulatory agencies.

2.9.7 Commissioning and Pre-Acceptance Test Testing

Pre-Acceptance start-up of equipment and systems shall be performed as described in Appendix 4 of the draft DB Agreement. Prior to the 16-day Acceptance Testing of the Project, the DB Entity will be required to perform a series of equipment and systems testing tasks and activities intended to demonstrate individual systems, equipment and components of the Project with respect to operability and compliance with applicable requirements, including the Design and Construction Requirements included in Appendix 2 of the draft DB Agreement.

A 24-hour initial plant performance test of the complete Project described in Appendix 4 of the draft DB Agreement must be successfully completed by the DB Entity before the Acceptance Testing is initiated. In addition, a 14-day run-in period will be required prior to the 16-day Acceptance Test in accordance with Appendix 4 of the draft DB Agreement.

2.9.8 Acceptance Testing

The DB Entity will be required to successfully complete Acceptance Testing of the Project using CAW personnel in accordance with the approved Acceptance Test Plan as a condition of achieving Acceptance. The DB Entity will closely monitor CAW staff during testing. Acceptance Testing Standards and Requirements are included in Appendix 7 to the draft DB Agreement. The period for Acceptance Testing will be sixteen (16) days. CAW may elect to delay the DB Entity's performance of the Acceptance Test in the event that improvements to be performed by CAW that are necessary for operation of the Project are not completed. If such delay is elected by CAW, the DB Entity will be entitled to reasonable price relief for the period of such delay, and the Scheduled Acceptance Date will be adjusted for the period of such delay.

2.9.9 Quality Management

To help ensure that a comprehensive and effective Design-Build Quality Management Plan is implemented by the DB Entity to achieve CAW objectives and that the contractual requirements pertaining to quality are met, certain minimum requirements for the Design-Build Quality Management Plan are set forth in Appendix 5 of the draft DB Agreement. Proposers must include a Design-Build Quality Management Plan meeting the minimum requirements of Appendix 5 as part of their Proposals. The plan will include management and organization; personnel qualification and training; procurement items and services; documents and records; computer hardware and software; planning; implementation of work processes; assessment and response; and quality improvement. The selected Proposer's Design-Build Quality Management Plan, as revised following successful negotiation between CAW and the selected Proposer, will be incorporated into Appendix 5 of the executed DB Agreement.

2.9.10 Operation and Maintenance Training

The DB Entity will be required to train CAW employees prior to Substantial Completion, as more fully described in Appendix 4 of the draft DB Agreement.

2.9.11 Specialized Maintenance Design-Build Work

A number of specialized maintenance service contracts will be required to be provided by the DB Entity for certain systems and major equipment installed as part of the Project. The specific contracts that will be required are described in Appendix 2 of the draft DB Agreement.

2.9.12 Proven Technologies

CAW will consider only the application and implementation of proven technologies or technologies identified by CAW as allowable exceptions. For the purposes of this Project, a proven technology is any technology or process related to water treatment, disinfection, and solids handling that has been installed and operated at a water treatment facility and concurrently meets all of the following at that facility:

1. is supplied by a sea water source,
2. is serving potable water to the public to a community water supply,
3. is available for inspection by CAW,
4. meets all CDPH technology limitations and requirements for issuance of permits,
5. for filtration technologies, is a listed filtration technology or alternative filtration technology on CDPH approved filtration technology listings,
6. if other than a membrane technology, is currently in operation and has been operating for at least the last two years prior to June 1, 2013, under similar untreated water quality conditions (or for solids handling technologies, with similar solids characteristics), and has been operating at a modular size at least as large, and rate of operation at least as great as that proposed,
7. if a membrane technology, the proposed membrane unit process, is in operation at the same modular size and design flux as proposed, and, if it has been operating for less than two years prior to June 1, 2013, under similar or less favorable untreated water quality conditions, the Proposer has provided as part of its Proposal a rationale for proposed use of this technology in this application as well as detailed operating data and performance history demonstrating its efficacy and applicability for this Project.

Notwithstanding the foregoing, any Proposer may request that CAW consider an exception to the definition of a proven technology and receive feedback regarding such request at the pre-Proposal technical interview described in Section 3.1 of this RFP. Any such exception must meet the following requirements:

1. The treatment technology must be commercially available and in current commercial operation at a modular or process size similar to or greater than the proposed Rated Capacity,
2. The treatment technology must qualify for permitting based on all CDPH technology limitations and requirements for issuance of permits
3. The reference project must be available for independent inspection by CAW, and
4. The submittal must include the following documentation:
 - name, location, and description of water treatment facility(ies) where treatment process or technology is currently operating,
 - years of operation,
 - detailed operating data and performance history demonstrating its efficacy and applicability for this Project,
 - rationale for proposed use of this technology or process in this application, and
 - technical report demonstrating that the technology proposed meets CDPH requirements for issuance of a permit.

CAW will review any such proposed treatment technologies or processes and will determine whether it is objectionable or non-objectionable to CAW. If an exception requested by a Proposer is found to be non-objectionable by CAW, the Proposer will be permitted to propose such allowable exception. In order to facilitate CAW review of any proposed treatment technologies, Proposer should provide sufficient detailed information to CAW prior to the pre-Proposal technical interview. Permission to submit any treatment technology will not shift any risk to CAW.

Proposers are responsible for determining CDPH requirements as part of their Proposals. The DB Entity will be solely and exclusively responsible and liable for the design, construction, and demonstration of testing standards of the proposed Project. The Proposer bears the risk of CDPH approval or rejection of its design.

Following the pre-Proposal interview process, CAW may eliminate any technology or any aggressive design of a technology or a treatment process train which it deems objectionable for

any reason. Any Proposer proposing a technology or treatment process train at the pre-Proposal interview which is determined to be objectionable by CAW will be informed in writing following the pre-Proposal interview process of such determination.

CAW has determined that the following technologies or chemicals are not allowed as part of the Project:

- Any desalination technology other than reverse osmosis
- Post-treatment systems using calcium chloride
- Any water treatment or sludge handling technology that is not either (a) proven or (b) an allowable exception, which has been proposed by the Proposer and found non-objectionable by CAW
- Any residual disinfectant in treated water other than free chlorine
- Chlorine gas, either under pressure or as a liquefied gas

2.9.13 Governmental Approvals

The DB Entity will be responsible for identifying all required Governmental Approvals and the schedule for obtaining such Approvals on Proposal Form 23. The DB Entity will be responsible for obtaining and maintaining all Governmental Approvals necessary for the performance of the Design-Build Work except for those Governmental Approvals identified in Appendix 3 of the draft DB Agreement which will be the responsibility of CAW. The cost and expense of obtaining all required Governmental Approvals (other than CAW-designated Governmental Approvals identified in Appendix 3), including all application fees, will be the DB Entity's responsibility and therefore priced into the Fixed Design-Build Price.

The DB Entity will provide CAW adequate time to review and comment on any submittals as set forth in the draft DB Agreement.

The DB Entity must comply with all Governmental Approvals, including CAW-designated Governmental Approvals, in performing the Design-Build Work. Proposers are encouraged to contact and meet with regulatory agencies, and utilities with respect to any matters relating to the Governmental Approvals that may be required for this Project or for their preparation of their Proposals.

CAW recognizes that the activities necessary to secure the Governmental Approvals are extensive. As the owner, operator, and permit holder of the Project, CAW has an interest in the ability of the DB Entity to successfully obtain the necessary Governmental Approvals for the design, construction and testing of the Project. Therefore, as set forth in the draft DB Agreement, CAW will cooperate with the DB Entity and will review and comment on permit applications and supporting materials submitted by the DB Entity in the permitting processes. In

no event, however, shall CAW's assistance to the DB Entity in the permitting process result in any liability to CAW or release the DB Entity from its obligation to obtain all Governmental Approvals necessary for the design, construction, and testing the Project.

2.9.14 Post-Acceptance Obligations

It is important to CAW that the Project perform in accordance with the performance standards set forth in Appendix 2 and Appendix 7 of the draft DB Agreement throughout its useful life. In an effort to ensure such performance, CAW will require that all equipment be warranted for at least one year after the Acceptance Date, and CAW is considering requiring the DB Entity to obtain extended equipment warranties for certain major pieces of equipment for multiple years beyond the Acceptance Date.

CAW intends to discuss appropriate contractual mechanisms to achieve CAW's post-Acceptance objectives with each Proposer during the pre-Proposal interviews. Following such interview process CAW will formulate a reasonable approach based upon the discussions with Proposers and will issue an addendum which reflects the DB Entity's post-Acceptance obligations. While the final approach has not been determined at this time, CAW will not require the DB Entity to operate the Design-Build Improvements following Acceptance.

2.10. DRAFT DB AGREEMENT

2.10.1 Purpose and Scope

The scope of services described in Section 2.9 is reflected in the draft DB Agreement included as Schedule 1 to this RFP. The draft DB Agreement along with its corresponding Appendices shall serve as the intended form of the contract between CAW and the DB Entity. Specific information from the selected Proposal will be incorporated into the final DB Agreement including, but not limited to, drawings, specifications, equipment lists, pricing, and the Proposed Scheduled Acceptance Date.

The DB Agreement will contain the entire agreement between the parties with respect to the Design-Build Work. Once executed, the DB Agreement will completely and fully supersede all other agreements of CAW and the DB Entity.

2.10.2 Proposed Changes to the DB Agreement or Appendices

Proposers may request changes to the terms and conditions of the draft DB Agreement included with this RFP in writing prior to or during the pre-Proposal contractual interview. Proposers are encouraged to submit any such requests in advance of the interview as described in Section 3.1. Following the interviews, CAW will issue an addendum which reflects changes to the draft DB Agreement based upon issues raised during the pre-Proposal interviews that CAW is willing to accommodate.

CAW requests Proposers to base their Proposals on the terms and conditions set forth in the draft DB Agreement included with this RFP as amended by addendum. Acceptance of the terms and conditions of the draft DB Agreement will be a factor in the evaluation of Proposals, as detailed under Section 5 of this RFP. CAW recognizes, however, that Proposals may be conditioned on the mutual resolution of particular issues. To the extent that a Proposer intends to condition its Proposal on particular changes of the draft DB Agreement, such changes shall be identified through submission of a markup version of the draft DB Agreement in a Microsoft Word document using track changes. Proposers are cautioned that significant deviations from the terms and conditions set forth in the draft DB Agreement may result in fewer or no points being awarded to the Proposer under the business terms and conditions evaluation criterion. In addition, to the extent that proposed changes to the terms and conditions substantially change the nature of the transaction or the scope of services, CAW may reject the Proposal in its sole discretion as non-responsive to the requirements of this RFP.

In evaluating proposed terms and conditions, CAW will assume that the Proposer's markup includes all suggested changes and that the Proposer accepts all terms and conditions that are not specifically addressed in the tracked changes draft. Except with respect to changes in law occurring between the Proposal date and the Contract Date, CAW does not intend to discuss or negotiate any issue, term or condition that is not specifically identified in the Proposer's markup. In the event that the Proposer selected for negotiations raises any such issue, term or condition, CAW reserves the right to suspend or terminate negotiations with the selected Proposer and to commence negotiations with the next highest ranked Proposer. The process for the negotiation of the DB Agreement is further described in Section 3.11 of this RFP.

2.11. UTILIZATION OF WOMEN, MINORITY, AND DISABLED VETERAN OWNED BUSINESS ENTERPRISES

CAW acknowledges the contributions of women, minority and disabled veteran business enterprises ("WMDVBE") to California's economy, in part, through CPUC General Order 156. In accordance with CPUC General Order 156, CAW is committed to promote and facilitate full participation in these programs. Please also refer to the 2012 Annual Report to the CPUC on Diversity and Inclusion. This report can be found on the Project Website.

CAW has established a combined WMDVBE participation goal for the Project of twenty-one and one-half percent (21.5%) of the Fixed Design-Build Price.

Proposers must prepare and submit a WMDVBE subcontracting commitment utilization and reporting plan ("WMDVBE Utilization Plan") as part of its response to this RFP. The WMDVBE Utilization Plan is a written commitment to contract with WMDVBEs that have been certified through the CPUC's Supplier Clearinghouse, as part of the Project.

CAW will require that the DB Entity monitor and report the continued implementation of the WMDVBE program goals, as stated in the WMDVBE Utilization Plan, throughout performance of the DB Agreement.

2.12. UTILIZATION OF LOCAL CONTRACTORS AND SUPPLIERS

CAW acknowledges the benefit that the local community receives through utilization of local contractors, laborers, and suppliers.

Proposers must prepare and submit a local resources utilization and reporting plan (“Local Resources Utilization Plan”) as part of its response to this RFP. The Local Resources Utilization Plan is a written commitment to contract with local contractors, subcontractors, sub-consultants, vendors, suppliers, and labor forces. The DB Entity will be required to make a good faith effort to employ qualified individuals who are, and have been for at least one year out of the three years prior to the opening of Proposals, residents of Monterey County, San Benito County, or Santa Cruz County in sufficient numbers so that no less than fifty percent (50%) of the DB Entity’s total construction work force, including any Subcontractor work force (with exception of specialty subcontractor items), measured in labor work hours, is comprised of residents of such counties.

CAW will require that the DB Entity monitor and report the continued implementation of the Local Resources Utilization Plan throughout performance of the contract.

2.13. LABOR COMPLIANCE AND PREVAILING WAGE

Proposers must comply with all applicable requirements of the California Labor Code, the Department of Fair Employment and Housing regulations set forth in CCR, title 2, sections 8101 *et seq.* Proposer Nondiscrimination and Compliance (2 CCR §§ *et seq.*), and with all applicable federal labor requirements.

CAW has the responsibility for financing the Project. CAW anticipates that a portion of the funding will come from the State’s revolving loan program. Prevailing wages must be paid on projects receiving such funding. Proposers, therefore, will be required to pay prevailing wages.

Pursuant to Section 1773 of the California Labor Code, the general prevailing wage rates in the county in which the Design-Build Work is to be performed is determined by the Director of the California Department of Industrial Relations (“DIR”). The general prevailing wage rates for this Project are available from the DIR’s website at <http://www.dir.ca.gov>, copies of which are on file at the offices of CAW and are available to any interested party upon request. Future effective general prevailing wage rates, which have been predetermined and are on file with the DIR, are referenced but not printed in the general prevailing wage rates.

Pursuant to Public Resources Code section 75075 and Labor Code section 1771.5(b), the Project is subject to a statutory requirement to adopt and enforce a labor compliance program for the monitoring and enforcement of prevailing wage requirements.

2.14. EQUAL EMPLOYMENT OPPORTUNITY

Proposers shall not, in connection with the RFP, the Proposal or the DB Agreement, discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, marital status or disability. Proposers shall take affirmative action to ensure that neither employees nor applicants for employment are discriminated against on the basis of race, color, religion, sex, national origin, age, marital status, ethnic group identification, sexual orientation, residence or disability. The areas requiring such affirmative action shall include, but not be limited to, the following: layoffs or terminations; pay rates or any other form of compensation; employment; job assignments; promotions; demotions; transfers; recruitment or recruitment advertising; and selection for training, including apprenticeships, pre-apprenticeships and on-the-job training.

2.15. LICENSING REQUIREMENTS

Proposers, including all major participants of a Proposer's team, shall possess all licenses applicable to the Project at the time of Proposal submittal. No Proposer may propose on work of a kind for which Proposer is not properly licensed, and any such proposal received will be rejected. The Proposal shall contain evidence that the Proposer, including all major participants, is properly licensed in accordance with the laws of the State of California. Attachment 3 to Proposal Form 1 requires license information for each entity. Members of the Proposer's team that are not major participants must be licensed no later than the time of execution of a subcontract with the DB Entity. All joint ventures must have a joint venture license in compliance with Sections 7029 and 7029.1 of the California Business and Professions Code prior to execution of the DB Agreement.

2.16. EXAMINATION OF CONTRACT DOCUMENTS AND PROJECT SITE

2.16.1 Proposer's Responsibilities

It is the responsibility of each Proposer before submitting a Proposal to:

1. Examine, with appropriate care and diligence, the RFP (including any addenda), and material posted on the website and inform itself with respect to any and all conditions that may in any way affect the amount or nature of its Proposal or the performance of the Design-Build Work, if Proposer enters into the DB Agreement with CAW. The Transmittal Letter (Proposal Form 1) includes an acknowledgment that Proposer has received and reviewed all materials posted thereon. Any failure of Proposer to so examine and inform itself shall be at Proposer's sole risk, and CAW will provide no relief for any error or omission thereto;
2. Become familiar with the Project Site and the general, local or other conditions that may affect cost, progress, performance or furnishing of the Design-Build Work;

3. Become familiar with and satisfy all Applicable Law that may affect cost, progress, performance or furnishing of the Design-Build Work; and
4. Promptly notify CAW of all conflicts, errors, ambiguities, or discrepancies that Proposer has discovered in the RFP.

2.16.2 Site Visits

CAW will make an escorted visit to the Project Site available to Proposers as set forth in subsection 2.6.3. The duration of the Project Site visit will be between four (4) and eight (8) hours, at the discretion of CAW. CAW will provide written notification of the meeting location and other logistical information following a request for a visit.

During Project Site visits, Proposers may ask questions limited to those regarding the Project Site, and CAW may provide responses. All questions shall be recorded by CAW personnel, and written responses will be issued in an addendum to all Proposers. Only official addenda issued by CAW are binding.

2.16.3 Site Conditions

Before submitting a Proposal, each Proposer will be responsible to obtain such additional or supplementary examinations, investigations, explorations, tests, studies and data concerning conditions at or contiguous to the Project Site or otherwise, which may affect cost, progress, performance or furnishing of the Design-Build Work or which relate to any aspect of the means, methods, techniques, sequences or procedures of construction to be employed by Proposer and safety precautions and programs incident thereto or which Proposer deems necessary to prepare its Proposal for performing and furnishing the Design-Build Work in accordance with the time, price and other terms and conditions of the DB Agreement. With respect to subsurface geotechnical conditions, the Proposer may rely on the Geotechnical Baseline Report in the preparation of its Proposal. If a Proposer undertakes any testing at the Project Site, the Proposer must restore the Project Site to its pre-existing condition following the completion of its testing.

2.16.4 Work at the Site by Others

CAW will make available to Proposers through the Project Website information relating to the nature of work that is to be performed at the Project Site by CAW or others (such as utilities) that relates to the Project.

2.16.5 Hazardous Materials and Other Specified Conditions

The provisions of subsection 2.16.3 above do not apply to Regulated Site Conditions and Specified Subsurface Conditions as defined in Article I of the draft DB Agreement.

2.17. CHANGES IN PROPOSER’S ORGANIZATION

For any Proposer to remain qualified to submit a Proposal after it has been shortlisted, the Proposer’s organization as represented in its SOQ must remain intact for the duration of this procurement, unless otherwise approved in writing by CAW. Each Proposal shall include a completed Proposal Form 6, Verification of Statement of Qualifications Information.

If a Proposer wishes to change the organization represented in its SOQ (by adding, removing, or substituting an equity ownership interest, major participant or Key Personnel identified in its SOQ, or by changing the role of one of these entities or individuals), Proposer must submit to CAW a written request to change its organization.

CAW is under no obligation to approve such requests and may approve or disapprove in writing a portion of the request or the entire request at its sole discretion.

2.18. SECURITY FOR PERFORMANCE

The DB Entity will be required to provide the following security for performance in connection with the Project: Guaranty Agreement, payment and performance bonds in an amount equal to the Design-Build Price, warranty bond in an amount equal to twenty percent of the Design-Build Price, and a Letter of Credit in the amount of \$1,000,000.

2.19. LIMITATION ON LIABILITY

The DB Agreement will include a limitation on liability provision limiting the DB Entity’s liability to CAW to the amount of the Design-Build Price. The limitation on liability will not apply to cost overruns, third party indemnifications, losses or liabilities to third parties or fines or penalties paid to regulatory agencies.

2.20. PROPOSAL BOND

Each Proposal shall include a cashier’s check, certified check, or a bond (the “Proposal Bond”) made payable to the “California-American Water Company,” in an amount equal to at least twenty percent (20%) of the proposed Fixed Design-Build Price. CAW will not consider any Proposal unless one of the forms of Proposer’s security is enclosed therewith. If Proposer’s security is a Proposal Bond, it must be executed using Proposal Form 22.

Each Proposal Bond will be retained until the DB Agreement has been fully executed, after which the Proposal Bond for each unsuccessful Proposer, except those Proposal Bonds which have been forfeited, will be returned to the respective Proposers. The Proposal Bond for the successful Proposer shall be returned at such time as Proposer has satisfied all conditions of execution set forth in the DB Agreement.

The Proposal Bond shall be executed as surety by a corporation authorized to issue surety bonds in the State of California, with a rating of A- or better and a Financial Size Category of VIII or better by A.M. Best Company.

Proposer understands and agrees that CAW shall have the right to draw on the Proposal Bond in its entirety if the Proposer:

1. withdraws, repudiates or otherwise indicates in writing that it will not meet all or any part of its commitments made in its Proposal;
2. is selected for negotiation of the DB Agreement, but fails to negotiate in good faith, or otherwise fails to meet the conditions of award and execution as set forth in this RFP; or
3. the occurrence of any other forfeiture event or condition set forth in the Proposal Bond.

Each Proposer, by submittal of its Proposal, shall be deemed to have agreed to the foregoing.

SECTION 3

DESCRIPTION OF PROCUREMENT PROCESS

3.1. PROCUREMENT PROCESS SCHEDULE

A summary schedule of the major activities associated with this solicitation process is presented below. This procurement schedule is based on CAW’s intent to execute a draft DB Agreement to be effective on November 15, 2013. The deadline is based on CAW’s objective to initiate operation of the Project by, or as close to, January 1, 2017 as possible.

RFP Process	Approximate Date
RFP and draft DB Agreement issued to Pre-qualified Respondents	June 17, 2013
Mandatory RFP Pre-Proposal conference	July 9, 2013
Pre-Proposal interviews with Proposers to discuss technical issues	July 9 – July 11, 2013
Pre-Proposal interviews with Proposers to discuss legal/contractual issues	July 15 – July 17, 2013
Proposer comments on draft DB Agreement and written questions due	July 31, 2013
CAW issues revised DB Agreement and distributes answers to written questions	August 16, 2013
Project Proposals due	September 17, 2013
Proposal Interviews	September 30 – October 3, 2013
Selection of preferred Proposer	October 9, 2013
Final draft DB Agreement and all Proposals to Governance Committee for recommendation	October 21, 2013
Agreement Execution	November 15, 2013

Proposers are encouraged, but not required, to submit written questions or comments on legal/contractual and technical issues in advance of each of their pre-Proposal interviews with CAW in order to facilitate those discussions. Technical questions and comments should be received by CAW by July 3, 2013, and legal/contractual questions and comments should be received by CAW by July 9, 2013. Where written comments or submittals are required, all such documents shall be submitted no later than 3:00 p.m. PST on the day specified. CAW reserves the right to modify any or all of the above dates at its sole discretion at any time during this procurement process.

3.1.1 Pre-Proposal Interviews

As set forth in the schedule included in Section 3.1 above, CAW will hold in-person, pre-Proposal technical and legal/contractual interviews with each short-listed Proposer. These interviews are intended to, among other things, allow Proposers to raise proposed alternatives to the Minimum Design Requirements, to discuss proposed changes to the draft DB Agreement, and to discuss appropriate long-term warranties and mechanisms to ensure/optimize post-Acceptance operations so that CAW's long-term objectives are achieved. Following the interview process, CAW will (i) inform each Proposer individually if any alternative technology which it discussed at its interview would be entertained as a Voluntary Alternative Proposal and (ii) issue an addendum to reflect changes to the draft DB Agreement based upon the interviews including any post-Acceptance obligations. Proposers are encouraged to submit information regarding any proposed changes in advance of the interviews at least three business days in advance of an interview in order to maximize the value of the discussions at the interview. Technical questions and comments should be received by CAW by July 3, 2013, and legal/contractual questions and comments should be received by CAW by July 9, 2013. Technical concepts raised by a Proposer during its pre-Proposal interview will not be shared with other Proposers prior to the submittal of Proposals.

3.2. SELECTION COMMITTEE

The Selection Committee, which is comprised of CAW personnel, will review Proposals submitted; review the evaluation, information, and recommendations provided by an Evaluation Team, consisting of internal and external advisors; along with members of the Evaluation Team, conduct interviews with each Proposer; and select the most advantageous Proposer based upon the criteria detailed in Section 5 of this RFP.

3.3. CAW RIGHTS AND OPTIONS

This RFP constitutes an invitation to the Pre-qualified Respondents to submit Proposals to CAW. CAW reserves, holds without limitation and may exercise, in its sole discretion, the rights as set forth below. Such rights are in addition to and shall not serve to limit any of the specific rights and conditions set forth in this RFP. By responding to this RFP, Proposers acknowledge and consent to the following CAW rights:

1. CAW reserves the right to waive any defect, technicality or any other minor informality or irregularity in any Proposal.
2. CAW reserves the right to eliminate any Proposer that submits an incomplete or inadequate response, or is not responsive to the requirements of this RFP, or is otherwise deemed to be unqualified during any stage of the procurement process.
3. CAW reserves the right to prepare and issue such amendments and addenda to this RFP prior to the deadline for receipt of all Proposals, including any amendments or

addenda that may expand or cancel any portion or all of the work described in this RFP.

4. CAW reserves the right to receive questions concerning this RFP from Proposers and to provide such questions, and CAW's responses, if any, to all Proposers.
5. CAW reserves the right to request clarifications of information submitted in the Proposals.
6. CAW reserves the right to modify or terminate the procurement process by written notice to the Proposers for any reason whatsoever.
7. CAW reserves the right to change or alter the schedule for any events associated with this procurement process upon notice to the Proposers, including, without limitation, the date for receipt of Proposals or any other deadlines and dates set forth in this RFP.
8. CAW reserves the right to issue subsequent RFPs.
9. CAW reserves the right to conduct investigations with respect to the experience of any team member included in a Proposal and to request additional evidence to support any such information.
10. CAW reserves the right to visit and examine any of the facilities referenced in the Proposals or SOQs and to observe and investigate the operations of such facilities.
11. CAW reserves the right to interview one or more of the Proposers, in CAW's sole discretion, in order to obtain clarification of information provided by the Proposer.
12. CAW reserves the right to amend the Contract Services described in the draft DB Agreement, at any time, to omit services therein or to include services not currently contemplated therein.
13. CAW reserves the right to determine the selected Proposer with whom to negotiate the DB Agreement.
14. CAW reserves the right to discontinue negotiations with the selected Proposer and commence negotiations with the next ranked Proposer.
15. CAW reserves the right to enter into, or decline to enter into, the DB Agreement with the selected Proposer following negotiations.
16. CAW reserves the right, for any reason, to decide not to award a DB Agreement as a result of this procurement process.

17. CAW reserves the right to decide on the most appropriate method for Project implementation, which may include discontinuation of this procurement process and development of the Project via another process elected by CAW.

3.4. EXPENSE OF PROPOSAL PREPARATION

CAW accepts no liability for the costs and expenses incurred by the Proposers in responding to this RFP, responding to clarification requests and attending discussion meetings, preparing any re-submittals, attending potential interviews and negotiations, and any other activities included as part of this procurement process. Each Proposer that enters into the procurement process shall prepare the required materials and submittals at its own expense and with the express understanding that it cannot make any claims whatsoever for reimbursement from CAW or from any of its employees, advisors or representatives for the costs and expenses associated with the process, including, but not limited to, costs of preparation of the Proposal, loss of anticipated profits, loss of opportunity or for any other loss, cost or expense.

3.5. ADDENDA TO RFP

During the period provided for the preparation of Proposals, CAW may issue addenda clarifying or modifying this RFP. Such addenda will be numbered consecutively and will be distributed to Proposers. All RFP addenda will be issued by, or on behalf of, CAW and will constitute a part of this RFP. A list of addenda will be kept on the Project Website. CAW recommends that prior to submitting its Proposal, a Proposer should contact the Procurement Contact to verify the number and subject of the addenda that have been issued. The Proposer shall be responsible for obtaining all addenda prior to submitting a Proposal.

3.6. COMMUNICATIONS PROTOCOL

To ensure fairness during the procurement process, until the DB Agreement is executed or all Proposals are rejected, Proposers and their employees, representatives and agents shall not contact any CAW employee (other than the Procurement Contact); any ineligible firm identified in the RFQ; any County of Monterey official, representative or staff member; any Monterey Peninsula Regional Water Authority official, representative, technical advisory committee member or staff member; or any Monterey Peninsula Water Management District official, representative or staff member on any matter relating to the Project, the MPWSP or this procurement process. Proposers, however, may contact, discuss with, or inquire of any permitting agency, including those identified above, about the Project or the MPWSP but only for the limited purpose and within the limited scope of obtaining information relating to the permitting requirements for the Project. Failure to adhere to these requirements may result in disqualification from the procurement process.

All formal questions regarding interpretations or clarification of the meaning of any part of this RFP or other documents provided by CAW shall be made in writing or by email to Lori Girard (the "Procurement Contact") at the following address:

CALIFORNIA AMERICAN WATER
511 FOREST LODGE ROAD, SUITE 100
PACIFIC GROVE, CA 93950
Attn: Lori Girard, Corporate Counsel
lori.girard@amwater.com

The Proposers shall submit questions and requests for clarifications no later than 5:00 p.m. PST on the date indicated in Section 3.1 of this RFP. All questions and clarification requests shall be in writing, and Proposers are encouraged to submit such questions and clarification requests in advance of the above deadline. Only answers issued by formal written addenda or as posted on the Project Website shall be binding upon CAW. Oral and other interpretations or clarifications shall not be binding and Proposers shall not rely on any such responses.

3.7. USE OF TECHNICAL INFORMATION

By submitting a Proposal, Proposers agree that regardless of whether CAW awards the DB Agreement, CAW shall have the right to use (or permit the use of) all information submitted pursuant to this RFP, including the data, information, concepts and ideas contained therein, without any requirement of providing compensation to the Proposer, for all purposes associated with the continued development, implementation, operation or expansion of the Project. Notwithstanding the foregoing, other than the use of data, information, concepts and ideas contained in the selected Proposer's Proposal for the Project, CAW agrees that any such use of Proposals by CAW without the applicable Proposer's consent shall be at the sole risk of CAW.

3.8. INFORMATION DISCLOSURE TO THIRD PARTIES

Per section V(D) of the Governance Committee Agreement, at the appropriate time CAW will provide the Governance Committee a copy of all responsive SOQs and Proposals received, except for any proprietary information provided by Proposers submitting responsive SOQs and Proposals. If a Proposer identifies proprietary information in its Proposal, CAW will use reasonable efforts to hold in confidence such proprietary information. Notwithstanding the foregoing, CAW will not be responsible or liable in any way for any losses that the Proposer may suffer from the disclosure of information or materials to third parties. Price Proposals shall not be considered proprietary information.

CAW will notify the Proposer of any requests under Applicable Law to disclose any information identified by a Proposer as proprietary. However, it is the responsibility of the Proposer, as the real party in interest, to defend its basis for exemption from disclosure of such information in accordance with Applicable Law.

3.9. CAW RIGHT TO EXAMINE REFERENCE FACILITIES

CAW may examine any of the facilities referenced in the Proposals or in the SOQs. CAW strongly desires not to travel outside of the United States in order to examine a facility. Proposers should therefore identify creative ways for CAW to view facilities (e.g., by means of a

video conference, video tape, etc.). The intent of such an examination would be, among other things, to observe and investigate the facility's ongoing quality with respect to operations and maintenance, to observe the quality of construction, to obtain the municipal owner's perspective of how well the Proposer team worked with the owner throughout the project, to evaluate specific equipment or processes used in that project, to determine whether there were problems encountered during start-up and acceptance of the selected facility, to determine if the facility is meeting the performance criteria for the project, and to determine whether the projected operation and maintenance costs for the project were accurate.

3.10. EVALUATION AND RANKING OF PROPOSALS

The Selection Committee, with the advice and assistance of the Evaluation Team, will evaluate the Proposals in the manner set forth in Section 5 of this RFP. The results of the evaluation will be a selection of the most advantageous Proposer.

The Selection Committee will: (i) review the Proposals; (ii) review the evaluation and information provided by the Evaluation Team; (iii) along with members of the Evaluation Team, conduct interviews with each Proposer; and (iv) rank the Proposals using the criteria detailed in Section 5 of this RFP.

The evaluation of the technical and financial qualifications shall be based on the Proposals received in compliance with this RFP (including previously submitted SOQs) and an analysis of other publicly available information with respect to the Proposers. CAW may conduct such investigations, interviews, and site visits as it deems necessary to assist in the evaluation of any Proposal, and to establish to CAW's satisfaction with the responsibility, qualifications, and financial ability of any Proposer.

3.11. NEGOTIATION OF DB AGREEMENT

The Proposer selected for negotiations shall be determined based upon the evaluation and ranking of the Proposals by the Selection Committee consistent with the requirements set forth in this RFP.

Proposers are reminded that, pursuant to Section 3.7 of this RFP, acceptance of any suggestions included in the Proposer's markup of the draft DB Agreement submitted by the Proposer is at CAW's sole discretion and that CAW does not intend to discuss or negotiate any issue, term or condition that is not specifically identified therein. At any time during the negotiation process, CAW may decide that it is in CAW's best interests to terminate negotiations with the selected Proposer. In such event, CAW may elect to commence negotiations with the next highest ranked Proposer, to terminate this procurement, or to re-solicit proposals under this, or a different, RFP. As shown on the schedule set forth in Section 3.1, CAW does not intend to have an extended period of negotiation. The pre-Proposal legal/contractual meetings are intended to provide the Proposers the opportunity to express significant objections to the draft DB Agreement. It is the intent of CAW to revise the draft DB Agreement following such meetings and to issue an

addendum to reflect any changes which CAW believes are reasonable and in the best interest of the Project.

Following the negotiation of the DB Agreement and review of the DB Agreement by the Governance Committee pursuant to the Governance Committee Agreement, CAW intends to execute the DB Agreement so that the selected Proposer may proceed with design and permitting work.

SECTION 4

PROPOSAL REQUIREMENTS

4.1. OVERVIEW OF SUBMISSION REQUIREMENTS AND DESIGN CRITERIA FOR PROPOSALS

Proposers shall submit a fully developed Proposal in accordance with the instructions provided in this Section. In addition to textual discussions, Proposers shall submit design drawings, diagrams, reports, and shall complete the Proposal Forms included with this RFP. In preparing all textual discussions contained within the various sections of the Proposal, Proposers should reference applicable design drawings, diagrams, reports, and Proposal Forms to assist CAW in its evaluation of the Proposal.

Proposals shall meet or exceed the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement. In order to enable CAW to evaluate the technical merits of a Proposal, Proposers shall provide sufficient information and design details in their Proposals to demonstrate compliance with the Design and Construction Requirements, the Acceptance Criteria and the other Contract Standards.

Proposers shall provide the information requested in this RFP in accordance with the format and content requirements outlined in this Section. Failure of the Proposer to provide all of the requested information and to provide it in the requested format may result in CAW, in its sole discretion, determining that the Proposal is non-responsive to the requirements of this RFP.

4.2. PROPOSAL FORMAT

Each Proposal shall be spiral bound (or similar) and shall consist of four sections in accordance with the format outlined below. Section 3.0 (Technical Proposal) shall be separately bound from Sections 1.0, 2.0 and 4.0 so that the Technical Proposal can be submitted in a separate envelope. Narrative pages shall be 8-1/2 inches by 11 inches, printed on one side only and typed with a minimum 11-point font (unless otherwise stated). All descriptive text on diagrams and figures must be easily readable. Proposers shall incorporate graphics (*e.g.*, process flow diagrams and drawings) as necessary to clearly present their Proposals. All drawings, diagrams and other graphics should be prepared to scale where possible, and if otherwise prepared, such drawing, diagram or graphic shall clearly indicate the manner in which it has been presented. Drawings shall include a title page with drawing names and numbers. Drawings shall be arranged by discipline, bound, and shall be printed on paper sized 11 inches by 17 inches. A clear and concise presentation of information is encouraged within the size limitations established for the Proposal. Proposals shall be in the English language and shall use units of measurement commonly utilized in the United States.

Failure of the Proposer to organize the information as required by this Section of this RFP may result in rejection of the Proposal by CAW, in its sole discretion, deeming the Proposal unresponsive to the requirements of the RFP. Proposers may reduce the repetition of identical

information within the several sections of Proposals by making the appropriate cross-references to other sections of their Proposals and Proposal Forms. Appendices for certain technical information, such as drawings, charts, forms and tables may be used to facilitate Proposal preparation.

The complete Proposal format requirements are outlined as follows:

Section 1.0 Executive Summary

- A. Proposal Form 1: Transmittal Letter
- B. Executive Summary
- C. Project Abstract
- D. Proposal Form 2: Non-Collusion Affidavit
- E. Proposal Form 3: Disclaimer Statement

Section 2.0 Project Team Information

- A. General Project Team Information
- B. Proposal Form 4: Guarantor Acknowledgment
- C. Proposal Form 5: Key Personnel
- D. WMDVBE Utilization Plan
- E. Local Resources Utilization Plan
- F. Proposal Form 6: Verification of SOQ Information
- G. Proposal Form 7: Financial Capacity Data
- H. Proposal Form 8: Surety Letter of Intent to Issue a Performance Bond
- I. Proposal Form 9: Surety Letter of Intent to Issue a Payment Bond
- J. Proposal Form 10: Bank Letter of Intent to Issue a Letter of Credit
- K. Proposal Form 11: Insurance Company Letter of Intent
- L. Additional Financial Information

Section 3.0 Technical Proposal

- A. Overview and Description of the Project
- B. Scope of Geotechnical Investigation
- C. Basis of Design Report Submitted with Proposal
- D. Drawings Submitted with Proposal
- E. Listing of Drawings and Specifications
- F. Preliminary External Architecture Treatment, Renderings, and Landscaping Plan
- G. Approach to Sustainable Building
- H. Proposal Form 12: Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date
- I. Plan for the Performance of the Design-Build Work
- J. Plan for Transition and Acceptance Testing
- K. Reduction in Rated Capacity
- L. Required Alternative Proposals
- M. Voluntary Alternative Proposals
- N. Proposal Form 23: Governmental Approvals Schedule

Section 4.0 Business and Price Proposal

- A. Summary of Business Proposal
- B. Proposal Form 13: Fixed Design-Build Price
- C. Proposal Form 13A: Fixed Design-Build Price for Reduced Capacity
- D. Proposal Form 13B: Required Alternative Proposals for 9.6 mgd Facility
- E. Proposal Form 13C: Required Alternative Proposals for 6.4 mgd Facility
- F. Proposal Form 13D: Voluntary Alternative Proposals
- G. Proposal Form 14: Estimated Drawdown Schedule for 9.6 mgd Facility

- H. Proposal Form 14A: Estimated Drawdown Schedule for 6.4 mgd Facility
- I. Proposal Form 15: Estimated Operation and Maintenance Costs for 9.6 mgd Facility
- J. Proposal Form 15A: Estimated Operation and Maintenance Costs for 6.4 mgd Facility
- K. Proposal Form 16: Estimated Maximum Electricity Utilization
- L. Proposal Form 17: Maximum Electricity Utilization for Acceptance Testing
- M. Proposal Form 18: Maximum Combined RO Train Permeate Salt Concentrations for Acceptance Testing
- N. Proposal Form 19: Estimated Major Maintenance, Repair, and Replacement Schedule for 9.6 mgd Facility
- O. Proposal Form 19A: Estimated Major Maintenance, Repair, and Replacement Schedule for 6.4 mgd Facility
- P. Proposal Form 20: Estimated RO System Membrane Replacement Schedule for 9.6 mgd Facility
- Q. Proposal Form 20A: Estimated RO System Membrane Replacement Schedule for 6.4 mgd Facility
- R. Proposal Form 21: Acceptance of DB Agreement
- S. Proposal Form 22: Form of Proposal Bond

4.3. **PROPOSAL SUBMISSION**

4.3.1 Proposal Deadline

All Proposals, including all attachments, shall be delivered in a sealed package addressed to:

CALIFORNIA AMERICAN WATER
511 FOREST LODGE ROAD, SUITE 100
PACIFIC GROVE, CALIFORNIA 93950
Attn: Lori Girard, Corporate Counsel

The package shall be separated using two separate envelopes, one for the Technical Proposal (Section 3.0) and the other for the balance of the Proposal. The Technical Proposal shall include the following information on the outside of the envelopes or boxes: (1) Name of Proposer and (2) “Technical Proposal for Design-Build of the Monterey Peninsula Water Supply Project

Desalination Infrastructure”. The separate balance of the Proposal shall include the following information on the outside of the envelope or box: (1) name of Proposer and (2) “Price Proposal for Design-Build of the Monterey Peninsula Water Supply Project Desalination Infrastructure”. Proposals will not be opened publicly.

The Proposals, including applicable Proposal Forms shall be signed and acknowledged by the Proposer in accordance with the instructions herein. Proposals shall be delivered to and be received by CAW at the above address **on or before 3:00 pm PST on September 17, 2013**. Any Proposal received after that time may be returned unopened to the Proposer.

4.3.2 Number of Copies

One original, five (5) hard copies, and fifteen (15) CD-ROMs of each Proposal shall be submitted. All Proposals shall be complete, with all requested information, data and attachments. One copy of the Proposal must be clearly marked as the original and must contain the original signature forms and other original documents. The remaining copies of the Proposal may be reproductions and Proposers shall number each hard copy in sequential order on the upper right corner of each cover. The original shall be accompanied by CD-ROM version thereof with all files in Microsoft Word® or Portable Document Format (“PDF”), as appropriate, with any drawings and diagrams presented in PDF. The typed, hardbound Proposals shall take precedence over the electronic CD-ROM version in the event of any inconsistencies between the two formats. Proposers shall submit separate CD-ROMs to distinguish between the Price Proposal and the Technical Proposal.

4.4. PROPOSAL CONTENTS

The Proposer shall provide the appropriate information in accordance with the content and format requirements set forth in each of the following submission subsections.

Proposers are advised that, if selected, as part of the DB Agreement negotiation phase, portions of the information contained in its Proposal will be included or integrated into the DB Agreement, as negotiated by the parties based on the RFP and Proposal.

4.4.1 Section 1.0: Executive Summary

A. Proposal Form 1: Transmittal Letter

Each Proposal must include one fully executed and notarized Transmittal Letter from the Proposer acknowledging, among other things, that the Proposer has completely reviewed and understands and agrees to be bound by the requirements of this RFP and has received all addenda. Such letter commits the Proposer, if selected, to carry out the provisions of the Proposal. The Transmittal Letter shall be submitted on the Proposer’s letterhead in the form of Proposal Form 1 and signed by a representative of the Proposer who is empowered to sign such material and to commit the Proposer to the obligations contained in the Proposal (the “Designated Signatory”). The Certificate of Authorization (Attachment 1 to the Transmittal

Letter) attesting to such authorization must also be submitted with the Transmittal Letter. If the Proposer is a partnership, the Proposal shall be signed by one or more of the general partners. If the Proposer is a corporation, an authorized officer shall sign his or her name and indicate his or her title beneath the full corporate name. If the Proposer is a joint venture, each firm in the joint venture shall sign the Transmittal Letter. If the Proposer is a limited partnership or a limited liability company, the Proposal shall be executed by the managing partner(s) or managing member thereof. Anyone signing the Proposal or any Proposal Form as agent must file with it legal evidence of his or her authority to execute such Proposal or Proposal Form. The Designated Signatory shall sign all forms that require the signature of the Proposer. The Transmittal Letter must also contain a listing of all firms that are part of the Proposer's Project team (Attachment 2 to the Transmittal Letter) and a listing of all applicable licenses (Attachment 3 to the Transmittal Letter). A summary of the role for each member of the Proposer's Project team shall be included.

B. Executive Summary

The Proposer shall submit an executive summary detailing the key aspects of the Proposal. The executive summary should include a clear statement of the Proposer's understanding of the RFP, identify the Proposer's key team members and their respective roles with respect to the proposed Project, briefly describe the proposed processes, and summarize the other significant aspects of the Proposal noting how the Proposer meets the requirements of the RFP and the DB Agreement. The executive summary shall include the following charts and diagrams:

- Project Team (8½" x 11", 1 page)
- Site Plan (11" x 17", 1 page)
- Process Block Diagram (11" x 17", 1 page)

C. Project Abstract

The Proposer shall also submit a Project abstract outlining the Proposal. The Project abstract shall at a minimum include an identification of the proposed Project team and description of the proposed Design-Build Improvements and overall Project. CAW may use the Project abstract for public relations purposes. Accordingly, the Project abstract should be concise and drafted so that it may be easily understood by persons not having a technical background.

D. Proposal Form 2: Non-Collusion Affidavit

Proposers shall complete and sign Proposal Form 2, which acknowledges that the Proposal has been made and submitted in good faith and without collusion or fraud.

E. Proposal Form 3: Disclaimer Statement

Proposers shall be responsible for independently verifying the accuracy of all the information contained in the RFP. Proposers shall complete and sign Proposal Form 3 which releases CAW and CAW Representatives (as defined therein) from any and all claims arising from any information contained in or otherwise provided in connection with this RFP, except as otherwise specifically provided in the DB Agreement with respect to the occurrence of certain Uncontrollable Circumstances.

4.4.2 Section 2.0: Project Team Information

A. General Project Team Information

The Proposal shall include a description of the Proposer, *i.e.*, the form of business structure (corporation, partnership, joint venture, etc.) that is proposed to serve as the contracting party. A Project organization chart is required which shall include a full-page diagram of the legal relationships between all parties of the Proposer's Project team, including the Guarantor, and a clear description of the ownership structure of all Project team members, including the Guarantor. If the Proposer is a partnership or a joint venture, all members of the Proposer shall be listed. Proposers may not materially modify their ownership structure, as presented in their SOQ.

The Proposal shall identify the portions of the Project that will be undertaken directly by the Proposer and what portions of the Project will be subcontracted and to which firms (collectively, "Significant Subcontractors"). The Project organization chart shall also show all Key Personnel (identified on Proposal Form 5, below) and lines of authority for the Design-Build Period.

The Proposer shall also identify any other entity, including, without limitation, any corporation, partnership, firm, joint venture, or individual to which the Proposer intends to assign material responsibilities under the DB Agreement. At a minimum, the Proposal shall identify the parties that will undertake the various roles required to perform the Design-Build Work.

The proposed contractual relationships between the Proposer, the Guarantor, and all major partners and Significant Subcontractors relative to the various phases of the Project (*e.g.*, design, construction) shall be outlined in the Proposal. CAW reserves the right to request copies of such contracts as part of the Proposal review process.

In addition, Proposers shall indicate the current workload of the key Project team members and shall provide a description of how the Project team will manage the workload in a manner that will assure the timely, cost-effective delivery of the Design-Build Work.

B. Proposal Form 4: Guarantor Acknowledgement

The Proposer must have the Guarantor for the Project, which was identified by the Proposer in its SOQ, complete and sign the Guarantor Acknowledgement (Proposal Form 4). The Guarantor

will be required to sign a Guaranty Agreement with CAW in the form set forth in the draft DB Agreement (Transaction Form A), in which it will irrevocably, absolutely and unconditionally guarantee the performance of all obligations of the DB Entity under the DB Agreement. The Guarantor Acknowledgment shall be submitted on the Guarantor's letterhead in the form of Proposal Form 4 and signed by a representative of the Guarantor who is empowered to sign such material and to commit the Guarantor to the obligations contained in the Acknowledgement. A Certificate of Authorization (Attachment 1 to the Guarantor Acknowledgement) attesting to such authorization must also be submitted with the Guarantor Acknowledgement. If the Guarantor is a partnership, the Guarantor Acknowledgment shall be signed by one or more of the general partners. If the Guarantor is a corporation, an authorized officer shall sign his or her name and indicate his or her title beneath the full corporate name. If the Guarantor is a joint venture, each firm in the joint venture shall sign a separate Guarantor Acknowledgment. If the Guarantor is a limited partnership or a limited liability company, the Guarantor Acknowledgment shall be executed by the managing partner(s) or managing member thereof. If there are multiple Guarantors (which must be jointly and severally liable), each must independently comply with these requirements and submit separate Guarantor Acknowledgments with Certificates of Authorization. Anyone signing as an agent must file with it legal evidence of his or her authority to execute such Guarantor Acknowledgment.

Proposers may provide enhancements to the Guarantor identified in the Proposer's SOQ; however, Proposer's must describe any enhancements provided and detail how the enhancements make the Guarantor equal to or better financially than as set forth in the Proposer's SOQ. CAW, in its sole discretion, may consent or decline to consent to such enhancements.

C. Proposal Form 5: Key Personnel

The Proposer shall complete Proposal Form 5 for all Key Personnel, which shall include the following individual team members (as applicable):

1. Overall Project Manager;
2. Design-Build Manager;
3. Engineer-of-Record, licensed in the State of California, responsible for process design, facilities design, civil, mechanical, structural, electrical and geotechnical disciplines;
4. Architect;
5. Project lead with respect to Governmental Approvals;
6. Lead Water Treatment Process Design Engineer;
7. Reverse Osmosis System Designer;

8. DB Entity Construction Superintendent;
9. Safety Manager;
10. QA/QC Manager;
11. Commissioning Manager.

Additional forms may be provided for other Key Personnel critical to completion of the Project. Where one individual or team member performs several functions, information shall be provided on immediate subordinates. The Proposers shall demonstrate that the Key Personnel include the appropriate mix of skills and disciplines, that there shall be assurance of continuity from Design-Build Work through startup, and commissioning, and that there is definitive authority vested in the appropriate individuals to fully execute the Project. The Proposer shall submit a statement attesting to the Proposer's commitment to keep the individuals so identified for the duration of the intended role in the Project for each individual. This commitment is to last as long as each individual remains in the employ of the Proposer or as otherwise specified in the DB Agreement, subject only to unavoidable personal circumstances affecting the Key Personnel. The Proposal shall identify where Key Personnel will be located during the execution of the Project.

Each Proposer shall recognize that its Key Personnel, along with the Significant Subcontractors and their key employees included in the previously submitted SOQ, were used as a basis for determining short-listed firms for eligibility to submit responses to this RFP. Therefore, any changes to the Proposer's proposed Project team from that presented in the SOQ, shall include a description of the proposed change and how the change makes the Proposer equally qualified or better qualified than indicated by the previously submitted qualifications. Such changes may, at the sole discretion of CAW, result in disqualification of the Proposer if CAW determines that any such changes have adversely affected the Proposer's qualifications from those set forth in the previously submitted SOQ.

D. WMDVBE Utilization Plan

As described in Section 2.11 of this RFP, Proposers must prepare and submit a WMDVBE Utilization Plan as part of its Proposal. The WMDVBE Utilization Plan is a written commitment to contract with WMDVBES that have been certified through the CPUC's Supplier Clearinghouse, as part of the Project. CAW has established a combined WMDVBE participation goal for the Project of twenty-one and one-half percent (21.5%) of the Fixed Design-Build Price. CAW will require that the DB Entity monitor and report the continued implementation of the WMDVBE program goals, as stated in the WMDVBE Utilization Plan, throughout performance of the DB Agreement.

E. Local Resources Utilization Plan

As described in Section 2.12 of this RFP, Proposers must prepare and submit a Local Resources Utilization Plan as part of its Proposal. The Local Resources Utilization Plan shall include that the DB Entity will make a good faith effort to employ qualified individuals who are, and have been for at least one year out of the three years prior to the opening of Proposals, residents of Monterey County, San Benito County, or Santa Cruz County in sufficient numbers so that no less than fifty percent (50%) of the DB Entity's total construction work force, including any Subcontractor work force (with exception of specialty subcontractor items), measured in labor work hours, is comprised of residents of such counties. CAW will require that the DB Entity monitor and report the continued implementation of the Local Resources Utilization Plan throughout performance of the DB Agreement.

F. Proposal Form 6: Verification of SOQ Information

The information previously provided in the Proposer's SOQ shall be evaluated based upon the criteria identified in Section 5 of this RFP on a relative basis among the Proposers. Accordingly, each Proposer must update and reaffirm all aspects of its SOQ; or, if making changes, identify the changes and describe how such changes make the Proposer's qualifications equal or better than its previously submitted qualifications in its SOQ through completion and submission of Proposal Form 6. Any such changes must be consented to by CAW, in its sole determination, and CAW's decision as to whether or not such changes enhance or adversely effect the Proposer's qualifications shall be final.

In connection with Proposal Form 6, a Proposer may update the description of the reference facilities identified in its SOQ or may add additional reference facilities, as necessary to show that the Proposer has the experience necessary to perform the Design-Build Work. CAW may choose as part of the RFP process to visit any of the reference facilities identified in a Proposer's SOQ or any new reference facilities identified by the Proposer in its Proposal. If new reference facilities are added, a brief description of each added reference facility shall be provided, including a description of the Proposer's specific involvement. For each reference facility added, the Proposer shall provide at least the following information, as applicable:

1. the name and location;
2. the name, address, and telephone number of client contact;
3. the owner of the facility or system;
4. if regulated, the name, address, and telephone number of the regulator;
5. a description of the services performed;
6. the applicability and relevance of the reference facility to the Design-Build Work;

7. a description of systems and processes, including design, size and capacity;
8. the history of operations, including start-up date and years of service; and
9. key contact information.

G. Proposal Form 7: Financial Capacity Data

Proposers and Guarantors shall complete and provide Proposal Form 7 in order to provide CAW with updated financial information from that submitted with the SOQ. Proposal Form 7 shall be completed separately by the Proposer and the Guarantor(s) and signed by an authorized official of the Proposer and the Guarantor(s), respectively. The Proposer and the Guarantor shall attach any additional financial information requested in Proposal Form 7, including audited financial statements and associated footnotes. If any information requested on Proposal Form 7 is not available, Proposers and Guarantors shall provide an explanation as to the absence of such information. As required in Proposal Form 7, the Proposer and the Guarantor shall provide independently audited financial statements for the preceding three fiscal years and their most recently available quarterly financial statements and may request such financial information be treated confidentially in accordance with Section 3.8 of this RFP. If the Proposer and Guarantor provided the financial statements as part of its SOQ, the Proposer should only submit updates to those statements. Audited financial statements shall be presented in U.S. dollars and shall include the auditor's report, income statements, balance sheets, cash flow statements, accompanying footnotes and any required supplementary information. These statements shall be presented in U.S. dollars and shall be prepared in accordance with GAAP, including all relevant notes. CAW will accept statements prepared in accordance with a different financial standard (e.g., IAS or European GAAP). However, such statements shall be presented in U.S. dollars, shall include all relevant notes in English and shall be accompanied by a general description of the differences between the principles under which the reports have been prepared and GAAP. If the Proposer does not file financial statements separately from its parent company, CAW will accept financial statements prepared for internal reporting purposes along with the parent's financial statements. If the Proposer is a special purpose entity ("SPE") or if the Proposer intends to utilize a SPE, then the Proposer shall provide at least three years of financial statements of the shareholders or partners of the SPE and, as applicable, the articles of incorporation, deed of partnership or articles of organization of the SPE.

If the Proposer or the Guarantor is required to make periodic filings with the Securities and Exchange Commission ("SEC"), the Proposer and the Guarantor shall submit any additional filings it has made since its submission of the SOQ. This would include filings on Form 10-K and supporting documents, all quarterly reports filed with the SEC on Form 10-Q since the last 10-K was filed, and all reports filed with the SEC on Form 8-K since the last 10-K or 10-Q was filed, whichever is later.

H. Proposal Form 8: Surety Letter of Intent to Issue a Performance Bond

Proposal Form 8 shall be duplicated and provided on the official letterhead of the Proposer's surety company. The Proposer must provide a surety company that complies with the requirements set forth in Section 10.2 of the draft DB Agreement. Proposal Form 8 acknowledges, among other things, that the Proposer's surety company has reviewed and understands the requirements of this RFP and the draft DB Agreement and intends to issue a Performance Bond in favor of CAW as security for the performance of the DB Entity's Design-Build Work obligations under the DB Agreement, as negotiated between the parties based on the RFP and Proposal.

The Performance Bond shall be issued by a surety company who is admitted to transact surety insurance in the State of California. Should an objection as to the sufficiency of an admitted surety on the Performance Bond be made, or if the Performance Bond is required to be approved, California Code of Civil Procedure paragraph 995.660 shall apply. The Performance Bond shall be in an amount equal to the Design-Build Price. Additional details regarding the Performance Bond requirements are provided in Section 10.2 of the draft DB Agreement. CAW has determined that a dual obligee bonding arrangement is not appropriate for this Project.

I. Proposal Form 9: Surety Letter of Intent to Issue a Payment Bond

Proposal Form 9 shall be duplicated and provided on the official letterhead of the Proposer's surety company. The Proposer must provide a surety company that complies with the requirements set forth in Section 10.2 of the draft DB Agreement. Proposal Form 9 acknowledges, among other things, that the Proposer's surety company has reviewed and understands the requirements of this RFP and the draft DB Agreement and intends to issue a Payment Bond in favor of CAW as security for the performance of the DB Entity's payment obligations in connection with the performance of the Design-Build Work under the DB Agreement, as negotiated between the parties based on the RFP and Proposal.

The Payment Bond shall be issued by a surety company who is admitted to transact surety insurance in the State of California. Should an objection as to the sufficiency of an admitted surety on the Payment Bond be made, or if the Payment Bond is required to be approved, California Code of Civil Procedure paragraph 995.660 shall apply. The Performance Bond shall be in an amount equal to the Design-Build Price. Additional details regarding the Payment Bond requirements are provided in Section 10.2 of the draft DB Agreement.

J. Proposal Form 10: Bank Letter of Intent to Issue a Letter of Credit

Proposal Form 10 shall be duplicated and provided on the official letterhead of the Proposer's bank. The Proposer must provide a bank that complies with the requirements set forth in Section 10.3 of the draft DB Agreement. Proposal Form 10 acknowledges, among other things,

that the Proposer's bank has reviewed and understands the requirements of this RFP and the draft DB Agreement and intends to issue a Letter of Credit in the amount of one million dollars (\$1,000,000.00) in favor of CAW as security for the DB Entity's performance under the DB Agreement, as negotiated between the parties based on the RFP and Proposal.

The bank providing the irrevocable Letter of Credit shall be a domestic or foreign commercial bank whose long-term and short-term debt is rated "Aa2" or higher by Moody's and "AA" or higher by Standard & Poor's, and if there is a split rating, then the lower of the two shall apply. The bank shall maintain an office in San Diego, Los Angeles or San Francisco, California, or New York, New York. The bank shall be subject to the approval of CAW, which shall not unreasonably be withheld or delayed. In the event that the bank no longer meets the above qualifications, the Design-Build Entity will be required to replace the irrevocable Letter of Credit immediately from a bank that meets the requirements stated above.

K. Proposal Form 11: Insurance Company Letter of Intent

Proposal Form 11 shall be duplicated and provided on the official letterhead of the Proposer's insurance company. The Proposer must provide an insurance company that complies with the requirements set forth in Section 9.1 and Appendix 10 of the draft DB Agreement. The Insurance Company Letter of Intent acknowledges, among other things, that the Proposer's insurance company has reviewed and understands the requirements of this RFP and the draft DB Agreement and that the insurance company intends to furnish the Required Insurance set forth in Appendix 10 of the DB Agreement, as negotiated between the parties based on the RFP and Proposal.

L. Additional Financial Information

In order to demonstrate the financial capacity to perform the Design-Build Work, each Proposer shall update the financial information submitted with its SOQ for itself and its Guarantor with respect to the Proposer's and Guarantor's near-term financial prospects as discussed below. In this section of the Proposal, discuss any recent, current, or anticipated changes in the Proposer's or the Guarantor's method of conducting business, including mergers and acquisitions, take-over or divestitures. Proposers shall state whether there are or may possibly be any events or changes that might significantly alter the financial condition of the Proposer or its Guarantor. This could include any material lawsuits or litigation, significant permit exceedances, and material contract disputes for other projects developed or operated by the Proposer, the Guarantor or any Significant Subcontractor. Note, responses under this section of the RFP that are subject to knowledge qualifiers should reflect the knowledge of the Proposer as well as the Guarantor and any Significant Subcontractor. Additionally, discuss any material financial disclosures, contingent liabilities (including operating performance guarantees for other entities) adjustments, and extraordinary expense items that have been disclosed over the past three-year period. For purposes of this paragraph and this RFP, "material" refers to any litigation or contract dispute determined to be material by the entities' external auditors for financial statement disclosure or

financial statement adjustment. Proposers shall include all such material information requested in this paragraph in this section of its Proposal.

In addition, in this section of the Proposal, Proposers may provide any other information of the Proposer and the Guarantor that would assist CAW in evaluating the Proposer's and Guarantor's financial capabilities and long-term financial strength in accordance with Section 5 of this RFP.

4.4.3 Section 3.0: Technical Proposal

This section of the Proposal shall present the technical aspects of the Proposer's plan to provide the Design-Build Work. Each Proposer shall provide a description of the proposed Project and the information necessary to convey a clear understanding of the proposed systems and equipment, as well as a description of the approach to the performance of the Design-Build Work in accordance with the requirements set forth in this Section. The Proposer's technical submission shall be in sufficient detail so that CAW can ascertain the Proposer's ability to comply with the performance and quality level requirements set forth in the DB Agreement. The organization of the technical information submitted shall be in a format that can be easily incorporated into the Appendices for the finalization of the DB Agreement.

The Proposer shall follow the Base Project and minimum design criteria as described in Appendix 2. Alternatives to the Base Project that reduce cost and improve operation are encouraged. Alternatives, including pricing and technical supporting information, are to be presented on Proposal Forms 13A through 13D.

The following subsections outline the elements that shall be included in the Proposer's technical proposal to demonstrate compliance with the DB Agreement and this RFP.

A. Overview and Description of the Project

The Overview and Description of the Project shall describe the Proposer's approach to design, construction, and commissioning of the Project to provide facilities that will meet performance and reliability requirements. The Overview can address Voluntary Alternatives Proposals.

B. Scope of Geotechnical Investigation

The Proposer is to identify the scope of geotechnical investigation including the number of soil borings and the associated laboratory testing program.

C. Basis of Design Report Submitted with Proposal

As part of the Proposal, the Proposer shall submit a preliminary Basis of Design Report (the "BODR") that identifies the details of design criteria and equipment selection for all components of the Project. The BODR shall explain how the proposed design meets the Design and Construction Requirements in Appendix 2 of the draft DB Agreement and shall follow the format provided by such Appendix. If the Proposer desires to provide additional information

that would be best conveyed in additional sections, the additional sections are to follow at the end of the BODR. The Proposer shall clearly demonstrate how the proposed design criteria and equipment selection achieve CAW's quality, reliability, and operating cost expectations.

The Proposer is to convey the technical details of their Proposal to CAW through the BODR and the drawings. The BODR must include Project design data which will be utilized in the development of drawings and specifications. This includes quantities, capacities, rates, and all other pertinent design criteria for each specific section presented in Appendix 2 of the draft DB Agreement. This information must be presented in an organized, easy to read tabular or outline format. Generally, minimal full sentence text is to be used except for introductory explanations, or for sections not conducive to tabular or outline presentation format. The BODR is expected to reference the drawings submitted with the Proposal.

The BODR is not to be a review of alternatives with defense of selected approach. The BODR is not to contain lengthy descriptions of regulations.

The BODR shall include, but is not limited to, the information listed below. The list below is a general description of the information and detail. It is not to be used as an outline in place of Appendix 2 of the draft DB Agreement.

1. Rated Capacity and maximum capacity;
2. Allowance in site planning for future contingencies such as plant expansion or additional processes such as seawater pretreatment;
3. Design and sizing criteria for all treatment and waste handling processes;
4. Pumping design criteria and pump selection. Identify ancillary equipment to be provided with pumps (provide pump curves for units larger than 100 hp);
5. Motor selections including size, speed, materials of construction, enclosure type, efficiency and ancillary equipment;
6. Materials of construction;
7. Piping schedules with materials of construction, sizing, pressure rating, methods of restraint;
8. Value schedules with description, location, type, size, quantity, materials of construction, pressure rating, type of actuation, manufacturer, drawing reference and any other pertinent information;
9. Proposed equipment manufacturers;
10. Description of the redundancy for each unit process;

11. Membrane manufacturer computer model runs showing quality and flow rates of all pertinent streams, pressures for varying raw water quality over the range identified for the Project;
12. ERD specification and performance;
13. Membrane CIP scope and operation;
14. Scope of residual wastes/treatment residuals handling;
15. Post stabilization facilities including post stabilization chemical systems, storage and feed capacities, vessel/tank sizes, materials of construction, and dimensions;
16. Approach to disinfection (virus, *Giardia*, *Cryptosporidium*) in compliance with regulations considering source water quality;
17. Chemical feeder selection and sizing to suit the range of intended operation;
18. Chemical tank sizing, materials of construction, manufacturer;
19. Codes to be followed for architectural design;
20. Identification of architectural materials for floors, walls, ceilings, roofs;
21. Structural design: codes to be followed and design approach for seismic conditions;
22. HVAC design approach including codes and design criteria for heat, cooling, and ventilation;
23. Types and location of HVAC equipment;
24. Control of HVAC equipment;
25. HVAC noise goals;
26. Preliminary heating, ventilation, and air conditioning equipment schedules;
27. Fire suppression systems;
28. Plumbing for plant service water needs including selective use of permeate for chemical mixing;
29. P&ID drawings shall indicate pipe sizing, materials of construction, valves, pumps, as well as instrumentation, following ISA conventions in preparation of

P&ID drawings. Local and remote control methods shall be indicated. Discrete and analog input/outs shall be identified;

30. Preliminary IO list for the instrumentation and control system;
31. Instrument schedule listing field devices/instruments, a description, ranges, quantity, model numbers, and manufacturers;
32. Approach to process control descriptions emphasizing reliability, flexibility, operator input, minimizing equipment start/stop cycles, and minimizes energy consumption;
33. Operating cost including power and materials for UV;
34. Maintenance cost (recoating) for tanks larger than 10,000 gallons;
35. Preliminary electrical load table;
36. Preliminary sizing of plant service transformers, 4160 and 480 volt busses, standby generator;
37. Lighting: Approach to interior and exterior lighting; energy efficiency of lighting; life safety lighting; and
38. Electrical grounding, electrical transient protection, and UPS applications.

D. Drawings Submitted with Proposal

The Proposer is to submit drawings as part of its Proposal to describe the Proposer's approach in providing facilities to meet the Base Project requirements. The drawings are to be sufficiently complete to allow CAW to ascertain the Proposer's ability to comply with the performance and quality level requirements set forth in the draft DB Agreement. Drawings are to be drawn to scale, except for schematics. At a minimum, the following drawing disciplines and drawings are required in the Proposal:

1. General
 - Hydraulic Profiles of Process and Process Wastewater
 - Process Flow Diagram
2. Site/Civil
 - Site Plan
 - Soil Boring Location Plan

- Grading Plan
- Piping Plan
- 3. Structural
 - Foundation Plans (for major structures)
 - Plans and Sections (for major structures)
- 4. Architectural
 - Code Classification – Plan
 - Exterior Elevations
 - Plans and Sections
 - Finish Schedules
- 5. Process/Mechanical
 - Raw Water Pumping Station – Plan and Sections
 - Pretreatment Filters- Plan and Sections
 - Feedwater Pumping – Plan and Sections
 - Backwash Pumping Plan and Sections
 - RO Trains (Cartridge Filters, High Pressure Pump, RO Rack) Plans and Sections
 - UV Disinfection System - Plans and Sections
 - Post-Stabilization – Plans and Sections
 - Finished Water Pumping – Plans and Sections
 - Chemical Storage and Feed Building – Plans and Sections
 - Pretreatment Waste Handling – Plans and Sections
 - Concentrate Equalization and Discharge – Plans and Sections
- 6. Instrumentation

- PLC Communication Architecture
 - P&IDs for
 - Pumping Stations,
 - Pretreatment Filtration,
 - Chemical Systems, including post-stabilization
 - one (1) RO Train,
 - RO CIP System
 - Finished water quality monitoring
7. Electrical
- Electrical Site Plan
 - Electrical Site Details
 - Overall Single Line Diagram (through 480 volt)
 - Building Plans showing area classifications and NEMA designations

E. Listing of Drawings and Specifications

Proposers shall provide a listing, with titles of drawings that will be completed during the design phase. Drawings shall be arranged by discipline. Proposers shall provide a listing, with titles, of technical specifications, CSI Divisions 2 through 16.

F. Preliminary External Architecture Treatment, Rendering, and Landscaping Plan

The Proposer shall submit drawings and color renderings describing their proposed external architectural treatment. A landscaping plan shall be submitted. A micro-irrigation plan shall also be submitted. The landscaping plan shall identify the number and types of plantings and their irrigation requirements considering the climate/micro-climate of the Project Site. The Proposer shall provide an aerial perspective showing the relationship of the Project components to the surrounding area. The Proposer should expect the target audience to have a diverse background.

G. Approach to Sustainable Building

CAW desires the DB Entity to implement design and construction methods that are recognized as being energy and water efficient and to make use of natural materials when possible. The overall goals and expectations for the facility are similar to the US Green Building Council Silver (or better) LEED Certification; however, CAW does not plan to pursue LEED Certification. The Proposer shall identify construction practices and design features that it will implement that demonstrate efficient use of water and energy. The Proposal shall also address its approach to construction waste recycling and identify natural materials that can be included in the Project that originate from a local or regional source. The primary focus of the sustainable building plan is the administration facilities.

H. Proposal Form 12: Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date

The Proposer shall provide a list of proposed major milestones, durations and completion dates for major activities important to procurement, permitting, design, construction, and commissioning activities in Proposal Form 12. The list shall start with the Contract Date and end upon Final Completion and shall clearly indicate the extent to which the Proposer has included float in the schedule. Proposers shall clearly indicate the number of days from the Contract Date by which the Proposer would submit a completed application for each Governmental Approval listed in Proposal Form 12 (each a “Governmental Approval Application Date”). The dates provided with respect to each such Governmental Approval Application Date shall be included in the DB Agreement in the event the Proposer is the successful Proposer and enters into a DB Agreement with CAW. These major milestones, activity durations, and completion dates will comprise the Preliminary Project Schedule. The Proposer shall provide copies of this Preliminary Project Schedule in both written and electronic formats with the Proposal. The level of detail shall be summary level for major procurement, permitting, design, construction, commissioning and Acceptance testing activities in accordance with the requirements specified in Proposal Form 12. The Proposer shall also guarantee the Scheduled Construction Date and the Scheduled Acceptance Date.

I. Plan for the Performance of the Design-Build Work

Each Proposer shall provide a plan for the performance of the Design-Build Work that addresses, without limitation, the following items:

- Composition and organization of the design-build team
- Team mechanisms of reporting and internal communications plan
- Specific responsibilities, authority and accountability of key personnel and how they will interact with each other and other entities

- Description of how construction and operations organizations will be integrated with the design organization in all phases of design-build to promote constructability, operability, maintainability, value engineering and efficiency of design and construction
- Description of plan for handling communications with the public including the personnel responsible for implementing the plan
- Description of the relationship and communications with CAW and all other appropriate Governmental Bodies
- Geographic location of key staff during each phase of the Project
- Description of approach to site development, including construction staging and laydown areas, earth movement and all other site work
- Description of measures to minimize noise, odors, dust, traffic and other construction-related impacts during the Design-Build Period
- Preliminary construction traffic management plan and a discussion of how construction shall be coordinated and scheduled to avoid impact to any sensitive nearby wetland habitats
- Preliminary spill prevention and control plan for construction
- Description of the approach to obtaining Governmental Approvals needed to construct and operate the Design-Build Improvements
- Proposer's Design-Build Quality Management Plan meeting the minimum requirements of Appendix 5 of the draft DB Agreement (as more fully described in subsection 2.9.9 of this RFP) which shall include the authority and independence given to the person(s) tasked with implementing quality assurance and quality control
- Description of approach to procurement and delivery of materials for the project
- Identification of any and all schedule-constraining resources and how the Proposer will manage these resources to prevent them from impacting construction progress including such items as availability of skilled workers, materials, machinery, equipment, and working capital
- Description of the approach to attracting, retaining, and providing incentives to attract and retain skilled laborers necessary to meet labor requirements

- Approach to management of subcontractors
- Description of Proposer's approach to integrating the DB Entity project improvements with CAW's project improvements
- The internal dispute resolution process for on-site disputes between the DB Entity and its employees and/or subcontractors
- Approach to construction safety

J. Plan for Transition and Acceptance Testing

The Proposal shall describe the Proposer's approach for making the transition from the Design-Build Work to the Warranty Period under the DB Agreement. The Proposer shall provide an overview of its approach for the transition in its Proposal as such transition plans may not be finalized. Requirements for commissioning and for training of CAW's staff are in Appendix 4 of the draft DB Agreement.

K. Reduction in Rated Capacity

The Proposer shall identify all changes in Project scope and facilities with the reduction in Rated Capacity from 9.6 to 6.4 mgd, providing all necessary texts and drawings. The Proposer shall clearly indicate how all provided documents correspond to the pricing information provided on Proposal Forms 13A. Proposers shall include any changes to the Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date identified on Proposal Form 12, if any, and any changes to the plan for performance of the Design-Build Work identified in subsection I above, if any, for the reduction in Rated Capacity from 9.6 to 6.4 mgd.

L. Required Alternative Proposals

Proposers are required to provide the Required Alternative Proposal that correspond with the pricing information provided on Proposal Forms 13B and 13C. The Proposer shall provide all necessary texts and documents for any Required Alternative Proposal. Proposers shall include any changes to the Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date identified on Proposal Form 12, if any, and any changes to the plan for performance of the Design-Build Work identified in subsection I above, if any.

For each Required Alternative Proposal, the Proposer must provide similar comprehensive detailed information to that which is required for the Base Proposal so that the Required Alternative Proposal can be effectively evaluated and compared against the Base Proposals and other Required Alternative Proposals received.

M. Voluntary Alternative Proposals

Proposers are encouraged to provide Voluntary Alternative Proposals that reduce life cycle cost or improve operation which deviate from the Design and Construction Requirements set forth in Appendix 2 of the draft DB Agreement. Proposers shall identify whether the Voluntary Alternative Proposal is for a Project with Rated Capacity of 9.6 mgd, 6.4 mgd, or both. Voluntary Alternative Proposals shall be numbered to correspond with the pricing information provided on Proposal Form 13D and shall clearly indicate how all provided documents correspond to the pricing information provided on Proposal Form 13D. Proposers shall include any changes to the Preliminary Project Schedule, Scheduled Construction Date, and Scheduled Acceptance Date identified on Proposal Form 12, if any, and any changes to the plan for performance of the Design-Build Work identified in subsection I above, if any, for any Voluntary Alternative Proposals.

These Voluntary Alternative Proposals are to be independent of one another. For each Voluntary Alternative Proposal, the Proposer must provide similar comprehensive detailed information to that which is required for the Base Proposal so that the Voluntary Alternative Proposal can be effectively evaluated and compared against the Base Proposals and other Voluntary Alternative Proposals received. All Voluntary Alternative Proposals must meet the Acceptance Standards and Requirements set forth in Appendix 7 of the DB Agreement. Voluntary Alternative Proposals that consist of only general concepts or marketing materials will not be considered. CAW may elect to choose any or all such Voluntary Alternative Proposals at its sole discretion.

N. Proposal Form 23: Governmental Approvals Schedule

The Proposer shall complete Proposal Form 23 by listing all Governmental Approvals required for design, construction, and operation of the Project which the DB Entity will be required to obtain in accordance with subsection 2.9.13 of this RFP and subsection 3.6(J) of the draft DB Agreement. The listing must state the name of the Governmental Approval, the respective Governmental Body, a brief description of the purpose of the Governmental Approval, and the schedule for obtaining such approval including the typical or legal review time required by each respective Governmental Body.

4.4.4 Section 4.0: Business and Price Proposal

This section of the Proposal shall present the business and pricing aspects of the Proposal. While CAW anticipates entering into the DB Agreement with the selected Proposer in accordance with the schedule set forth in Section 3.1 of this RFP, it is possible that the execution of the DB Agreement will be delayed due to unforeseen circumstances. **By submitting a Proposal, each Proposer agrees that its Proposal shall be held firm for a period of 365 days following the date of the Proposal, except that the Construction Component Price portion of the Fixed Design-Build Price shall escalate in accordance with the change in the Construction Component Price Escalation Index from the date that is 90 days following the Proposal**

submittal date until the Contract Date. The following subsections outline the information that shall be included in the Proposer's business and price submission.

A. Summary of Business and Price Proposal

Proposers shall provide a summary of the key aspects of its business and price proposal with reference to the applicable Proposal Forms, including the price Proposal Forms discussed below and the Proposal Forms required above with respect to the financial capacity of the proposed Project team.

B. Proposal Form 13: Fixed Design-Build Price

The Proposer shall complete Proposal Form 13 by providing the total Fixed Design-Build Price as well as an approximate breakdown of the Fixed Design-Build Price for the Project with a design capacity of 9.6 mgd as described in Appendix 2 of the draft DB Agreement. The items listed on Proposal Form 13 are not intended to represent a complete listing of all equipment, systems, and infrastructure requirements to design and construct the Project. Proposers shall include additional items and remove inapplicable items, as appropriate, to add clarification of their Proposals.

The Fixed Design-Build Price shall include all costs for performing the Design-Build Work, including obtaining all applicable Governmental Approvals (other than those identified as the responsibility of CAW in Appendix 3 of the draft DB Agreement), designing, constructing, starting-up, commissioning and Acceptance Testing (utilizing CAW personnel) the Project and for all post-Acceptance obligations set forth in the draft DB Agreement. The Fixed Design-Build Price shall also include the costs associated with the Required Insurance, Performance Bond and Payment Bond, Letter of Credit, as well as any other costs associated with the Design-Build Period necessary to achieve Final Completion. Proposers shall propose their Fixed Design-Build Price with the understanding that there is no intention on the part of CAW to request further "best and final offers" and that this proposed Fixed Design-Build Price (subject to adjustment as set forth in this subsection and the DB Agreement) will be included in the DB Agreement without further negotiation.

The total Fixed Design-Build Price and each line item price shall be inclusive of all applicable Taxes (including California sales taxes on purchases of materials at the applicable tax rate). The DB Entity will be responsible for paying all such Taxes in accordance with Applicable Law. The DB Entity's responsibility to pay all such Taxes shall include the obligations to pay any interest or penalties that may be assessed as a result of DB Entity's late payment or failure to pay such Taxes, and shall survive Final Completion and Acceptance of the Design-Build Work and termination or completion of the DB Agreement. CAW may be exempt from certain Taxes for services, machinery, equipment, material, and apparatus, tools or supplies in connection with the Design-Build Work. Without altering the DB Entity's full responsibility to properly determine and pay such Taxes, CAW will provide Proposers upon receipt of written request, for use at the risk of the Proposer, a copy of any guidelines developed by CAW with respect to sales and use

tax exemptions that may be available in whole or in part in California. Such guidelines are for informational purposes only and may not necessarily reflect the current status of state tax exemptions or current status interpretations of these exemptions. DB Entity will be required to furnish evidence satisfactory to CAW that the DB Entity has paid all Taxes.

The proposed Fixed Design-Build Price shall be subject to adjustment solely in accordance with subsection 5.1(C) of the draft DB Agreement. In the event that the Construction Date occurs after October 1, 2015, as a result of delay caused by CAW, the portion of the Fixed Design-Build Price corresponding to “Construction Price” on Proposal Form 13 shall be subject to adjustment based on the change in the National Engineering News Record Construction Cost Index for the period starting on October 1, 2015, and ending on the Construction Date.

C. Proposal Form 13A: Fixed Design-Build Price for Reduced Capacity

The Proposer shall complete Proposal Form 13A by providing the reduction to the proposed Fixed Design-Build Price identified on Proposal Form 13 if CAW elects to reduce the Rated Capacity to 6.4 mgd. The Proposer shall identify changes in Project scope and facilities with the reduction in Rated Capacity from 9.6 to 6.4 mgd in Section 3.0(K) of the Technical Proposal and the associated reduction in the Fixed Design-Build Price on Proposal Form 13A.

D. Proposal Form 13B: Required Alternative Proposals for 9.6 mgd Facility

The Proposer shall complete Proposal Form 13B by providing the reduction to the proposed Fixed Design-Build Price identified on Proposal Form 13 (Rated Capacity of 9.6 mgd) for the Required Alternative Proposals. Proposers shall identify each line item that would be affected by the required alternatives. Adjusted pricing should correspond to the description of the design changes to be described in Section 3.0(L) of the Technical Proposal. The Fixed Design-Build Price identified on Proposal Form 13 will be adjusted by the pricing provided by the Proposer on Proposal Form 13B for any alternatives accepted by CAW.

E. Proposal Form 13C: Required Alternative Proposals for 6.4 mgd Facility

The Proposer shall complete Proposal Form 13C by providing the reduction to the proposed Fixed Design-Build Price identified on Proposal Form 13A for the UV disinfection alternative and the post-stabilization alternative. Proposers shall identify each line item that would be affected by the required alternatives. Adjusted pricing should correspond to the description of the design changes to be described in Section 3.0(L) of the Technical Proposal. The Fixed Design-Build Price identified on Proposal Form 13A will be adjusted by the pricing provided by the Proposer on Proposal Form 13C for any alternatives accepted by CAW.

F. Proposal Form 13D: Voluntary Alternative Proposals

The Proposer is encouraged to identify and submit Voluntary Alternative Proposals that reduce life cycle costs or improve the performance of the Project. The Proposer shall complete Proposal Form 13D by providing the reduction in the Fixed Design-Build Price associated with each Voluntary Alternative Proposal. The Fixed Design-Build Price identified on Proposal Form 13 or on Proposal Form 13A will be adjusted by the pricing provided by the Proposer for any Voluntary Alternative Proposals that are accepted by CAW.

G. Proposal Form 14: Estimated Drawdown Schedule for 9.6 mgd Facility

The Proposer shall complete the Estimated Drawdown Schedule for the 9.6 mgd facility on Proposal Form 14. The proposed Estimated Drawdown Schedule will be evaluated and used to finalize the DB Agreement.

H. Proposal Form 14A: Estimated Drawdown Schedule for 6.4 mgd Facility

The Proposer shall complete the Estimated Drawdown Schedule for the 6.4 mgd facility on Proposal Form 14A. The proposed Estimated Drawdown Schedule will be evaluated and used to finalize the DB Agreement.

I. Proposal Form 15: Estimated Operating and Maintenance Costs for 9.6 mgd Facility

The Proposer shall complete Proposal Form 15 by providing estimated operating and maintenance costs over 30 years for the 9.6 mgd facility, excluding major maintenance, repair and replacement and RO system membrane replacement which are to be included in Proposal Forms 19 and 20 respectively. Proposers shall include all major assumptions associated with the provided estimates, including the assumptions that are set forth on Proposal Form 15.

J. Proposal Form 15A: Estimated Operating and Maintenance Costs for 6.4 mgd Facility

The Proposer shall complete Proposal Form 15A by providing estimated operating and maintenance costs over 30 years for the 6.4 mgd facility, excluding major maintenance, repair and replacement and RO system membrane replacement which are to be included in Proposal Forms 19 and 20 respectively. Proposers shall include all major assumptions associated with the provided estimates, including the assumptions that are set forth on Proposal Form 15A.

K. Proposal Form 16: Estimated Maximum Electricity Utilization

The Proposer shall identify on Proposal Form 16 the estimated maximum electrical utilization (“EMEU”) for the Project with an average salinity of 33.6 ppt and an average temperature of 12

°C that are included on Proposal Form 17. This estimate includes all the power used to operate the Project including all facilities, including ancillary facilities, from downstream of the slant well pump station through the Finished Water pump station. The EMEU identified by the Proposer will be used by CAW in evaluating the cost effectiveness of the Proposal. Proposers shall include all major assumptions associated with the EMEU provided in Proposal Form 16.

L. Proposal Form 17: Maximum Electricity Utilization for Acceptance Testing

The Proposer shall identify on Proposal Form 17 the maximum electricity utilization (“MEU”) for Acceptance Testing. The MEU represents the maximum amount of electricity in kilowatt-hours that will be used by the Project (including the UV disinfection system) per thousand gallons of Finished Water produced during the Acceptance Test. During the Acceptance Test, the electricity utilization shall be calculated using the revenue grade electrical consumption meters required for the Project, or the electrical utility’s billing meters, and the volume of Finished Water treated and delivered to the distribution system over the sixteen (16) day period of the Acceptance Testing. The MEU shall include all the power used to operate the Project including all facilities, including ancillary facilities, from downstream of the slant well pump station through the Finished Water pump station. The MEU is to be indexed to Raw Water salinity and temperature. Proposers shall include all major assumptions associated with the MEU provided in Proposal Form 17.

M. Proposal Form 18: Maximum Combined RO Train Permeate Salt Concentrations for Acceptance Testing

The Proposer shall complete Proposal Form 18 by providing the maximum combined RO train permeate salt concentrations that the RO system shall achieve during the Acceptance Test. The maximum concentrations identified by the Proposer will be used by CAW as Acceptance Standards and Requirements during the Acceptance Test. During the Acceptance Test, the concentrations shall be measured over the sixteen (16) day period of the Acceptance Testing. The maximum concentrations will be indexed to the raw water salinity and temperature. The Proposer shall provide explanation for the logic used in completing the form. Proposers shall include all major assumptions associated with the numbers provided for the Acceptance Test as well as the RO model runs for the design and most challenging conditions as defined in Proposal Form 18.

N. Proposal Form 19: Estimated Major Maintenance, Repair, and Replacement Schedule for 9.6 mgd Facility

The Proposer shall complete Proposal Form 19 by providing an estimated schedule and costs for all major maintenance, repair and replacements (excluding the RO system membrane replacement) over 30 years for the 9.6 mgd facility. CAW will use the schedule and cost information provided to evaluate the cost effectiveness of the Proposal. Cost data shall not be escalated to account for inflation. The Proposer shall provide explanation for the logic used in

the major maintenance, repair and replacement schedule. Proposers shall include all major assumptions associated with the provided estimates.

O. Proposal Form 19A: Estimated Major Maintenance, Repair, and Replacement Schedule for 6.4 mgd Facility

The Proposer shall complete Proposal Form 19A by providing an estimated schedule and costs for all major maintenance, repair and replacements (excluding the RO system membrane replacement) over 30 years for the 6.4 mgd facility. CAW will use the schedule and cost information provided to evaluate the cost effectiveness of the Proposal. Cost data shall not be escalated to account for inflation. The Proposer shall provide explanation for the logic used in the major maintenance, repair and replacement schedule. Proposers shall include all major assumptions associated with the provided estimates.

P. Proposal Form 20: Estimated RO System Membrane Replacement Schedule for 9.6 mgd Facility

The Proposer shall complete Proposal Form 20 by providing an estimated schedule and costs for all RO system membrane replacement 30 years for the 9.6 mgd facility. CAW will use the schedule and cost information provided to evaluate the cost effectiveness of the Proposer's proposal. Cost data shall not be escalated to account for inflation. The Proposer shall provide explanation for the logic used in the RO membrane replacement schedule. Proposers shall include all major assumptions associated with the provided estimates.

Q. Proposal Form 20A: Estimated RO System Membrane Replacement Schedule for 6.4 mgd Facility

The Proposer shall complete Proposal Form 20A by providing an estimated schedule and costs for all RO system membrane replacement 30 years for the 6.4 mgd facility. CAW will use the schedule and cost information provided to evaluate the cost effectiveness of the Proposer's proposal. Cost data shall not be escalated to account for inflation. The Proposer shall provide explanation for the logic used in the RO membrane replacement schedule. Proposers shall include all major assumptions associated with the provided estimates.

R. Proposal Form 21: Acceptance of DB Agreement

The Proposer shall complete Proposal Form 21 by agreeing to all of the terms and conditions of the draft DB Agreement except for those suggested changes submitted as an attachment to Proposal Form 21. As indicated in subsection 2.8.2 of this RFP, while CAW requests Proposers to base their Proposals on the terms and conditions set forth in the draft DB Agreement included with this RFP, CAW recognizes that Proposals may be conditioned on the mutual resolution of specific issues identified in Proposal Form 21. Any requested changes that are conditions of the Proposal must be clearly identified as such. Please refer to Sections 2.8 and 3.11 of this RFP for a discussion concerning CAW's expectations concerning the DB Agreement and the negotiation process.

S. Proposal Form 22: Form of Proposal Bond

Proposal Form 22 shall be duplicated and provided on the official letterhead of the Proposer's surety company. The Proposer must submit an executed Proposal Bond in an amount equal to 20% of the proposed Fixed Design-Build Price and that complies with the requirements of Section 2.20.

4.5. PROPOSAL FORMS GENERALLY

To be deemed responsive to this RFP, Proposers shall provide all the requested information and complete all details provided in the Proposal Forms attached to this RFP. All Proposal Forms shall be completed in ink or typewritten and submitted in accordance with the instructions set forth in this Section 4 of this RFP.

The Proposal Forms require Proposer-specific information to be inserted in order to be properly completed. Once the Proposer is selected, certain Proposal-specific information submitted in their Proposal and the Proposal Forms may be included as part of the DB Agreement, as appropriate.

Electronic versions of the Proposal Forms in Microsoft Word® format have been provided to Proposers on the Project Website.

SECTION 5

EVALUATION OF PROPOSALS

5.1. EVALUATION OF PROPOSALS

Proposals will be evaluated by the Selection Committee based on the Proposer's ability to meet the performance requirements of this RFP and the DB Agreement, including all corresponding Appendices thereto, in a cost-effective manner. All Proposals must be complete and in conformance with the submission requirements established in this RFP.

Proposals will first be individually evaluated for completeness and for conformance with the requirements set forth in this RFP, including compliance with the Design and Construction Requirements set forth in Appendix 2 to the DB Agreement. Any Proposal that the Selection Committee determines is incomplete or otherwise not in conformance with the submission requirements of this RFP may be deemed non-responsive and thereby rejected in its entirety by the Selection Committee. Alternatively, in its discretion, CAW may request that a Proposer submit any information necessary to make its Proposal complete and/or in conformance with requirements. Proposals deemed responsive and in conformance with the submission requirements of this RFP will be evaluated by the Evaluation Team and the Selection Committee through the application of the evaluation criteria to the Proposal, as described in Section 5.2 of this RFP.

5.2. EVALUATION CRITERIA

The specific criteria to be used by the Evaluation Team and the Selection Committee in the evaluation of the Proposals include both technical criteria and business/financial criteria. Technical criteria are allotted a total of 40 points (out of 100) and include: (1) Project Delivery, (2) Technical Reliability and Viability, (3) Operability, and (4) Technical Qualifications, each as further detailed below. Business and Financial criteria are allotted a total of 60 points (out of 100) and include (1) Cost Effectiveness (*i.e.*, price), (2) Financial Qualifications (including but not limited to information provided in the Proposer's previously submitted SOQ), and (3) Business Terms and Conditions, as further detailed below. In addition, the Evaluation Team and the Selection Committee will evaluate each Proposer based on the interviews to be conducted with each Proposer.

5.2.1 Weighting of Evaluation Criteria

The specific weighting for each evaluation criterion is as follows:

Technical Criteria	40 points
Project Delivery (including the WMDVBE Utilization Plan and the Local Resources Utilization Plan)	
Technical Reliability and Viability	
Operability	

Technical Qualifications	
Other	
Business and Financial Criteria	60 points
Cost Effectiveness of Proposal	
Business Terms and Conditions	
Proposer/Guarantor Financial Qualifications	
Other	
Total	100 points

5.2.2 Project Delivery

Proposers shall be evaluated under the Project delivery criterion based upon the Proposer's ability to successfully implement the proposed Design-Build Work and to meet CAW's desired schedule for the implementation of the Project. The Evaluation Team and the Selection Committee will conduct an assessment of the Proposer's schedule and approach for obtaining applicable Governmental Approvals, the potential need for and timing of supplemental environmental review, the ability of the proposed design to meet all regulatory requirements of all applicable Governmental Bodies, and the proposed methods for coordination with applicable providers of utilities.

Proposer's approach to project planning, purchasing, coordination of subcontractors, sequencing and managing the construction activities to meet the schedule will be evaluated, as well as the expertise and management capability to integrate the required expertise of the Project team members for the overall benefit of the Project. Particular attention will also be given to the Proposer's understanding and inclusion in the schedule of the requirements necessary to test equipment, commission the Project and conduct the Acceptance Test. Proposers will also be evaluated on their WMDVBE Utilization Plan and their Local Resources Utilization Plan. CAW will evaluate the Proposer's approach to avoiding adverse environmental impacts, protecting natural resources, and mitigating environmental impacts. This evaluation also includes an assessment of information provided by the Proposer with its SOQ and any additional information provided in its Proposal regarding material lawsuits or litigation, significant Governmental Approval delays, and material contract disputes in other projects with which the Proposer has been involved, or is currently involved.

Evaluating the Proposal with respect to Project delivery also includes an assessment of current and projected workloads of the Proposer, the proposed Design-Build Quality Management Plan, the constructability of the proposed design and the Proposer's ability to meet the construction schedule for the proposed Project. The Proposer's approach to developing, managing, and scheduling the construction, commissioning, start-up and Acceptance Test activities will also be evaluated.

The Proposer's strategy for identifying all required Governmental Approvals, preparing applications for such Governmental Approvals, and timely obtaining all Governmental

Approvals for construction and testing of the proposed Project shall also be assessed. This assessment shall include an analysis of the Proposer's understanding of the regulatory review and Governmental Approval processes of all Governmental Bodies having jurisdiction with respect to the Project.

Safety experience rates for the last three years shall also be considered in this evaluation.

5.2.3 Technical Reliability and Viability

CAW shall undertake a technical assessment of the proposed facilities based on the Project specific information provided by the Proposers. The evaluation will consider the clarity and completeness of the technical information submitted with the Proposal. Proposals that lack information will be evaluated accordingly. The evaluation shall include factors such as reliability and flexibility to treat anticipated variability in raw water quality, treatment performance versus the finished water requirements set forth Appendix 2 of the draft DB Agreement. In addition, Proposals will be evaluated for the quality of materials, type and quality of equipment included, and inclusion of adequate redundancy features.

CAW shall conduct an assessment of the technical viability factors such as, but not limited to:

- Ability of the proposed facilities to consistently deliver finished water at the sustained Rated Capacity of 9.6 mgd.
- Ability of the proposed processes, including the reverse osmosis and post-stabilization processes, to reliably meet the requirements of the Contract Standards over the life of the project.
- Sufficient scope of geotechnical investigation, and structural/architectural design approach.
- Flexibility of the proposed design to allow for scaling down to a Rated Capacity of 6.4 mgd.
- Flexibility of the proposed design to allow for future modifications or additions to meet future regulatory requirements.
- Architectural appearance, aesthetics, and environmental sustainability.
- Quality of equipment and materials, including consideration of the corrosive local coastal marine atmosphere.

Voluntary Alternative Proposals will be evaluated on technical reliability and viability. High value alternatives will improve scores while low value alternatives, or poorly documented alternatives, may not improve scores in this category.

5.2.4 Operability

The operability evaluation will identify provisions that are evident in the Proposer's approach that assist in the operation and maintenance of a facility and ultimately improve safety, reduce labor, and improve reliability of equipment and processes.

Safety related items that are important to operability are numerous and include eliminating or minimizing confined space entry (i.e. underground pits and vaults), providing stairs instead of ladders, preventing tripping and slipping hazards, actively managing arc flash energy during design to reduce the subsequent hazards to staff and PPE requirements, providing arc flash warning labels, providing secondary containment of chemicals, care in location of control panels, locating electrical equipment away from water and environmental hazards, and providing color coded piping and proper signage to make workers aware of chemical and electrical hazards.

The operability evaluation includes review of the Proposer's plans for Project Site and plant security, identification of system critical and advisory alarms, allowing for remote/automatic operations, design of electrical power system, design of instrumentation and control system, including the sufficiency of instrumentation and control features with respect to protection of equipment, process controls to minimize lag time to improve control loop performance, ergonomic design of equipment/building locations, location and design of operator sampling stations, design of on-site laboratory facilities, and unit process specific issues. Design considerations for plant maintenance include: sufficient access to equipment, recognition of the space consumed by small piping or electrical conduits at equipment, suitable provisions for cranes and hoists, lighting for maintenance, and access to electrical outlets. Design considerations for maintenance of piping in galleries include providing clear passageway to access piping, controlling condensation, locating piping to allow for maintenance, providing suitable lighting, and providing good drainage to keep floors dry.

Voluntary Alternative Proposals will be evaluated on technical reliability and viability. High value alternatives will improve scores while low value alternatives, or poorly documented alternatives, may not improve scores in this category.

5.2.5 Technical Qualifications

Each Proposer's updated or reaffirmed technical qualifications will be reviewed to verify that the Proposer has the qualifications deemed relevant by CAW with respect to the Project's design and construction to assure proper performance of the Design-Build Work should the Proposer be selected to enter into the DB Agreement. CAW, in its sole discretion, shall determine if any changes to the previously submitted SOQ information enhances or adversely affects the technical qualifications of the Proposer. Proposers shall be evaluated based upon their experience and qualifications in providing the proposed Design-Build Work. The demonstrated experience and competency of Key Personnel assigned to the Project, including the commitment of Key Personnel to remain with the Project, shall also be evaluated.

5.2.6 Cost Effectiveness of Proposal

The Proposals shall be evaluated based on the proposed Fixed Design-Build Prices for the 9.6 mgd and 6.4 mgd plants as well as a life cycle cost basis including the proposed Fixed Design-Build Prices, electrical costs, membrane replacement costs, chemical costs, operating costs associated with UV disinfection, tank maintenance costs, and other replacement/repair costs. The cost effectiveness evaluation will be weighted equally for the 9.6 mgd Proposal and the 6.4 mgd Proposal. The net present value (“NPV”) life-cycle costs of the Proposals shall be calculated over an assumed 20-year operation period, as well as an assumed 30-year operation period, primarily based upon the following factors:

Fixed Design-Build Price –The Proposer’s proposed Fixed Design-Build Price and the Estimated Drawdown Schedule included on Proposal Forms 13, 13A, 13B, 13C, 13D, 14, and 14A will be used to calculate a NPV for each Proposal. Escalation of the proposed Fixed Design-Build Price will be based on the escalation provisions of the draft DB Agreement.

Annual Operating Costs – Annual operating costs will include the projected operation and maintenance requirements and chemical costs from Proposal Forms 15 and 15A. Annual operating costs do not include labor costs. Estimated annual electricity costs will be calculated based upon the Proposer’s Estimated Maximum Electricity Utilization at a salinity of 33.6 ppt and a temperature of 12 degrees Celsius, included on Proposal Form 16 based upon an assumed rate of \$0.10 per kilowatt-hour. The annual desalinated water production used in the evaluation is 10,671 afy for the 9.6 mgd facility and 6,845 afy for the 6.4 mgd facility. The costs of membrane replacement will be estimated using the Proposer’s replacement schedules and costs provided included on Proposal Forms 20 and 20A. Major repair and replacement costs will be included in the analysis with information provided on Proposal Forms 19 and 19A. It is anticipated that only costs based on guarantees (e.g. electricity) will be evaluated in the base economic evaluation and that other non-guaranteed cost estimates (as adjusted by CAW to the extent it deems appropriate) will be evaluated in sensitivity analyses.

Net Present Value –. A base case set of assumptions, including an escalation (inflation) rate of 3%, and a discount rate of 5%.

Other Factors:

Contract Date of November 15, 2013;

Scheduled Acceptance Date of December 31, 2016; and

Average annual Flow Rates of 9.6 mgd and 6.4 mgd.

Notwithstanding the foregoing assumptions, CAW reserves the right to make appropriate adjustments (including for qualitative assessment of quality of materials and efficiency of

processes proposed that can be expected to reduce or increase operations and maintenance costs) and to perform sensitivity analyses to assess the effect on the estimated net present value costs on the assumptions used in the analysis, including, e.g., using varying electricity prices.

Voluntary alternatives that the Proposer presents will be evaluated on cost effectiveness. High value alternatives will improve scores while low value alternatives, or poorly documented alternatives may result in a lower overall score in this category. Proposers should not assume that CAW will request changes to Proposals or require all Proposers to provide best and final offers or Proposals. CAW may correct any mathematical errors it finds in the Proposals for purposes of preparing the cost effectiveness analysis even if this increases the cost associated with the Proposal.

5.2.7 Business Terms and Conditions

CAW will evaluate the extent to which the Proposer accepts the terms and conditions set forth in the draft DB Agreement included with this RFP or otherwise proposes terms and conditions that are more favorable to CAW than the terms and conditions set forth in the draft DB Agreement. Suggested changes, including, particularly, changes that are indicated to be conditions of the Proposal, will be carefully considered and evaluated to determine whether the suggested changes, taken as a whole, would result in a less favorable DB Agreement to CAW. Proposers are reminded that proposed changes to the terms and conditions that are conditions of the Proposal and that substantially change the nature of the transaction or the scope of services may result in the rejection of a Proposal as non-responsive to the requirements of this RFP, notwithstanding the relative weight assigned to the proposed business terms and conditions in this RFP.

5.2.8 Financial Qualifications

CAW will evaluate the financial strength and qualifications of the Proposer and the Guarantor (if applicable) based on the financial information provided by the Proposer in the SOQ and any changes and updates from the SOQ and any other financial information required by this RFP. Only changes that make the Proposer or Guarantor equal or better than as set forth in the Proposer's SOQ shall be acceptable to CAW. CAW, in its sole discretion, shall determine if any such changes enhance or adversely effect the financial qualifications of the Proposer or Guarantor.

The overall relative financial strength of the Proposer and the Guarantor shall be assessed based on the criteria referenced above. This evaluation shall include a careful consideration of the adequacy of the Proposer and the Guarantor's financial resources backing the performance of all of the Proposer's obligations under the DB Agreement. Accordingly, this evaluation shall focus on the following key factors:

- The financial capacity of the Proposer and the Guarantor to assure the full and timely performance of the DB Entity's obligations under the DB Agreement;

- The clarity of the roles, responsibilities and risk allocation among the Proposer's team and the Guarantor;
- The Proposer's ability to provide a Performance Bond, Payment Bond, Warranty Bond, and \$1,000,000 Letter of Credit, in accordance with the draft DB Agreement;
- Support for liability assumption by the Proposer and the Guarantor up to the limits of liability set forth in the draft DB Agreement;
- The trailing financial performance of the Proposer and the Guarantor, with specific consideration of company size, tangible net worth, liquidity, leverage, profitability, and cash flow; and
- The presence or absence of material changes in the financial condition of the Proposer and Guarantor, which, in the opinion of CAW, could affect the Proposer's ability to meet the obligations of the DB Agreement over the Term.

In cases where the Guarantor has not received a rating from a rating service, CAW's assessment of financial strength shall be a key consideration in its financial qualifications analysis. In the event a Guarantor has not received a rating from a rating service, Proposers shall provide an explanation as to the absence of such rating with its Proposal.

CAW anticipates that each of the Proposers will have sufficient financial strength for the Project based on the information provided in connection with the prequalification process initiated prior to the issuance of this RFP. Accordingly, the evaluation of financial strength at this stage in the process is intended to evaluate the relative financial strength of each Proposer in relation to the other Proposers. However, Proposers are advised that information indicating inadequate financial strength for the Project or evidence of financial distress or potential financial distress may result in the rejection of a Proposal, notwithstanding the relative weight assigned to financial qualifications in this RFP.

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

PROPOSAL FORMS

PROPOSAL FORM 1
TRANSMITTAL LETTER

(to be typed on Proposer's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Desalination Infrastructure
Design-Build Project

Dear Sir/Madam:

_____ (the "Proposer") hereby submits its Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2013, as amended.

As a duly authorized representative of the Proposer, I hereby certify, represent, and warrant, on behalf of the Proposer team, as follows in connection with the Proposal:

1. The Proposer acknowledges receipt of the RFP and the following addenda:

<u>No.</u>	<u>Date</u>
_____	_____
_____	_____
_____	_____

2. The submittal of the Proposal has been duly authorized by, and in all respects is binding upon, the Proposer. Attachment 1 to this Transmittal Letter is a Certificate of Authorization which evidences my authority to submit the Proposal and bind the Proposer.
3. All information and statements contained in the Proposal are current, correct and complete, and are made with full knowledge that CAW will rely on such information and statements in selecting the most advantageous Proposal to CAW and executing the DB Agreement.

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

4. Attachment 2 to this Transmittal Letter sets forth the Proposer's Design-Build Team and identifies each team member's proposed role with respect to the Project. Attachment 3 to this Transmittal Letter provides licensing information for each Design-Build Team member.
5. The Proposer's obligations under the DB Agreement, as negotiated between the parties based upon the RFP and the Proposal, will be guaranteed absolutely and unconditionally by _____, as evidenced by the Guarantor Acknowledgment submitted as Proposal Form 4. The Guarantor Certificate of Authorization submitted as Attachment 1 to the Guarantor Acknowledgment evidences the Authorized Signatory's authority to submit the Guarantor Acknowledgment and bind the Guarantor.
6. Proposal Form 8 evidences the intent of _____, the Proposer's qualified surety company, to issue the Performance Bond as security for the performance of the Proposer's Design-Build Work obligations under the DB Agreement, as negotiated between the parties based upon the RFP and the Proposal.
7. Proposal Form 9 evidences the intent of _____, the Proposer's qualified surety company, to issue the Payment Bond as security for the performance of the Proposer's Design-Build Work payment obligations under the DB Agreement, as negotiated between the parties based upon the RFP and the Proposal.
8. Proposal Form 10 evidences the intent of _____, the Proposer's qualified bank, to issue the Letter of Credit as security for the performance of the Proposer's Design-Build Work obligations under the DB Agreement, as negotiated between the parties based upon the RFP and the Proposal.
9. Proposal Form 11 evidences the intent of _____, the Proposer's qualified insurer, to provide the Required Insurance under the DB Agreement, as negotiated between the parties based upon the RFP and the Proposal.
10. Neither the Proposer, the Guarantor, nor any Project team member is currently suspended or debarred from doing business in the State of California;
11. There is no action, suit or proceeding, at law or in equity, before any court or similar governmental body, against the Proposer, wherein an unfavorable decision, ruling or finding would have a materially adverse affect on the ability of the proposed Company or Guarantor to perform their respective obligations under the DB Agreement or Guaranty Agreement, as applicable, or the other transactions contemplated hereby, or which, in any way, would have a materially adverse affect on the validity or enforceability of the obligations proposed to be undertaken by the Proposer, or any agreement or instrument entered into by the Proposer in connection with the transactions contemplated hereby.
12. No corporation, partnership, individual or association, officer, director, employee, manager, parent, subsidiary, affiliate or principal shareholder of the Proposer has been adjudicated to be in violation of any state or federal anti-trust or similar statute within the

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

preceding five years, or previously adjudged in contempt of any court order enforcing such laws.

13. The Proposer, the Guarantor and all Project team members have reviewed all of the engagements and pending engagements of the Proposer, the Guarantor and all Project team members and no potential exists for any conflict of interest or unfair advantage.
14. No person or selling agency has been employed or retained to solicit the award of the DB Agreement under an arrangement for a commission, percentage, brokerage or contingency fee or on any other success fee basis, except bona fide employees of the Proposer or the Guarantor.
15. The principal contact person who will serve as the interface between CAW and the Proposer for all communications is:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
EMAIL: _____

16. The key technical and legal representatives available to provide timely response to written inquiries submitted and to attend meetings requested by CAW are:

Technical Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
EMAIL: _____

Legal Representative:

NAME: _____
TITLE: _____
ADDRESS: _____

PHONE: _____
FAX: _____
EMAIL: _____

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

17. The Proposer has carefully examined all documents constituting the RFP and the addenda thereto.
18. The DB Agreement in the form issued with this RFP is agreed to, except where changes have been requested in Proposal Form 21 and such changes have been indicated as conditions of the Proposal.
19. If selected, the Proposer agrees to negotiate in good faith to enter into a DB Agreement that reflects the substantive terms and conditions of the RFP and the Proposal.
20. The Proposer has submitted all Proposal Forms and such Proposal Forms are a part of this Proposal.

Having carefully examined the RFP and all other documents bound therewith, together with all addenda thereto, all information made available by CAW, and being familiar with the Project (as described in the RFP and the DB Agreement) and the various conditions affecting the work, the Proposer hereby offers to furnish all labor, materials, supplies, equipment, facilities and services which are necessary, proper or incidental to carry out such work as required by and in strict accordance with the RFP and the Proposal, all for the prices set forth in the Proposal Forms.

Name of Proposer

Name of Designated Signatory

Signature

Title

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

Note: If this Proposal is being submitted by a corporation, the Proposal shall be executed in the corporate name by the president or other corporate officer with authority to bind the corporation, and the corporate seal shall be affixed and attested to by the clerk. A certificate of the secretary of the corporation evidencing the officer's authority to execute the Proposal shall be attached.

If this Proposal is being submitted by a joint venture or general partnership, it shall be executed by all partners, and any partner that is a corporation shall follow the requirements for execution by a corporation, as set forth above.

If this Proposal is being submitted by a limited partnership or a limited liability company, it shall be executed by the managing partner(s) or managing member thereof, and such entity shall also submit proof of authority to so execute the Proposal, in a form satisfactory to CAW. Any partner or member that is a corporation shall follow the requirements for execution by a corporation, as set forth above.

(Notary Public)

State of _____

County of _____

On this _____ day of _____, 2013, before me appeared [DESIGNATED SIGNATORY], who is [INSERT TITLE] of [INSERT PROPOSER], a [INSERT STATE AND ENTITY TYPE], personally known to me to be the person described in and who executed this Transmittal Letter and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the State of _____
(Seal)

(Name Printed)

Residing at _____

Commission Number _____

Attachment 1

CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of [INSERT CITY] in the State of [INSERT STATE], DO HEREBY CERTIFY that I am the Clerk/Secretary of [INSERT PROPOSER NAME], a [corporation] duly organized and existing under and by virtue of the laws of [INSERT STATE]; that I have custody of the records of such [corporation]; and that as of the date of this certification, [INSERT DESIGNATED SIGNATORY NAME] holds the title of [INSERT TITLE] of the [corporation], and is authorized to execute and deliver in the name and on behalf of the [corporation] the Proposal submitted by the [corporation] in response to the Request for Proposals for Monterey Peninsula Water Supply Project Desalination Infrastructure Design-Build Project, issued by California-American Water Company on June 17, 2013, as amended; and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the [corporation] in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the [corporate] seal of the [corporation] this _____ day of _____ 2013.

(Affix Seal Here)

Clerk/Secretary

** Note: Separate certifications shall be submitted if more than one corporate officer has executed documents as part of the Proposal. Proposers shall make appropriate conforming modifications to this Certificate in the event that the signatory's address is outside of the United States.*

Attachment 2

PROJECT TEAM MEMBER LIST

Name of Project team (if any): _____

Proposals shall identify the names and roles of the Proposer, the DB Entity, the Guarantor, the firm that will design the Project, the firm that will construct the Project, and any other Significant Subcontractors and all other Project team members identified to date:

NAME:

ROLE:

Name of Proposer

Name of Designated Signatory

Signature

Title

Attachment 3

PROJECT TEAM LICENSE LIST

Attach corresponding copies of applicable licenses

License No.	Classification	Name of Licensee ⁽¹⁾	Renewal Date	Active (Yes/No)

Note:
⁽¹⁾ Include information for Design Firm and Engineer.

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

(Notary Public)

State of _____

County of _____

On this _____ day of _____, 2013, before me appeared [DESIGNATED SIGNATORY], who is [INSERT TITLE] of [INSERT PROPOSER], a [INSERT STATE AND ENTITY TYPE], personally known to me to be the person described in and who executed this Transmittal Letter and acknowledged that she/he signed the same freely and voluntarily for the uses and purposes therein described.

In witness thereof, I have hereunto set my hand and affixed my official seal the day and year last written above.

Notary Public in and for the State of _____

(Seal)

(Name Printed)

Residing at _____

Commission Number _____

PROPOSAL FORM 3

DISCLAIMER STATEMENT

The information contained in or otherwise provided in connection with the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the “RFP”) issued by California-American Water Company (“CAW”) on June 17, 2013, as amended, has been prepared by CAW and, while such information is believed to be accurate and reliable, except as otherwise expressly set forth in the RFP, CAW makes no representation as to such accuracy or reliability. In no way shall any such information constitute a representation or warranty by CAW or any of its officials, employees, agents, consultants, attorneys, representatives, contractors, or subcontractors (the “CAW Representatives”). The Proposer hereby releases and forever discharges CAW and the CAW Representatives from any and all claims which such Proposer has, had or may hereafter have arising out of any information contained in or otherwise provided in connection with the RFP. Any party who intends to submit a response to this RFP is specifically invited to independently verify the accuracy of the information contained herein.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 4
GUARANTOR ACKNOWLEDGMENT

(to be typed on Guarantor's Letterhead)

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2013, as amended. The RFP requires the selected Proposer to enter into a DB Agreement to: (1) provide all necessary design, permitting, construction, commissioning, start-up, and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services and ancillary services described in the RFP if the Proposer is approved by CAW for final negotiations and execution of the DB Agreement. The Project is located in the County of Monterey, California.

The Guarantor has reviewed the RFP and the Proposal, which together will form the basis of the DB Agreement. The Guarantor hereby certifies that it will irrevocably, absolutely and unconditionally guarantee the performance of all of the obligations of the Proposer under the DB Agreement, as negotiated based on the RFP and the Proposal, in the event that the Proposer is selected for final negotiations and execution of the DB Agreement, and that it will execute a separate Guaranty Agreement in the form presented as Transaction Form A of the draft DB Agreement, as negotiated based on the RFP and the Proposal.

Name of Guarantor

Name of Authorized Signatory

Signature

Title

** If more than one Guarantor is proposed, each firm shall be jointly and severally obligated and shall independently provide an executed copy of this Guarantor Acknowledgment. If a Guarantor is a joint venture, each firm in the joint venture shall be jointly and severally obligated and shall independently provide an executed copy of this Guarantor Acknowledgment.*

Attachment 1

GUARANTOR CERTIFICATE OF AUTHORIZATION*

I, _____, a resident of [INSERT CITY] in the State of [INSERT STATE], DO HEREBY CERTIFY that I am the Clerk/Secretary of [INSERT GUARANTOR], a [corporation] duly organized and existing under and by virtue of the laws of the State of [INSERT STATE]; that I have custody of the records of such [corporation]; and that as of the date of this certification, [INSERT AUTHORIZED SIGNATORY NAME] holds the title of [INSERT TITLE] of the [corporation], and is authorized to execute and deliver in the name and on behalf of the [corporation] the Guarantor Acknowledgment submitted by the corporation as part of [INSERT PROPOSER] (the Proposer's) response to the Request for Proposals for the Monterey Peninsula Water Supply Project Desalination Infrastructure Design-Build Project, issued by California-American Water Company on June 17, 2013, as amended; and all documents, letters, certificates and other instruments which have been executed by such officer on behalf of the [corporation] in connection therewith.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the [corporate] seal of the [corporation] this _____ day of _____, 2013.

(Affix Seal Here)

Clerk/Secretary

**Note: Separate certifications shall be submitted if more than one corporate officer has executed the Guarantor Acknowledgment as part of the Proposal. Proposers shall make appropriate conforming modifications to this Certificate in the event the signatory's address is outside of the United States.*

PROPOSAL FORM 5

KEY PERSONNEL¹

(Copy and complete this form for Key Personnel. Attach additional pages along with organizational charts for the Design-Build Period)

General Information²

Name: _____

Firm: _____

Title: _____

Year employed by firm: _____ years

Total Professional Experience: _____ Years

Professional Registration and Licenses (type/number/state/year)³ _____

Project-Specific Information

Title/Assignment _____

Description of Role/Responsibilities:

Commitment⁴ **Permitting** _____ % **Construction** _____ %

Design _____ % **Startup and Testing:** _____ %

Footnotes:

¹ Proposers shall duplicate this form for all Key Personnel. Refer to subsection 4.4.2 of the RFP for a list of the minimum personnel for which this form shall be completed.

² Please indicate any staff that has changed from that provided in the Statement of Qualifications in accordance with subsection 4.4.2 of the RFP. Attach pages as necessary.

³ Where applicable, key design and construction personnel must provide either: (1) proof of current California licensure; or (2) if not currently licensed in California, a detailed plan to obtain a required California license no later than the Contract Date.

⁴ Commitment indicates the amount of time (in percent) that the individual would be available to work on the Project during the permitting, design, construction, start-up and testing phases of the Project. Indicate by "N/A" where the individual is not proposed to be involved in a particular phase of the Project.

PROPOSAL FORM 6

VERIFICATION OF STATEMENT OF QUALIFICATION INFORMATION

1. Check the appropriate box:

The Statement of Qualifications is reaffirmed in its totality.

The Statement of Qualifications is reaffirmed but subject to changes described on the attached pages.

2. If the Proposer attaches any pages with changes, it must (1) specifically identify the affected portion of its Statement of Qualifications and (2) describe how the change makes its Proposal qualifications equal or better than as submitted with the Statement of Qualifications.

3. Proposers shall disclose all changes with respect to its Statement of Qualifications regardless of whether or not the Proposer believes such changes enhance its qualifications from those previously submitted. CAW, in its sole discretion, will determine whether any such changes enhance or adversely affect the Proposer's qualifications from those initially submitted in its Statement of Qualifications. Changes that adversely affect the Proposer's qualifications, as determined by CAW and not consented to by CAW, may result in disqualification of the Proposer.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 7
FINANCIAL CAPACITY DATA

Provide information requested for the Proposer and Guarantor.
 This form may be duplicated if necessary.

Name of Company: _____

Please indicate if Company is the
 Proposer or the Guarantor: _____

Section I Financial Data Summary

	<u>FY 2010</u>	<u>FY2011</u>	<u>FY2012</u>
Income Statement			
Operating Revenues			
Operating Expenses			
Depreciation and Amortization			
Earnings Before Tax (EBT)			
Earnings Before Interest and Taxes (EBIT)			
Net Income			

Balance Sheet			
Current Assets			
Other Assets			
Intangible Assets			
Total Assets			
Current Liabilities			
Total Long-Term Debt			
Other Liabilities			
Total Liabilities			
Net Worth			
(Total Assets – Total Liabilities)			
Tangible Net Worth			
(Total Assets – Total Liabilities – Intangible Assets)			

Statement of Cash Flow			
Total Cash Flow			
Cash Flow from Operations			
Cash Flow from Financing Activities			
Cash Flow from Investing Activities			

Section II Financial Ratios

	<u>FY 2010</u>	<u>FY2011</u>	<u>FY2012</u>
Liquidity Measures			
Current Ratio (Current Assets/Current Liabilities)			
Quick Ratio (Current Assets-Inventory/Current Liabilities)			
Working Capital as a % of Revenue (Current Assets-Current Liabilities/Revenue)			
Leverage Measures			
Debt/Equity Ratio (Total Liabilities/Shareholder's Equity)			
Debt/Tangible Net Worth			
Debt/(Debt + Net Worth)			
Debt Service Coverage Measures			
Cash Flow from Operations/Debt Service			
EBT/Interest			
EBIT/Interest			
Profitability Measures			
Operating Profit Margin (Operating Income/Net Sales)			
EBIT/Revenue			
Return on Capital (EBIT/Total Assets)			

Section III Credit Rating Summary¹

Bond Ratings

(please list all bond issues within the last three years with issue date and rating

	<u>Moody's</u>	<u>Standard & Poors'</u>	<u>Fitch</u>	<u>Dun & Bradstreet</u>	<u>Value Line</u>
1.					
2.					
3.					
4.					
5.					
6.					
7.					
8.					

Credit and Other Ratings (please list all credit and other ratings within the last two years along with date of rating):

	<u>Rating Date</u>	<u>Name of Rating Agency</u>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Footnote:

¹ In the event that no credit rating is available for the Proposer and Guarantor from a nationally recognized rating agency, then the Proposer and Guarantor, as applicable, shall provide:

- (a) a current (30 days or less) Dun & Bradstreet report (or an independent report of similar quality and content) attached to this Proposal Form; and
- (b) a narrative discussion of the long-term credit strength of the Proposer and Guarantor.

Proposers and Guarantors shall also provide an explanation or state the reasons that no such credit rating from a nationally recognized credit rating agency is available.

Section IV Other Financial Information

Please provide the Proposer's and Guarantor's audited financial statements for the past 3 fiscal years, including auditor's opinion, footnotes and other required supplementary information as well as the Proposer's and Guarantor's most recently available quarterly statements pursuant to Section 4 of the RFP.

Note: All data is to be provided in U.S. Dollars and in English.

Name of Proposer/Guarantor

Name of Designated/Authorized Signatory

Signature

Title

PROPOSAL FORM 8

SURETY LETTER OF INTENT TO ISSUE A PERFORMANCE BOND

(to be typed on Surety's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Desalination Infrastructure
Design-Build Project

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2013, as amended. The RFP requires the successful Proposer to enter into a DB Agreement to: (1) provide all necessary design, permitting, construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services and ancillary services described in the RFP, if the Proposer is approved by CAW for final negotiations and execution of the DB Agreement.

The Surety has reviewed the Proposer's Proposal and the RFP, which together will form the basis of the DB Agreement. The Surety hereby certifies that, subject to its review of the final terms and conditions of the DB Agreement, it intends to issue on behalf of the Proposer, as security for the performance of the Proposer's Design-Build Period obligations under the DB Agreement, as negotiated between the parties based on the Proposal and the RFP, a Performance Bond meeting the requirements of Section 10.2 of the draft DB Agreement in an amount equal to the Fixed Design-Build Price (plus a reasonable amount to be determined by the parties for any estimated Fixed Design-Build Price Adjustments) for the benefit of CAW, in the event the Proposer is selected for final negotiations and execution of the DB Agreement.

Name of Surety

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 9

SURETY LETTER OF INTENT TO ISSUE A PAYMENT BOND

(to be typed on Surety's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Desalination Infrastructure
Design-Build Project

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2013, as amended. The RFP requires the successful Proposer to enter into a DB Agreement to: (1) provide all necessary design, permitting, construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services and ancillary services described in the RFP, if the Proposer is approved by CAW for final negotiations and execution of the DB Agreement.

The Surety has reviewed the Proposer's Proposal and the RFP, which together will form the basis of the DB Agreement. The Surety hereby certifies that, subject to its review of the final terms and conditions of the DB Agreement, it intends to issue on behalf of the Proposer as security for the performance of the Proposer's payment obligations in connection with its design and construction obligations under the DB Agreement as negotiated between the parties based on the Proposal and the RFP, a Payment Bond meeting the requirements of Section 10.2 of the draft DB Agreement in an amount equal to the Fixed Design-Build Price (plus a reasonable amount to be determined by the parties for any estimated Fixed Design-Build Price Adjustments) for the benefit of CAW in the event the Proposer is selected for final negotiations and execution of the DB Agreement.

Name of Surety

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 10

BANK LETTER OF INTENT TO ISSUE A LETTER OF CREDIT

(to be typed on Surety's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Desalination Infrastructure
Design-Build Project

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2013, as amended. The RFP requires the successful Proposer to enter into a DB Agreement to: (1) provide all necessary design, permitting, construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services and ancillary services described in the RFP, if the Proposer is approved by CAW for final negotiations and execution of the DB Agreement.

The Bank has reviewed the Proposer's Proposal and the RFP, which together will form the basis of the DB Agreement. The Bank hereby certifies that, subject to its review of the final terms and conditions of the DB Agreement, it intends to issue on behalf of the Proposer as security for the performance of the Proposer's payment obligations in connection with its design and construction obligations under the DB Agreement as negotiated between the parties based on the Proposal and the RFP, a Letter of Credit in the amount of one million dollars (\$1,000,000.00) meeting the requirements of Section 10.3 of the draft DB Agreement for the benefit of CAW in the event the Proposer is selected for final negotiations and execution of the DB Agreement.

Name of Bank

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 11

INSURANCE LETTER OF INTENT

(to be typed on Insurance Company's Letterhead)

[Date]

[

_____]

Re: Monterey Peninsula Water Supply Project Desalination Infrastructure
Design-Build Project

_____ (the "Proposer") has submitted herewith a Proposal in response to the Request for Proposals for the Monterey Peninsula Water Supply Desalination Infrastructure Design-Build Project (the "RFP") issued by California-American Water Company ("CAW") on June 17, 2013, as amended. The RFP requires the Selected Proposer to enter into a DB Agreement to: (1) provide all necessary design, permitting, construction, commissioning, start-up and testing services for the Project; (2) cause the Project to meet certain Performance Guarantees; and (3) perform the other related services and ancillary services described in the RFP if the Proposer is approved by CAW for final negotiations and execution of the DB Agreement.

The Insurance Company has reviewed both the Proposal and the RFP, which together will form the basis of the DB Agreement. The Insurance Company hereby certifies that it intends to provide all Required Insurance set forth in Appendix 11 of the draft DB Agreement, as negotiated between the parties based on the Proposal and the RFP, in the event the Proposer is

Name of Insurance Company

Name of Authorized Signatory

Signature

Title

PROPOSAL FORM 12

PRELIMINARY PROJECT SCHEDULE, SCHEDULED CONSTRUCTION DATE AND SCHEDULED ACCEPTANCE DATE

The Proposer shall submit a Preliminary Project Schedule with the Proposal that includes important design, procurement and construction activities and milestones from the Contract Date through Final Completion. This Preliminary Project Schedule shall be submitted in both written and electronic formats. The level of detail shall be in summary level for major procurement, permitting, design and construction activities. Major milestones throughout the Design-Build Period shall be included. The Proposer shall also guarantee the Scheduled Construction Date and the Scheduled Acceptance Date.

The Preliminary Project Schedule shall consist of, but not be limited to, the following:

- (i) Important design activities and milestones
- (ii) Important procurement activities and milestones
- (iii) Important construction activities and milestones
- (iv) It shall indicate the sequence of Design-Build Work and the time of starting and completing each part.

The Preliminary Project Schedule shall identify each applicable Governmental Approval and the estimated calendar time required to submit a complete Governmental Approval application, and the estimated calendar time required to obtain the Governmental Approval. The Proposer shall specify the “Governmental Approval Application Dates” to be set forth in subsection 4.5(J) of the draft DB Agreement. In addition, the Proposer shall summarize and provide a list of proposed major milestones and completion dates including, but not limited to:

- Contract Date
- Basis of Design Report
- 40-50% Facility Specifications & Drawings complete
- 80-90% Facility Specifications & Drawings complete
- 100% Governmental Approvals received
- On-site delivery of all major equipment
- Guaranteed Scheduled Construction Date
- Completion of major structures

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

- Commissioning and functional testing commencement
- Substantial Completion Date (including CDPH approval)
- Run-in Period commencement
- Acceptance Test
- Guaranteed Scheduled Acceptance Date
- Final Completion

The Proposer shall use the following format to provide this information:

TABLE 12-1 MAJOR ACTIVITIES AND MILESTONES¹		
ACTIVITY NUMBER	ACTIVITY/MILESTONE	DATE²

Name of Proposer

Name of Designated Signatory

Signature

Title

Footnotes:

¹ List each major activity and milestone separately.

² Indicate the end of activity or date milestone achieved.

PROPOSAL FORM 13
FIXED DESIGN-BUILD PRICE

The total amount of the Fixed Design-Build Price, in US dollars, for the 9.6 mgd water treatment plant, including UV disinfection and allowances (as described in Appendix 12 of the draft DB Agreement), in accordance to the Design and Construction Requirements identified in Appendix 2 of the draft DB Agreement, is:

_____ Dollars (\$_____)

The Fixed Design-Build Price shall be subject to adjustment solely in accordance with subsection 5.1(C) of the draft DB Agreement.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 13

**FIXED DESIGN-BUILD PRICE
(CONTINUED)**

**SUMMARY OF FIXED DESIGN-BUILD PRICE for 9.6
MGD WATER TREATMENT PLANT¹**

PROJECT DEVELOPMENT AND DESIGN

Engineering	\$ _____
Permitting	\$ _____
Other (Specify) _____	\$ _____
Subtotal Project Development and Design Costs	\$ _____

**CONSTRUCTION – Provide breakdown by CSI Format,
Div 1-16**

Division 1 – General Requirements	\$ _____
Division 2 – Site Construction, Including Yard Piping and Valves	\$ _____
Division 3 – Concrete	\$ _____
Division 4 – Masonry	\$ _____
Division 5 – Metals	\$ _____
Division 6 – Wood and Plastic	\$ _____
Division 7 – Thermal and Moisture Protection	\$ _____
Division 8 – Doors and Windows	\$ _____
Division 9 – Finishes	\$ _____
Division 10 – Specialties	\$ _____
Division 11 – Equipment	\$ _____
Division 12 – Furnishings	\$ _____
Division 13 – Special Construction (including Instrumentation and Control and RO System)	\$ _____
Division 14 – Conveying Systems	\$ _____
Division 15 – Mechanical	\$ _____
Division 16 – Electrical	\$ _____
Subtotal Construction Costs²	\$ _____

¹ Proposers shall modify this form to break down the Fixed Design-Build Price by major structure/system included in the Proposal.

² The amount set forth on this line item shall constitute the Construction Cost Component which is subject to escalation in accordance with the draft DB Agreement.

START-UP AND ACCEPTANCE TESTING

Commissioning and Start-up Activities \$ _____

Acceptance Testing Activities \$ _____

Subtotal Start-up and Acceptance Testing Costs \$ _____

OTHER DIRECT AND INDIRECT COSTS

Performance Bond and Payment Bond \$ _____

Required Design-Build Period Insurance \$ _____

Letter of Credit \$ _____

Other (Specify): _____ \$ _____

Subtotal Other Direct and Indirect Costs \$ _____

TOTAL FIXED DESIGN-BUILD PRICE³ \$ _____

³ The sum of the subtotals must equal the proposed Fixed Design-Build Price set forth above. The Fixed Design-Build Price is binding and will be incorporated directly into the final DB Agreement. The breakdown of the Fixed Design-Build Price provided above is for information and evaluation purposes only.

PROPOSAL FORM 13A

FIXED DESIGN-BUILD PRICE FOR REDUCED CAPACITY

Prior to the Construction Date, CAW may elect to reduce the Rated Capacity to 6.4 mgd. The total amount of the Fixed Design-Build Price, in US dollars, for the 6.4 mgd water treatment plant, including UV disinfection and allowances (as described in Appendix 12 of the draft DB Agreement), in accordance to the Design and Construction Requirements identified in Appendix 2 of the draft Design-Build Agreement, is:

_____ Dollars (\$_____)

The Fixed Design-Build Price shall be subject to adjustment solely in accordance with subsection 5.1(C) of the draft DB Agreement.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 13A

**FIXED DESIGN-BUILD PRICE FOR REDUCED CAPACITY
(CONTINUED)**

**SUMMARY OF FIXED DESIGN-BUILD PRICE for 6.4
MGD WATER TREATMENT PLANT¹**

PROJECT DEVELOPMENT AND DESIGN

Engineering	\$ _____
Permitting	\$ _____
Other (Specify) _____	\$ _____
Subtotal Project Development and Design Costs	\$ _____

**CONSTRUCTION – Provide breakdown by CSI Format,
Div 1-16**

Division 1 – General Requirements	\$ _____
Division 2 – Site Construction, Including Yard Piping and Valves	\$ _____
Division 3 – Concrete	\$ _____
Division 4 – Masonry	\$ _____
Division 5 – Metals	\$ _____
Division 6 – Wood and Plastic	\$ _____
Division 7 – Thermal and Moisture Protection	\$ _____
Division 8 – Doors and Windows	\$ _____
Division 9 – Finishes	\$ _____
Division 10 – Specialties	\$ _____
Division 11 – Equipment	\$ _____
Division 12 – Furnishings	\$ _____
Division 13 – Special Construction (including Instrumentation and Control and RO System)	\$ _____
Division 14 – Conveying Systems	\$ _____
Division 15 – Mechanical	\$ _____
Division 16 – Electrical	\$ _____
Subtotal Construction Costs²	\$ _____

¹ Proposers shall modify this form to break down the Fixed Design-Build Price by major structure/system included in the Proposal.

² The amount set forth on this line item shall constitute the Construction Cost Component which is subject to escalation in accordance with the draft DB Agreement.

START-UP AND ACCEPTANCE TESTING

Commissioning and Start-up Activities \$ _____

Acceptance Testing Activities \$ _____

Subtotal Start-up and Acceptance Testing Costs \$ _____

OTHER DIRECT AND INDIRECT COSTS

Performance Bond and Payment Bond \$ _____

Required Design-Build Period Insurance \$ _____

Letter of Credit \$ _____

Other (specify) \$ _____

Subtotal Other Direct and Indirect Costs \$ _____

TOTAL FIXED DESIGN-BUILD PRICE³ \$ _____

³ The sum of the subtotals must equal the proposed Fixed Design-Build Price set forth above. The Fixed Design-Build Price is binding and will be incorporated directly into the final DB Agreement. The breakdown of the Fixed Design-Build Price provided above is for information and evaluation purposes only.

PROPOSAL FORM 13B

REQUIRED ALTERNATIVE PROPOSALS FOR 9.6 MGD FACILITY

UV Disinfection Alternative - REQUIRED

- a. CAW may elect to not construct the UV disinfection system. The decision depends on the future results of source water quality testing. If CAW elects to not construct the UV disinfection facilities, the decision will be made by October 1, 2013.
- b. Deduct to the Fixed Design-Build Price proposed on Proposal Form 13 **for the UV Disinfection Alternative:**
\$ _____

Post Stabilization Alternatives - REQUIRED

- a. Identify the type of Post-Stabilization process included in your Proposal:
[either Hydrated Lime Saturation System or Calcite Contactors System]

- b. If the Hydrated Lime Saturation System is listed in (a), identify the adjustment to the Fixed Design-Build Price proposed on Proposal Form 13 for **construction of the Hydrated Lime System.**
 - i. Deduct to the Fixed Design-Build Price for Hydrated Lime System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price
- c. If the Hydrated Lime Saturation System is listed in (a), identify the adjustment to the Fixed Design-Build Price for **construction of a Calcite Contactor System** instead of a Hydrated Lime Saturation System.
 - i. Deduct to the Fixed Design-Build Price proposed on Proposal Form 13 for Calcite Contactor System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price

- d. If a Calcite Contactor System is listed in (a), then **identify the adjustment to the Fixed Design-Build Price for construction of a Hydrated Lime Saturation System** instead of a Calcite Contactor System.
- i. Deduct to the Fixed Design-Build Price proposed on Proposal Form 13 for Hydrated Lime Saturation System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price
- e. If a Calcite Contactor System is listed in (a), then **identify the adjustment to the Fixed Design-Build Price for construction of a Hydrated Lime Saturation System using the Hydrated Lime System** instead of a Calcite Contactor System.
- i. Deduct to the Fixed Design-Build Price proposed on Proposal Form 13 for Hydrated Lime Saturation System with Hydrated Lime System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price

PROPOSAL FORM 13C

REQUIRED ALTERNATIVE PROPOSALS FOR 6.4 MGD FACILITY

UV Disinfection Alternative - REQUIRED

- a. CAW may elect to not construct the UV disinfection system. The decision depends on the future results of source water quality testing. If CAW elects to not construct the UV disinfection facilities, the decision will be made by October 1, 2013.
- b. Deduct to the Fixed Design-Build Price for reduced Rated Capacity proposed on Proposal Form 13A **for the UV Disinfection Alternative:**
\$ _____

Post Stabilization Alternatives - REQUIRED

- a. Identify the type of Post-Stabilization process included in your Proposal:
[either Hydrated Lime Saturation System or Calcite Contactors System]

- b. If the Hydrated Lime Saturation System is listed in (a), identify the adjustment to the Fixed Design-Build Price for reduced Rated Capacity proposed on Proposal Form 13A for **construction of the Hydrated Lime System.**
 - i. Deduct to the Fixed Design-Build Price for reduced Rated Capacity for Hydrated Lime System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price
- c. If the Hydrated Lime Saturation System is listed in (a), identify the adjustment to the Fixed Design-Build Price for reduced Rated Capacity for **construction of a Calcite Contactor System** instead of a Hydrated Lime Saturation System.
 - i. Deduct to the Fixed Design-Build Price for reduced Rated Capacity proposed on Proposal Form 13A for Calcite Contactor System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price

- d. If a Calcite Contactor System is listed in (a), then **identify the adjustment to the Fixed Design-Build Price for reduced Rated Capacity for construction of a Hydrated Lime Saturation System** instead of a Calcite Contactor System.
- i. Deduct to the Fixed Design-Build Price for reduced Rated Capacity proposed on Proposal Form 13A for Hydrated Lime Saturation System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price
- e. If a Calcite Contactor System is listed in (a), then **identify the adjustment to the Fixed Design-Build Price for reduced Rated Capacity for construction of a Hydrated Lime Saturation System using the Hydrated Lime System** instead of a Calcite Contactor System.
- i. Deduct to the Fixed Design-Build Price for reduced Rated Capacity proposed on Proposal Form 13A for Hydrated Lime Saturation System with Hydrated Lime System:
\$ _____
Note: Include Parentheses (___) to indicate an INCREASE in price

PROPOSAL FORM 13D

VOLUNTARY ALTERNATIVE PROPOSALS

Proposers are encouraged to provide Voluntary Alternative Proposals. Pricing must be included for each Voluntary Alternative Proposal using this format. Identify whether the alternative is for a Rated Capacity of 9.6 mgd or 6.4 mgd. Voluntary Alternative Proposals shall be numbered so that the pricing information submitted on this Proposal Form corresponds with the technical information provided in Section 3.0(M) of the Technical Proposal.

- A. Voluntary Alternative Proposal # __
- B. Deduct to the Fixed Design-Build Price:
 \$ _____
- C. Expected Operating Cost Savings
 (Identify savings by year, for 30 years, assuming no inflation)

For each Voluntary Alternative Proposal, the Proposer must provide in Section 3.0(L) similar comprehensive detailed information to that which is required for the Base Proposal so that the Voluntary Alternative Proposal can be effectively evaluated and compared against the Base Proposals and other Voluntary Alternative Proposals received. All Voluntary Alternative Proposals must meet the Acceptance Standards and Requirements set forth in Appendix 7 of the DB Agreement. Voluntary Alternative Proposals that consist of only general concepts or marketing materials will not be considered.

Proposers shall provide additional Voluntary Alternative Proposals using the format as shown above.

PROPOSAL FORM 14

ESTIMATED DRAWDOWN SCHEDULE FOR 9.6 MGD FACILITY

Month ^(a)	Cumulative Percentage of the Fixed Design-Build Price	Cumulative Drawdown ^(b)
1		\$ _____
2		\$ _____
3		\$ _____
4		\$ _____
5		\$ _____
6		\$ _____
7		\$ _____
8		\$ _____
9		\$ _____
10		\$ _____
11		\$ _____
12		\$ _____
13		\$ _____
14		\$ _____
15		\$ _____
16		\$ _____
17		\$ _____
18		\$ _____
Total ^(c)	100%	\$ _____

(a) The final month should be the month anticipated for the achievement of Final Completion under the DB Agreement. Proposers shall add as many lines as appropriate to correspond with their schedule.
 (b) Multiply maximum cumulative percentage by the Fixed Design-Build Price.
 (c) Total Cumulative Drawdown should equal the Fixed Design-Build Price.

PROPOSAL FORM 14A

ESTIMATED DRAWDOWN SCHEDULE FOR 6.4 MGD FACILITY

Month ^(a)	Cumulative Percentage of the Fixed Design-Build Price	Cumulative Drawdown ^(b)
1		\$ _____
2		\$ _____
3		\$ _____
4		\$ _____
5		\$ _____
6		\$ _____
7		\$ _____
8		\$ _____
9		\$ _____
10		\$ _____
11		\$ _____
12		\$ _____
13		\$ _____
14		\$ _____
15		\$ _____
16		\$ _____
17		\$ _____
18		\$ _____
Total ^(c)	100%	\$ _____

-
- ^(a) The final month should be the month anticipated for the achievement of Final Completion under the DB Agreement. Proposers shall add as many lines as appropriate to correspond with their schedule.
 - ^(b) Multiply maximum cumulative percentage by the Fixed Design-Build Price.
 - ^(c) Total Cumulative Drawdown should equal the Fixed Design-Build Price.

PROPOSAL FORM 15

ESTIMATED OPERATING AND MAINTENANCE COSTS FOR 9.6 MGD FACILITY

The Estimated Operating and Maintenance Costs for the Project over 30 years using 2013 US dollars are:

O&M ELEMENT ITEMS	ESTIMATED OPERATING AND MAINTENANCE COSTS
Operations and Maintenance	
Repair and Replacement	
Chemicals	
Residuals Management	
Utilities (excluding electrical)	
Other (specify)	
O&M ELEMENT TOTAL	

Operations and Maintenance excludes costs for staffing and electricity. Repair and Replacement excludes costs for estimated major maintenance, repair, and replacement and estimated RO system membrane replacement which are provided in Proposal Forms 19 and 20.

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

Chemical costs shall be calculated based on producing 6,845 afy of desalinated water. Unit chemical costs are presented below. Identify the usage of each chemical in pounds per year.

Chemical	\$/lb
Sodium Hypochlorite (12.5%)	\$ 0.07
Sodium Chloride (dry)	\$ 0.10
Ferric Chloride (38%)	\$ 0.24
Sodium Bisulfite (38%)	\$ 0.20
Sulfuric Acid (50%)	\$ 0.10
Inhibitor	\$ 2.00
Non-ionic Polymer	\$ 1.50
Sodium Hydroxide (50%)	\$ 0.11
Zinc Orthophosphate	\$ 0.47
Hydrated Lime	\$ 0.15
Calcite	\$ 0.18
Carbon Dioxide	\$ 0.04
Costs are on a wet pound basis for liquid chemicals	

Proposers should indicate on an attachment all major assumptions associated with the estimates contained above.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 15A

ESTIMATED OPERATING AND MAINTENANCE COSTS FOR 6.4 MGD FACILITY

The Estimated Operating and Maintenance Costs for the Project over 30 years using 2013 US dollars are:

O&M ELEMENT ITEMS	ESTIMATED OPERATING AND MAINTENANCE COSTS
Operations and Maintenance	
Repair and Replacement	
Chemicals	
Residuals Management	
Utilities (excluding electrical)	
Other (specify)	
O&M ELEMENT TOTAL	

Operations and Maintenance excludes costs for staffing and electricity. Repair and Replacement excludes costs for estimated major maintenance, repair, and replacement and estimated RO system membrane replacement which are provided in Proposal Forms 19 and 20.

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

Chemical costs shall be calculated based on producing 6,845 afy of desalinated water. Unit chemical costs are presented below. Identify the usage of each chemical in pounds per year.

Chemical	\$/lb
Sodium Hypochlorite (12.5%)	\$ 0.07
Sodium Chloride (dry)	\$ 0.10
Ferric Chloride (38%)	\$ 0.24
Sodium Bisulfite (38%)	\$ 0.20
Sulfuric Acid (50%)	\$ 0.10
Inhibitor	\$ 2.00
Non-ionic Polymer	\$ 1.50
Sodium Hydroxide (50%)	\$ 0.11
Zinc Orthophosphate	\$ 0.47
Hydrated Lime	\$ 0.15
Calcite	\$ 0.18
Carbon Dioxide	\$ 0.04
Costs are on a wet pound basis for liquid chemicals	

Proposers should indicate on an attachment all major assumptions associated with the estimates contained above.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 16

ESTIMATED MAXIMUM ELECTRICITY UTILIZATION

The Estimated Maximum Electricity Utilization (EMEU) represents the maximum amount of electricity in kilowatt-hours (kWh) that will be used by the Project (inclusive of the UV system) per thousand gallons (kgal) of Finished Water produced for the flow rates and plants listed.

The EMEU shall be for an average salinity of 33.6 ppt and an average temperature of 12 °C. This estimate includes all the power used to operate the Project including all facilities, including ancillary facilities, from downstream of the slant well pump station through the Finished Water pump station.

To support its estimate, the Proposer shall attach to this form, its assumptions, calculations and RO modeling results.

ESTIMATED MAXIMUM ELECTRICITY UTILIZATION	
Annual Average Finished Water Pumped to Monterey Pipeline Connection	EMEU
Flowrate produced by a 6.4 mgd plant (with standby train off line)	_____kWh/kgal
Flowrate produced by a 9.6 mgd (with standby train off line)	_____kWh/kgal

PROPOSAL FORM 17

MAXIMUM ELECTRICITY UTILIZATION FOR ACCEPTANCE TESTING

The Maximum Electricity Utilization (MEU) represents the maximum amount of electricity in kilowatt-hours (kWh) that will be used by the Project (inclusive of the UV system) per thousand gallons (kgal) of Finished Water produced during the Acceptance Test.

These MEUs include all the power used to operate the Project including all facilities, including ancillary facilities, from downstream of the slant well pump station through the Finished Water pump station.

**Table 1 - MAXIMUM ELECTRICITY UTILIZATION
(for a plant design flowrate 6.4 mgd)**

Salinity (ppt) Feedwater Temperature (°C)	24 ppt Plant kWh/kgal	28 ppt Plant kWh/kgal	32.2 ppt Plant kWh/kgal	33.6 ppt Plant kWh/kgal	34.6 ppt Plant kWh/kgal	38 ppt Plant kWh/kgal
8						
9						
10						
11						
12				EMEU- 6.4 mgd		
13						
14						
15						
16						
17						
18						

Table 2 - MAXIMUM ELECTRICITY UTILIZATION

(for a plant design flowrate 9.6 mgd to be determined)

Salinity (ppt) Feedwater Temperature (°C)	24 ppt Plant kWh/kgal	28 ppt Plant kWh/kgal	32.2 ppt Plant kWh/kgal	33.6 ppt Plant kWh/kgal	34.6 ppt Plant kWh/kgal	38 ppt Plant kWh/kgal
8						
9						
10						
11						
12				EMEUE- 9.6 mgd		
13						
14						
15						
16						
17						
18						

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 18

**MAXIMUM COMBINED RO TRAIN PERMEATE SALT CONCENTRATIONS FOR
 ACCEPTANCE TESTING**

The concentrations of boron, chloride, bromide and sodium will be sampled from the combined permeate during the Acceptance Test to determine if the Proposal is in compliance with the Project’s water quality performance requirements.

The Proposer shall first demonstrate that the proposed overall system design operating under operating conditions that meet all the requirements of the RFP produces a combined RO permeate that is in compliance with the Project’s water quality performance requirements. Said compliance shall be demonstrated using the membrane manufacturer’s publicly available model.

The Proposer shall then use the same model to describe the expected performance of new membranes during Acceptance Testing. Performance during the Acceptance Test shall be based on achieving average performance equal or better than model predictions.

Step One: Use manufacturer’s model to demonstrate the performance of the overall system design.

The Proposer shall use the membrane manufacturer’s publically available membrane computer model to assess future salt rejection in the Proposer’s overall system design, that is, to demonstrate the system’s ability to meet the water quality requirements of the Project. The design proposed by the Proposer shall meet the performance requirements shown in Appendix 2, Appendix 7, and Table A7-13.

Table A7-13. Combined RO Permeate Water Quality Performance Requirements

Parameter	Combined RO Permeate Concentrations, mg/L	
	Maximum Average ¹	Not-to-Exceed ²
Boron (mg/L)	0.5	0.7
Chloride (mg/L)	60	100
Bromide (mg/L)	0.3	0.5
Sodium (mg/L)	35	60

¹ The **average** of the measured concentrations shall be below the target limit at all times.

² No measurement shall exceed this value, at any time.

The model, which shall be made available for CAW to use in Proposal evaluation and Acceptance Testing, shall demonstrate compliance under both of the following conditions:

For Compliance with the RO combined permeate maximum average concentrations:

- 1- Average Raw Water quality conditions shown in Appendix 2, Attachment 2
- 2- Average age of SWRO membranes in the model at 5 years
- 3- Average age of BWRO membranes in the model at 5 years
- 4- Average temperature in Appendix 2, Attachment 2

For compliance with the RO combined permeate not-to-exceed concentrations:

- 1- Maximum water quality conditions shown in Appendix 2, Attachment 2
- 2- Average age of SWRO membranes in the model at 5 years
- 3- Average age of BWRO membranes in the model at 5 years
- 4- Design maximum temperature shown in Appendix 2, Attachment 2

All modeling shall assume a salt passage increase per year of 7% per year and a fouling factor of 10% per year.

As an attachment to this form, Proposers shall provide copies of separate runs of the same model demonstrating compliance with both the maximum average concentrations and the not-to – exceed concentrations in Table A7-13.

Step Two: Generation of Table to be used during the Acceptance Test.

During the Acceptance Test, when the samples for combined RO permeate will be taken, all RO trains must each produce their design permeate flowrate, at their design recovery (as defined in Appendix 2). This statement applies to each train of the first pass and each train of the second pass.

During the Acceptance Test, the RO system performance shall be evaluated with respect to compliance with the standards for salt rejection as a function of temperature, set forth in Table A7-14. The Proposer shall include data necessary to substantiate such performance, including but not limited to, results from the manufacturer’s model for the overall system design at years zero (0) and five (5) as well as existing plant performance data demonstrating that similar concentrations or rejections have been achieved

The Proposer shall fill in Table A7-14 below assuming the RO System is treating the average Raw Water quality specified in Appendix 2, Attachment 1. The model shall be run at the design parameters (e.g., flowrates, flux, recovery, etc) specified by the Proposer in Appendix 2. The model shall assume a yearly salt passage increase of 7% per year and a fouling factor of 10% per year. The purpose of Table A7-14 is to provide information on how the system will operate across the entire temperature range with new membranes (comparable to Acceptance Test conditions) and with older membranes (comparable to design conditions).

Table A7-14 Maximum of Average Combined Permeate Concentration⁽¹⁾

Membrane Age	Year 0 (Maximum Average Concentration for Acceptance Test)		Year 5 (Maximum Average Concentration for Compliance with Table A7-13)	
	Boron (mg/L)	Chloride (mg/L)	Boron (mg/L)	Chloride (mg/L)
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

⁽¹⁾ RO model should assume the average Raw Water quality condition for all parameters other than temperature.

During the Acceptance Test, the boron and chloride concentrations in the combined permeate shall not exceed the concentrations set forth in Table A7-14 for the actual average temperature of Acceptance Test conditions for year 0. The Design-Builder shall confirm that the estimated future (for year 5) concentrations for boron and chloride will meet the combined permeate performance requirements stipulated in Table A7-13 as well as the RO system performance warranty provided in Section 9 of Appendix 2.

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

In the event that the average boron and chloride concentrations in the feedwater during the Acceptance Test is not within five percent of the average Raw Water boron and chloride concentrations used in the preparation of Table A7-14, the RO system model will be rerun for year zero (0) using the actual average boron and chloride concentrations in the feedwater during the Acceptance Test and the revised model output concentrations will be used as maximum average boron and chloride concentrations, which may not be exceeded during the Acceptance Test.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 19

**ESTIMATED MAJOR MAINTENANCE, REPAIR AND REPLACEMENT SCHEDULE
FOR 9.6 MGD FACILITY**

The Estimated Costs for the Major Maintenance, Repair and Replacement Schedule for the 9.6 mgd facility (excluding RO system membrane replacements), in 2013 US dollars are:

Year	Activity/Equipment	Prices
1.		
2.		
3.		
4.		
	Total	\$

Proposers shall expand this form to express all major maintenance, repair and replacements (not including the RO system membrane replacements) for up to 30 years. Total is to include all costs for labor, materials, installation, overhead, and profit.

Proposers should indicate on an attachment all major assumptions associated with the estimates contained above.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 19A

**ESTIMATED MAJOR MAINTENANCE, REPAIR AND REPLACEMENT SCHEDULE
FOR THE 6.4 MGD FACILITY**

The Estimated Costs for the Major Maintenance, Repair and Replacement Schedule for the 6.4 mgd facility (excluding RO system membrane replacements), in 2013 US dollars are:

Year	Activity/Equipment	Prices
1.		
2.		
3.		
4.		
	Total	\$

Proposers shall expand this form to express all major maintenance, repair and replacements (not including the RO system membrane replacements) for up to 30 years. Total is to include all costs for labor, materials, installation, overhead, and profit.

Proposers should indicate on an attachment all major assumptions associated with the estimates contained above.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 20

**ESTIMATED RO SYSTEM MEMBRANE REPLACEMENT SCHEDULE FOR THE 9.6
MGD FACILITY**

The Estimated Annual Membrane Replacement Costs for the 9.6 mgd facility, in 2013 US dollars are:

Year	Activity/Equipment	Prices
1.		
2.		
3.		
4.		
	Total	\$

Proposers shall expand this form to express all RO system membrane replacements for up to 30 years. Total is not to include any costs for labor, installation, overhead or profits. For each yearly membrane replacement cost provided in the table above, Proposers shall indicate the number of membrane elements, as well as the corresponding percent of the total number of plant membrane elements.

Proposers should indicate on an attachment all major assumptions associated with the estimates contained above.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 20A

**ESTIMATED RO SYSTEM MEMBRANE REPLACEMENT SCHEDULE FOR THE 6.4
 MGD FACILITY**

The Estimated Annual Membrane Replacement Costs for the 6.4 mgd facility, in 2013 US dollars are:

Year	Activity/Equipment	Prices
1.		
2.		
3.		
4.		
	Total	\$

Proposers shall expand this form to express all RO system membrane replacements for up to 30 years. Total is not to include any costs for labor, installation, overhead or profits. For each yearly membrane replacement cost provided in the table above, Proposers shall indicate the number of membrane elements, as well as the corresponding percent of the total number of plant membrane elements.

Proposers should indicate on an attachment all major assumptions associated with the estimates contained above.

 Name of Proposer

 Name of Designated Signatory

 Signature

 Title

PROPOSAL FORM 21

ACCEPTANCE OF THE DB AGREEMENT

Proposer agrees to all of the provisions of the draft DB Agreement except as expressly provided in the track changes version of the draft DB Agreement that is attached to this Proposal Form.

Name of Proposer

Name of Designated Signatory

Signature

Title

PROPOSAL FORM 22

FORM OF PROPOSAL BOND

KNOW ALL PERSONS BY THESE PRESENTS, that the [INSERT NAME OF PROPOSER] _____, as the “Principal” and [INSERT NAME OF THE SURETY] _____, as (“Surety”), a corporation duly organized under the laws of the State of _____, having its principal place of business at _____, and authorized as a surety in the State of California, are hereby jointly and severally held and firmly bound unto California-American Water Company (the “Obligee”), in the penal sum of _____ [INSERT DOLLAR AMOUNT EQUAL TO TWENTY PERCENT OF THE PROPOSED FIXED DESIGN-BUILD PRICE] (the “Bonded Sum”), the payment of which we each bind ourselves, and our heirs, executors, administrators, representatives, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal is herewith submitting a proposal (the “Proposal”) to provide design, permitting, construction, commissioning, start-up and testing services for desalination infrastructure of the Monterey Peninsula Water Supply Project (the “Project”) through a DB Agreement (the “DB Agreement”), which Proposal is incorporated herein by this reference and has been submitted pursuant to the Project’s request for proposals dated as of [INSERT DATE] (as amended or supplemented, the “RFP”);

NOW, THEREFORE,

1. The condition of this Proposal Bond is such that it shall be null and void upon the occurrence of any of the following events:
 - (a) The Principal's receipt of written notice from the Obligee that (i) the Obligee will not award the DB Agreement pursuant to the RFP, or (ii) the Obligee has awarded and received the executed DB Agreement and other required documents, and does not intend to award the DB Agreement to the Principal;
 - (b) The Principal’s performance of all its obligations under the RFP in connection with award the DB Agreement;
 - (c) The failure of the Obligee to award the DB Agreement to the Principal within 180 after the Proposal Due Date; or
 - (d) The failure of the Obligee and the Principal to finalize a DB Agreement that is satisfactory to the Obligee after attempting in good faith to do so.

2. If the Principal fails to satisfy the foregoing conditions for release set forth in paragraph 1 above, or if the Principle withdraws its Proposal in a manner that is not permitted by the RFP, or is awarded the DB Agreement but fails to meet the requirements for finalizing or executing the DB Agreement, then the Principal and the Surety hereby agree to pay to the Obligee the full Bonded Sum as liquidated damages, and not as a penalty, within 10 days

after such failure. The Principal agrees and acknowledges that such liquidated damages are reasonable in order to compensate the Obligees for damages it will incur as a result of the Principal's failure to satisfy the obligations under the RFP to which the Principal agreed when submitting its Proposal. Such damages include potential harm to the credibility and reputation of the Obligees with policy makers and with the general public, delays to the Project and additional costs of administering this or a new procurement (including engineering, legal, accounting, overhead and other administrative costs). The Principal further acknowledges that these damages would be difficult and impracticable to measure and prove, are incapable of accurate measurement because of, among other things, the unique nature of the Project and the efforts required to receive and evaluate proposals for it, and the unavailability of a substitute for those efforts. The amounts of liquidated damages stated herein represent good faith estimates and evaluations as to the actual potential damages the Obligees would incur as a result of Principal's failure to satisfy the obligations under the RFP to which Principal agreed when submitting its Proposal, and do not constitute a penalty. Principal agrees to such liquidated damages in order to fix and limit Principal's costs and to avoid later disputes over what amounts of damages are properly chargeable to Principal.

3. The following terms and conditions shall apply with respect to this Proposal Bond:
- (a) If suit is brought on this Proposal Bond by the Obligees and judgment is recovered, the Principal and Surety shall pay all costs incurred by the Obligees in bringing such suit, including, without limitation, reasonable attorneys' fees and costs as determined by the court.
 - (b) Any extensions of the time for award of the DB Agreement that the Principal may grant in accordance with the RFP shall be subject to the reasonable approval of the Surety.
 - (c) [Note: Use in case of multiple or co-sureties or, otherwise, delete.] The Co-Sureties agree to empower a single representative with authority to act on behalf of all of the Co-Sureties with respect to this Proposal Bond, so that the Obligees will have no obligation to deal with multiple sureties hereunder. All correspondence from the Obligees to the Co-Sureties and all claims under this Proposal Bond shall be sent to such designated representative. The Co-Sureties also agree to designate a single agent for service of process with respect to any actions on this Bond, which agent shall either be a natural person or a corporation qualified to act as an agent for service of process under California law. The designated representative and agent for service of process may be changed only by delivery of written notice (by personal delivery or by certified mail, return receipt requested) to the Obligees designating a single new representative and/or agent, signed by all of the Co-Sureties. The initial representative shall be:

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

SIGNED and SEALED this _____ day of _____, 20__

Principal

By:

Surety [or Co-Surety]

By:

Attorney in Fact

By:

Co-Surety

By:

Attorney in Fact

By:

Co-Surety

By:

Attorney in Fact

**Request for Proposals for California American Water
Monterey Peninsula Water Supply Project
Desalination Infrastructure**

[ADD APPROPRIATE SURETY ACKNOWLEDGMENTS]

[NOTE: Use the following acknowledgement form for a California notary. For a notary from another state, use an acknowledgement form and follow the notary requirements that apply in that state.]

CALIFORNIA ALL PURPOSE ACKNOWLEDGEMENT

State of California

County of _____

On this ___ day of _____ in the year of _____ before me, _____, a notary public in and for the county and state aforesaid, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to within the instrument and acknowledged to me that he/she executed the same in his/her authorized capacity(ies), and that by his/her signature(s) on the instrument, the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

Witness my hand and official seal:

(SEAL)

Signature of Notary Public

PROPOSAL FORM 23
GOVERNMENTAL APPROVALS

The required Governmental Approvals are:

Governmental Approval	Issuing Agency	Governmental Approval Application Submission Date (Number of days from Contract Date)	Assumed Approval Issuance Date (Number of days from Date of Application Submittal)

(expand the table as necessary)

Name of Proposer

Name of Designated Signatory

Signature

Title



RFP ISSUANCE DRAFT

DESIGN-BUILD AGREEMENT
FOR THE
MONTEREY PENINSULA WATER SUPPLY PROJECT
DESALINATION INFRASTRUCTURE

between

CALIFORNIA-AMERICAN WATER COMPANY

and

[DESIGN-BUILDER]

Dated as of

_____, 2013

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TABLE OF CONTENTS

Page

ARTICLE 1

DEFINITIONS AND INTERPRETATION

SECTION 1.1.	DEFINITIONS.....	3
SECTION 1.2.	INTERPRETATION.....	20
(A)	Plurality.....	20
(B)	Persons	21
(C)	Headings	21
(D)	References Hereto.....	21
(E)	References to Days and Time of Day	21
(F)	References to Including	21
(G)	References to Statutes	21
(H)	References to Governmental Bodies.....	21
(I)	References to Business Days	21
(J)	References to Documents and Standards.....	21
(K)	References to All Reasonable Efforts	21
(L)	References to Treatment	22
(M)	Entire Design-Build Agreement	22
(N)	Counterparts.....	22
(O)	Governing Law	22
(P)	Severability	22
(Q)	Drafting Responsibility.....	22
(R)	Interpolation.....	22
(S)	Accounting and Financial Terms.....	22
(T)	Applicability, Stringency and Consistency of Contract Standards.....	22
(U)	Delivery of Documents in Digital Format	23
(V)	Owner Obligations to Provide Assistance	23
(W)	Third-Party Rights	23
(X)	Discretion.....	23
(Y)	Liquidated Damages	23
(Z)	Design and Construction Requirements.....	24

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

SECTION 2.1.	REPRESENTATIONS AND WARRANTIES OF THE OWNER.....	26
(A)	Existence and Powers	26
(B)	Due Authorization.....	26
(C)	No Conflict.....	26
(D)	No Approvals Required	26
(E)	No Litigation.....	26

(F)	Owner Ownership Interest in the Project Site.....	26
SECTION 2.2.	REPRESENTATIONS AND WARRANTIES OF THE DESIGN-BUILDER.....	27
(A)	Existence and Powers	27
(B)	Due Authorization.....	27
(C)	No Conflict.....	27
(D)	No Approvals Required	27
(E)	No Litigation.....	27
(F)	Practicability of Performance	27
(G)	Patents and Licenses	28
(H)	Information Supplied by the Design-Builder and the Guarantor.....	28
(I)	Letter of Credit.....	28
(J)	Required Insurance	28
(K)	No Prohibited Contact.....	28

ARTICLE 3

PERMITTING, DESIGN AND CONSTRUCTION OF THE DESIGN-BUILD IMPROVEMENTS

SECTION 3.1.	DESIGN-BUILD WORK GENERALLY.....	29
(A)	Commencement of Design-Build Work	29
(B)	Elements of the Design-Build Work.....	29
(C)	Sequencing and Staging of Design-Build Work.....	29
(D)	Schedule and Reports.....	30
(E)	Quality Assurance and Quality Control.....	30
(F)	Subcontracting and Licensing.....	30
(G)	Title and Risk of Loss	30
(H)	Damage or Destruction to the Design-Build Work.....	30
(I)	Encumbrances	31
(J)	Utilities Generally	31
(K)	Software Programming	31
(L)	Payment of Costs	31
(M)	Notice of Default.....	31
(N)	Required Design-Builder Engineer Certification.....	31
(O)	Statement Required by California Business and Professions Code Section 7030.....	32
SECTION 3.2.	CONSTRUCTION DATE CONDITIONS.....	32
(A)	Construction Date Conditions Generally	32
(B)	Conditions to Commencement of Physical Construction	32
(C)	Establishment of the Construction Date	33
(D)	Effect of the Establishment of the Construction Date	34
(E)	Limitation on Owner Payment Responsibility Prior to Issuance of CPCN	34
SECTION 3.3.	ACCESS TO AND SUITABILITY OF THE PROJECT SITE.....	34
(A)	Familiarity with the Project Site	34
(B)	Independent Verification	35

	(C)	Access to the Project Site.....	35
	(D)	Owner Responsibility for Specified Subsurface Conditions, Regulated Site Conditions, and Differing Site Conditions	35
SECTION 3.4.		SPECIFIED SUBSURFACE CONDITIONS, DIFFERING GEOTECHNICAL CONDITIONS, AND REGULATED SITE CONDITIONS.	35
	(A)	General.....	35
	(B)	Design-Builder Obligations with Respect to Specified Subsurface Conditions and Regulated Site Conditions	36
	(C)	Owner Obligations with Respect to Specified Subsurface Conditions and Regulated Site Conditions.....	36
	(D)	Differing Geotechnical Conditions	37
	(E)	Protection of Underground Utilities.....	37
SECTION 3.5.		ENVIRONMENTAL REVIEW.	37
SECTION 3.6.		DESIGN-BUILD WORK PERMITTING RESPONSIBILITIES.....	38
	(A)	Generally	38
	(B)	Data and Information	38
	(C)	Non-Compliance and Enforcement.....	38
	(D)	Reports to Governmental Bodies	39
	(E)	Potential Regulatory Change	39
	(F)	Assistance to the Owner.....	39
	(G)	Limited Permitting Assistance by the Owner	39
	(H)	Design-Builder Assumption of Permitting Risk for Design-Build Work; Limitations.....	40
	(I)	Uncontrollable Circumstance Relief Associated with Certain Permitting Obligations	40
	(J)	Assumed Approval Issuance Dates.....	41
SECTION 3.7.		APPROVED TECHNOLOGY AND PILOT TESTING.	42
SECTION 3.8.		CDPH REQUIREMENTS.	42
SECTION 3.9.		DESIGN-BUILDER DESIGN – GENERAL.....	43
	(A)	Performance of the Design Work	43
	(B)	Sole Responsibility and Liability.....	43
	(C)	Owner Review and Comment on Design Documents	43
	(D)	Owner Interest in the Design and Construction Requirements.....	43
	(E)	Documents at the Project Site.....	44
	(F)	Value Engineering	44
SECTION 3.10.		CHANGES TO THE DESIGN AND CONSTRUCTION REQUIREMENTS.....	44
	(A)	Changes Made at Design-Builder Request	44
	(B)	Changes Made Due to Uncontrollable Circumstances	44
	(C)	Changes Required by Governmental Bodies	45
	(D)	Changes Made at Owner Direction.....	45
	(E)	Capacity Reduction Election.....	45
	(F)	Design-Builder Non-Impairment Rights.....	45
SECTION 3.11.		COMPLIANCE WITH APPLICABLE LAW.....	46

(A)	Compliance with Applicable Law and Equipment Operating Requirements	46
(B)	Registration, Licensing and Certification Requirements	46
(C)	Compliance with Conditions in Governmental Approvals	46
(D)	Governmental Approvals Necessary for Continued Construction.....	46
(E)	Prevailing Wages and Labor Compliance Program.....	46
(F)	CWSRF Funding Responsibilities.....	47
(G)	Fines, Penalties and Remediation	48
SECTION 3.12.	CONSTRUCTION PRACTICE.....	48
SECTION 3.13.	ENGAGEMENT OF OWNER’S REPRESENTATIVE.....	49
(A)	Duties	49
(B)	Role and Communications.....	49
(C)	Fees and Expenses	49
SECTION 3.14.	CONSTRUCTION MONITORING, OBSERVATIONS, TESTING AND UNCOVERING OF WORK.....	50
(A)	Observation and Design Review Program.....	50
(B)	Design-Builder Tests and Inspections	50
(C)	Owner Tests, Observations and Inspections	50
(D)	Certificates and Reports.....	51
(E)	Notice of Covering Design-Build Work.....	51
(F)	Meetings and Design-Build Work Review	51
SECTION 3.15.	CORRECTION OF DESIGN-BUILD WORK.....	52
(A)	Correction of Non-Conforming Design-Build Work.....	52
(B)	Costs of Correction	52
(C)	Election to Accept Non-Conforming Design-Build Work	52
(D)	Relation to Other Obligations	53
SECTION 3.16.	DELIVERABLE MATERIAL.....	53
SECTION 3.17.	PERSONNEL.....	53
(A)	Personnel Performance	53
(B)	Construction Superintendent.....	53
(C)	Owner Rights with Respect to Key Design-Build Work Personnel	54
(D)	Labor Disputes	54
SECTION 3.18.	WARRANTIES AND MAINTENANCE CONTRACTS.....	54
SECTION 3.19.	SUBSTANTIAL COMPLETION.....	55
(A)	Conditions to Substantial Completion	55
(B)	Notice of Substantial Completion.....	56
SECTION 3.20.	FINAL PUNCH LIST.....	56
SECTION 3.21.	FINAL COMPLETION.....	57
(A)	Requirements	57
(B)	Failure to Achieve Final Completion.....	58
SECTION 3.22.	NOTICE OF COMPLETION.....	58
(A)	Generally.....	58
(B)	Effect of the Filing of the Notice of Completion.....	58

ARTICLE 4

ACCEPTANCE OF THE DESIGN-BUILD IMPROVEMENTS

SECTION 4.1. COMMISSIONING AND START UP.59
 (A) General.....59
 (B) Notices59
 (C) Operation and Maintenance Manual.....59
 (D) Training of Owner Personnel.....59
SECTION 4.2. INTERIM OPERATIONS APPROVAL AND NEW DOMESTIC
WATER SUPPLY PERMIT.....59
 (A) Authorization of Operation and Water Introduction.....59
 (B) Owner’s Responsibilities with Respect to the New Domestic Water
Supply Permit.....60
 (C) Design-Builder Obligations Generally60
 (D) Design-Builder Assumption of Risk.....60
SECTION 4.3. ACCEPTANCE TESTING.....61
 (A) Submittal of Acceptance Test Plan.....61
 (B) Notice of Commencement of the Acceptance Tests.....61
 (C) Conditions to Commencement of the Acceptance Tests61
 (D) Conduct of the Acceptance Tests.....62
 (E) Test Report.....62
SECTION 4.4. ACCEPTANCE DATE CONDITIONS.63
SECTION 4.5. SCHEDULED ACCEPTANCE DATE AND DELAY LIQUIDATED
DAMAGES.....63
 (A) Schedule for Completing the Design-Build Work.....63
 (B) Acceptance Prior to Scheduled Acceptance Date.....64
 (C) Acceptance Subsequent to Scheduled Acceptance Date; Delay
Liquidated Damages64
SECTION 4.6. OWNER RIGHT TO DIRECT THE TIMING OF THE
COMMENCEMENT OF THE ACCEPTANCE TEST.64
 (A) Election of the Owner to Direct the Timing of the Commencement of
the Acceptance Test64
 (B) Owner Notice of Acceptance Test Commencement.....64
 (C) Price Relief for Owner-Caused Delay65
SECTION 4.7. CONCURRENCE OR DISAGREEMENT WITH TEST RESULTS.....65
 (A) Acceptance Date Concurrence.....65
 (B) Acceptance Date Disagreement65
SECTION 4.8. FAILURE TO ACHIEVE ACCEPTANCE.....65
SECTION 4.9. NO ACCEPTANCE, WAIVER OR RELEASE.66

ARTICLE 5

PAYMENT OF THE DESIGN-BUILD PRICE

SECTION 5.1. DESIGN-BUILD PRICE.67
 (A) Design-Build Price Generally67

	(B)	Fixed Design-Build Price.....	67
	(C)	Fixed Design-Build Price Adjustments	67
	(D)	Limitation on Payments for Costs of the Design-Build Improvements.....	67
SECTION 5.2.		PAYMENT PROCEDURES AND AMOUNTS.....	68
	(A)	Schedule of Values	68
	(B)	Design-Build Work Disbursement Procedure	68
	(C)	Disbursement Dispute Procedures	69
	(D)	Retainage.....	70
	(E)	Certification of Amounts Due.....	70
	(F)	No Waiver or Release	70
	(G)	Project Allowances	70
SECTION 5.3.		PERMISSIBLE WITHHOLDINGS.	71
SECTION 5.4.		FINAL REQUISITION AND PAYMENT.	71
	(A)	Final Requisition.....	71
	(B)	Final Payment	72
SECTION 5.5.		CONSTRUCTION BOOKS AND RECORDS; AUDIT.	73
	(A)	Construction Books and Records.....	73
	(B)	Audit Rights and Requirements	73
SECTION 5.6.		SALES AND USE TAXES PAYABLE WITH RESPECT TO THE DESIGN-BUILD WORK.....	74

ARTICLE 6

WARRANTIES

SECTION 6.1.		WARRANTY OF PROFESSIONAL SERVICES.	75
SECTION 6.2.		WARRANTY OF MATERIALS AND EQUIPMENT.....	75
SECTION 6.3.		MANUFACTURERS' WARRANTIES.....	75
SECTION 6.4.		WARRANTY OF ADEQUACY OF CONSTRUCTION SERVICES.....	75
SECTION 6.5.		CALL-BACK OBLIGATIONS.....	76
	(A)	Call-Back Generally.....	76
	(B)	No Period of Limitation on Other Design-Build Work Warranties.....	76
	(C)	Extension of Warranties.....	76
	(D)	Design-Builder Reliance on Manufacturers' Warranties During Call- Back Period.....	76
SECTION 6.6.		WARRANTIES NOT EXCLUSIVE.....	77
	(A)	No Limitation.....	77
	(B)	Compensation	77
	(C)	Performance of Design-Build Improvements Warranty Work.....	77

ARTICLE 7

PERFORMANCE PERIOD OBLIGATIONS

ARTICLE 8

BREACH, DEFAULT, REMEDIES AND TERMINATION

SECTION 8.1.	REMEDIES FOR BREACH.....	79
SECTION 8.2.	EVENTS OF DEFAULT BY THE DESIGN-BUILDER.	79
(A)	Events of Default Not Requiring Previous Notice or Cure Opportunity for Termination	79
(B)	Events of Default Requiring Previous Notice and Cure Opportunity for Termination.....	80
(C)	Other Remedies Upon Design-Builder Event of Default	81
(D)	Relationship to Liquidated Damages	81
SECTION 8.3.	LIMITATION ON DESIGN-BUILDER LIABILITY.	81
(A)	Design-Builder Liability Limit Upon Termination.....	81
(B)	Liquidated Damages Limit	81
(C)	Relationship to Security for Performance of Design-Build Work.....	82
SECTION 8.4.	APPLICABILITY AND INTERPRETATION OF THE LIMITATION ON LIABILITY.	82
SECTION 8.5.	EVENTS OF DEFAULT BY THE OWNER.....	82
(A)	Events of Default Permitting Termination.....	82
(B)	Notice and Cure Opportunity.....	83
(C)	Limitation of Liability Upon Owner Event of Default	83
(D)	Payment of Amounts Owning Through the Termination Date.....	83
SECTION 8.6.	OWNER TERMINATION OPTIONS DURING THE DESIGN- BUILD PERIOD.....	84
(A)	Owner Termination for Cause	84
(B)	Owner Convenience Termination Right Option Prior to the Construction Date	84
(C)	Owner Convenience Termination Right Option After the Construction Date and Prior to Final Completion.....	84
(D)	Payment of Amounts Owning Through the Termination Date.....	84
(E)	Delivery of Design-Build Period Work Product to the Owner.....	84
SECTION 8.7.	GENERAL PROVISIONS REGARDING CONVENIENCE TERMINATION.....	84
(A)	Termination Fee Payment Contingent Upon Surrender of Possession.....	84
(B)	Adequacy of Termination Payment	85
(C)	Consideration for Convenience Termination Payment.....	85
(D)	Completion or Continuance by Owner	85
SECTION 8.8.	OBLIGATIONS OF THE DESIGN-BUILDER UPON TERMINATION OR EXPIRATION.	85
(A)	Design-Builder Obligations	85
(B)	Continuity of Service and Technical Support.....	87

(C)	Design-Builder Payment of Certain Costs.....	88
(D)	Owner Payment of Certain Costs.....	88
SECTION 8.9.	NO WAIVERS.....	88
SECTION 8.10.	SURVIVAL OF CERTAIN PROVISIONS UPON TERMINATION.....	88
SECTION 8.11.	NO SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.	89
SECTION 8.12.	FORUM FOR BINDING DISPUTE RESOLUTION.....	89
SECTION 8.13.	NON-BINDING DISPUTE RESOLUTION PROCEDURES.....	89
(A)	Generally.....	89
(B)	Informal Negotiations.....	90
(C)	Rights to Request and Decline Non-Binding Mediation	90
(D)	Procedure	90
(E)	Non-Binding Effect.....	90

ARTICLE 9

INSURANCE, DAMAGE, UNCONTROLLABLE CIRCUMSTANCES AND
INDEMNIFICATION

SECTION 9.1.	INSURANCE.....	91
(A)	Required Insurance	91
(B)	Subcontractors.....	91
(C)	Compliance with Insurance Requirements	91
(D)	Failure to Provide Insurance Coverage.....	91
(E)	Reductions for Insurance Proceeds.....	91
SECTION 9.2.	LOSS, DAMAGE OR DESTRUCTION TO THE DESIGN-BUILD IMPROVEMENTS.....	92
(A)	Prevention and Repair.....	92
(B)	Insurance and Other Third-Party Payments.....	92
(C)	Payment for Restoration Work and Insurable Costs.....	92
(D)	Repair of Owner and Private Property.....	92
SECTION 9.3.	UNCONTROLLABLE CIRCUMSTANCES – ENTITLEMENT TO RELIEF.....	93
(A)	Relief Available to the Design-Builder.....	93
(B)	Mitigation.....	93
(C)	Applicable Law Compliance.....	93
SECTION 9.4.	UNCONTROLLABLE CIRCUMSTANCES – CLAIM PROCEDURES.....	94
(A)	Notice and Written Report	94
(B)	Updates	94
(C)	Submittal of Relief Request	94
(D)	Delay in Notification.....	94
(E)	Multiple and Overlapping Claims.....	94
(F)	Burden of Proof and Mitigation.....	94
(G)	Resumption of Performance	95
(H)	Owner Response	95
(I)	Agreement or Dispute	95
SECTION 9.5.	INDEMNIFICATION BY THE DESIGN-BUILDER.....	95

ARTICLE 10

SECURITY FOR PERFORMANCE

SECTION 10.1. GUARANTOR.97
 (A) Guaranty Agreement.....97
 (B) Material Decline in Guarantor’s Credit Standing Defined97
 (C) Credit Enhancement Upon a Material Decline in Guarantor’s Credit Standing97
 (D) Restoration of Credit Standing.....97
 (E) Guarantor Annual Reports97
SECTION 10.2. BONDS.98
 (A) Performance Bond and Payment Bond98
 (B) Warranty Bond.....98
 (C) Monitoring of Sureties98
SECTION 10.3. LETTER OF CREDIT.99
 (A) Qualified Commercial Bank99
 (B) Letter of Credit Requirements99
 (C) Drawings for Non-Renewal or Bankruptcy99
 (D) Drawings for Termination.....99
 (E) Drawings for Material Breach100
 (F) Effect of Final Determination of Damages100
SECTION 10.4. COSTS OF PROVIDING SECURITY FOR PERFORMANCE.100

ARTICLE 11

MISCELLANEOUS PROVISIONS

SECTION 11.1. OWNERSHIP OF THE DESIGN-BUILD IMPROVEMENTS AND USE OF THE SITE.....101
SECTION 11.2. RELATIONSHIP OF THE PARTIES.....101
SECTION 11.3. CONTRACT ADMINISTRATORS.....101
 (A) Contract Administrators.....101
 (B) Design-Builder’s Senior Supervisors.....101
 (C) Owner Approvals and Consents.....102
SECTION 11.4. DESIGN-BUILD AGREEMENT ADMINISTRATION.....102
 (A) Administrative Communications102
 (B) Contract Administration Memoranda102
 (C) Procedure102
 (D) Effect.....103
SECTION 11.5. DESIGN-BUILD AGREEMENT AMENDMENTS.103
 (A) Amendments Generally103
 (B) Procedure103
SECTION 11.6. PROPERTY RIGHTS.....103
 (A) Protection from Infringement103
 (B) Intellectual Property Developed by the Design-Builder103
SECTION 11.7. INTEREST ON OVERDUE OBLIGATIONS.....104

SECTION 11.8.	NEGOTIATED FIXED PRICE WORK.....	104
SECTION 11.9.	COST SUBSTANTIATION.....	104
	(A) Cost Substantiation Generally.....	104
	(B) Costs Requiring Cost Substantiation	104
	(C) Cost Substantiation Certificate	105
	(D) Technical Services	105
	(E) Mark-Up.....	105
	(F) Allowable Design-Build Work Costs	106
	(G) Evidence of Costs Incurred.....	106
SECTION 11.10.	USE OF SUBCONTRACTORS.....	106
	(A) Use Restricted	106
	(B) Owner Review and Rejection of Permitted Subcontractors	106
	(C) Restricted Persons.....	107
	(D) Subcontract Terms and Subcontractor Actions.....	107
	(E) Indemnity for Subcontractor Claims.....	107
	(F) Assignability	107
SECTION 11.11.	LABOR RELATIONS DISPUTES.....	107
	(A) Labor Relations.....	107
	(B) Labor Disputes	108
SECTION 11.12.	FAIR EMPLOYMENT AND CONTRACTING POLICY.....	108
	(A) Compliance with Owner Non-Discrimination Policy.....	108
	(B) Compliance with Statutes	109
	(C) Indemnification.....	109
	(D) WMDVBE Utilization Plan	109
	(E) Local Resources Utilization Plan.....	109
SECTION 11.13.	ASSIGNMENT.....	109
	(A) By the Design-Builder	109
	(B) By the Owner	110
SECTION 11.14.	CONFIDENTIALITY.....	110
	(A) Confidential Nature of Information	110
	(B) Limitation on Use and Disclosure.....	110
	(C) Security Plan	110
SECTION 11.15.	BINDING EFFECT.....	110
SECTION 11.16.	NOTICES.....	110
	(A) Procedure	110
	(B) Owner Notice Address.....	111
	(C) Owner’s Representative Notice Address	111
	(D) Design-Builder Notice Address	111
SECTION 11.17.	NOTICE OF LITIGATION.....	112
SECTION 11.18.	FURTHER ASSURANCES.....	112

TRANSACTION FORMS

- A. Form of Guaranty Agreement
- B. Form of Labor and Materials Payment Bond
- C. Form of Performance Bond
- D. Form of Letter of Credit

APPENDICES

1. Description of the Project Site
2. Design and Construction Requirements
3. Governmental Approvals
4. General Design-Build Work Requirements
5. Design-Build Quality Management Plan and Quality Control Requirements
6. Design-Build Work Review Procedures
7. Acceptance Test Procedures and Requirements
8. [reserved]
9. Operation and Maintenance-Related Deliverables
10. Key Personnel and Approved Subcontractors
11. Insurance Requirements
12. Allowances
13. Payment Procedures and Estimated Drawdown Schedule
14. Minimum Financial Criteria
15. Restricted Persons
16. WMDVBE Utilization Plan
17. Local Resources Utilization Plan

REFERENCE DOCUMENTS

1. Environmental Mitigation Measures
2. Form of CWSRF Loan Agreement
3. Form of Warranty Bond

DESIGN-BUILD AGREEMENT
FOR THE
MONTEREY PENINSULA WATER SUPPLY PROJECT
DESALINATION INFRASTRUCTURE

THIS DESIGN-BUILD AGREEMENT FOR THE MONTEREY PENINSULA WATER SUPPLY PROJECT DESALINATION INFRASTRUCTURE is made and entered into as of [____], 2013, between California-American Water Company (the “Owner”) and [____], a [____] organized and existing under the laws of the State of [____] and authorized to do business in the State of California (the “Design-Builder”).

RECITALS

(A) The Owner is a public utility in the business of providing water service to approximately 40,400 connections that serve a population of approximately 94,000 people in the Monterey Peninsula service area.

(B) The Owner desires to develop a new water supply project for the Monterey Peninsula to replace existing surface and groundwater supplies (the “Monterey Peninsula Water Supply Project” or “MPWSP”).

(C) The Owner plans to enter into a contract with a private entity for the obtaining governmental approvals for, designing, constructing, start up, commissioning and acceptance testing, of certain desalination infrastructure improvements which represent a significant component of the MPWSP.

(D) The Owner issued a request for qualifications on April 1, 2013, for design-build entities capable of designing and constructing the required desalination infrastructure improvements.

(E) Following evaluation of the statements of qualifications submitted in response to the request for qualifications and based upon the criteria set forth therein, the Owner selected [four] firms for receipt of a request for proposals.

(F) A request for proposals was issued by the Owner to the five pre-qualified respondents on June 17, 2013.

(G) Proposals submitted in response to the request for proposals were received by the Owner on September 17, 2013.

(H) Based on the evaluations of the proposals and discussions with the proposers, the Owner determined that the proposal submitted by the Design-Builder was the most advantageous proposal.

(I) [____] an affiliate of the Design-Builder, will guarantee the payment and performance of the obligations under this Design-Build Agreement pursuant to a separate guaranty agreement executed concurrently herewith.

(J) The Owner desires to receive, and the Design-Builder desires to provide, the services set forth in this Design-Build Agreement.

In consideration of the mutual covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

ARTICLE 1

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS.

As used in this Design-Build Agreement the following terms shall have the meanings set forth below:

“Acceptance” means demonstration in accordance with Article 4 (Acceptance of the Design-Build Improvements) and Appendix 7 (Acceptance Test Procedures and Requirements) that the Acceptance Tests have been conducted, the Acceptance Standards and Requirements have been achieved and all other Acceptance Date Conditions have been achieved.

“Acceptance Date” means the date on which Acceptance of the Design-Build Improvements occurs or is deemed to have occurred under Article 4 (Acceptance of the Design-Build Improvements).

“Acceptance Date Conditions” has the meaning specified in Section 4.4 (Acceptance Date Conditions).

“Acceptance Standards and Requirements” means the criteria and standards for the achievement of Acceptance set forth in Appendix 7 (Acceptance Test Procedures and Requirements).

“Acceptance Test” or **“Acceptance Testing”** means the test for Acceptance to be performed in accordance with Article 4 (Acceptance of the Design-Build Improvements), Appendix 7 (Acceptance Test Procedures and Requirements) and the Acceptance Test Plan.

“Acceptance Test Plan” means the testing protocols, procedures and processes for the performance of the Acceptance Tests prepared and documented by the Design-Builder and approved by the Owner in accordance with Section 4.3 (Acceptance Testing) and Appendix 7 (Acceptance Test Procedures and Requirements).

“Acceptance Test Readiness Date” means the date upon which the Design-Builder achieves all conditions set forth in subsection 4.3(C) (Conditions to Commencement of the Acceptance Test).

“Additional Finished Water Quality Standards and Requirements” has the meaning specified in Appendix 7 (Acceptance Test Procedures and Requirements).

“Affiliate” means any person directly or indirectly controlling or controlled by another person, corporation or other entity under direct or indirect common control with such person, corporation or other entity.

“Appendix” means any of the Appendices and, as applicable, any attachments thereto, that are appended to this Design-Build Agreement, and identified as such in the Table of Contents.

“Applicable Law” means (1) any federal, State or local law, code, regulation, court decision or order; (2) any formally adopted and generally applicable rule, requirement, determination, standard, policy, implementation schedule or order of any Governmental Body having appropriate jurisdiction; (3) any established interpretation of law or regulation utilized by an appropriate Governmental Body if such interpretation is documented by such Governmental Body and generally applicable; and (4) any Governmental Approval, in each case applicable from time to time to: (a) the siting, permitting, design, acquisition, construction, equipping, financing, ownership, possession, start up, testing, operation, maintenance, repair, replacement or management of the Design-Build Improvements; (b) the conveyance, treatment, storage or supply of water; (c) the air emissions therefrom; and (d) any other transaction or matter contemplated hereby (including, without limitation, any of the foregoing which pertain to water treatment, waste disposal, health, safety, fire, environmental protection, labor relations, building codes, the payment of prevailing or minimum wages and non-discrimination). Applicable Law shall be deemed to include OSHA and the Environmental Mitigation Measures.

“Bankruptcy Code” means the United States Bankruptcy Code, 11 U.S.C. 101 *et seq.*, as amended from time to time and any successor statute thereto. “Bankruptcy Code” shall also include (1) any similar state law relating to bankruptcy, insolvency, the rights and remedies of creditors, the appointment of receivers or the liquidation of companies and estates that are unable to pay their debts when due, and (2) if the Guarantor is incorporated or otherwise organized under the laws of a jurisdiction other than the United States, any similar insolvency or bankruptcy code applicable under the laws of such jurisdiction.

“Business Days” means Monday through Friday, excluding holidays recognized by the Owner.

“Capacity Reduction Modification” means the modification of the design in connection with the Owner’s election (in accordance with subsection 3.16(D) (Capacity Reduction Election)) to reduce the capacity of the Design-Build Improvements as described in Appendix 2 (Design and Construction Requirements).

“Capacity Reduction Price Adjustment” means the downward adjustment in the Fixed Design-Build Price associated with the Capacity Reduction Modification, which reduction shall be [\$_____]. **[Note: As proposed on Proposal Form 13A.]**

“CDPH” means the California Department of Public Health, or any predecessor or successor agency.

“CPUC” means the California Public Utilities Commission.

“CERCLA” means the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. 9601 *et seq.*, and applicable regulations promulgated thereunder, each as amended from time to time.

“CPCN” means the Certificate of Public Convenience and Necessity.

“Change in Law” means any of the following acts, events or circumstances to the extent that compliance with the change materially expands the scope, interferences with, delays or increases the cost of performing the obligations of either party:

(a) except as provided below, the adoption, amendment, promulgation, issuance, modification, repeal or written change in administrative or judicial interpretation of any Applicable Law on or after the Contract Date, unless such Applicable Law was on or prior to the Contract Date duly adopted, promulgated, issued or otherwise officially modified or changed in interpretation, in each case in final form, to become effective without any further action by any Governmental Body;

(b) except as provided below, the order or judgment of any Governmental Body issued on or after the Contract Date enforcing any Change in Law described in subsection (a) of this definition to the extent such order or judgment is not the result of willful or negligent action, error or omission or lack of reasonable diligence of the Design-Builder or of the Owner, whichever is asserting the occurrence of a Change in Law; provided, however, that the contesting in good faith or the failure in good faith to contest any such order or judgment shall not constitute or be construed as such a willful or negligent action, error or omission or lack of reasonable diligence; or

(c) except as provided below, the denial of an application for, a delay in the review, issuance or renewal of, or the suspension, termination or interruption of any Governmental Approvals, or the imposition of a term, condition or requirement on or after the Contract Date in connection with the issuance, renewal or failure of issuance or renewal of, any Governmental Approval to the extent that such occurrence is not the result of willful or negligent action, error or omission or a lack of reasonable diligence of the Design-Builder; provided, however, that the contesting in good faith or the failure in good faith to contest any such occurrence shall not be construed as such a willful or negligent action or lack of reasonable diligence.

A Change in Law includes changes in Applicable Law pertaining to drinking water standards for public water supply, to waste discharge, and to water rights that meet the criteria set forth in this definition.

It is specifically understood, however, that none of the following shall constitute a “Change in Law”:

(i) delays, acts, events and circumstances with respect to the Governmental Approvals (including the New Domestic Water Supply Permit), to the extent that the Design-Builder has expressly assumed the permitting risk under Article 3 (Permitting, Design and Construction of the Design-Build Improvements) or subsection 4.2(D) (Design-Builder Assumption of Risk);

(ii) a change in the nature or severity of the actions typically taken by a Governmental Body to enforce compliance with Applicable Law which was in effect as of the Contract Date;

(iii) any increase in any fines or penalties provided for under Applicable Law in effect as of the Contract Date; and

(iv) any act, event or circumstance that would otherwise constitute a Change in Law but that does not change the requirements imposed on the Design-Builder by the Contract Standards in effect as of the Contract Date.

Notwithstanding any other provision contained herein, it is specifically understood that each of the Additional Finished Water Quality Standards are Contract Standards in effect as of the Contract Date.

“Change Order” means a written order duly authorize, executed, and issued by the Owner and agreed to in writing by the Design-Builder prior to Final Completion making a Design and Construction Requirement Change, whether made at Design-Builder request, due to Uncontrollable Circumstances, as a result of a term or condition imposed by a Governmental Body, or at the direction of the Owner, or otherwise making a Design-Build Price Adjustment, adjustment to the Scheduled Acceptance Date or other change to the terms and conditions of this Design-Build Agreement relating to the Design-Build Work. A Change Order shall be deemed to constitute a Design-Build Agreement Amendment.

“Construction Component Price” means [\$_____]. **[Note: As proposed on Proposal Form 13.]**

“Construction Component Price Escalation Index” shall be the National Engineering News Record Construction Cost Index.

“Construction Date” means the date, following satisfaction of the Construction Date Conditions by the Design-Builder and issuance of the Notice to Proceed by the Owner, upon which the Design-Builder shall have the right to proceed with the physical construction of the Design-Build Improvements as determined in accordance with Section 3.2 (Construction Date Conditions).

“Construction Date Conditions” has the meaning specified in subsection 3.2(A) (Construction Date Conditions Generally).

“Construction Superintendent” has the meaning specified in subsection 3.17(B) (Construction Superintendent).

“Contract Administration Memorandum” has the meaning set forth in subsection 11.4(B) (Contract Administration Memoranda).

“Contract Administrator” means, in the case of the Design-Builder, the individual specified in writing by the Design-Builder as the administrator of this Design-Build Agreement on behalf of the Design-Builder from time to time for all purposes of this Design-Build Agreement and, in the case of the Owner, the individual specified in writing by the Owner as the administrator of this Design-Build Agreement on behalf of the Owner from time to time for all purposes of this Design-Build Agreement.

“Contract Date” means the date this Design-Build Agreement is fully executed and delivered by the parties hereto.

“Contract Standards” means the standards, terms, conditions, methods, techniques and practices imposed or required by: (1) Applicable Law; (2) the Design and Construction Requirements; (3) Good Engineering and Construction Practice; (4) the Design-Build Quality Management Plan; (5) applicable written equipment manufacturers’ specifications; (6) all Insurance Requirements; and (7) any other standard, term, condition or requirement specifically provided in this Design-Build Agreement to be observed by the Design-Builder. Subsection 1.2(T) (Applicability, Stringency and Consistency of Contract Standards) shall govern issues of interpretation related to the applicability and stringency of the Contract Standards.

“Cost Substantiation” means the process of providing evidence of costs incurred or to be incurred in accordance with Section 11.9 (Cost Substantiation).

“CWSRF” means the Clean Water State Revolving Fund.

“CWSRF Loan Agreement” means the loan agreement regarding the CWSRF loan from the State Water Resources Control Board to the Owner to partially fund the Project, a form of which is set forth as a Reference Document.

“Deliverable Material” means all documents, reports, studies, surveys, computer programs, warranties, manuals, submittals, licenses and other documents and materials required to be delivered by the Design-Builder to the Owner pursuant to this Design-Build Agreement, including the Design Documents.

“Design and Construction Requirements” means the design and construction requirements set forth in Appendix 2 (Design and Construction Requirements).

“Design and Construction Requirement Change” means a change in the Design and Construction Requirements made by a Change Order pursuant to Section 3.10 (Changes to the Design and Construction Requirements) (1) as a result of a Design-Builder request agreed to by the Owner, (2) on account of Uncontrollable Circumstances, (3) as a result of a term or condition imposed by a Governmental Body, or (4) at the direction of the Owner.

“Design-Build Agreement” means this Design-Build Agreement between the Design-Builder and the Owner, including the Appendices and the Transaction Forms, as the same may be amended or modified from time to time in accordance herewith.

“Design-Build Agreement Amendment” has the meaning set forth in Section 11.5 (Design-Build Agreement Amendments).

“Design-Build Improvements” means the improvements to be designed, constructed, installed, started up, commissioned and acceptance tested by the Design-Builder in accordance with the Design and Construction Requirements set forth in Appendix 2 (Design and Construction Requirements) and the other Contract Standards.

“Design-Build Improvements Warranty of Professional Services” has the meaning set forth in Section 6.1 (Warranty of Professional Services).

“Design-Build Period” means the period from and including the Contract Date through the date of Final Completion.

“Design-Build Price” means the amount to which the Design-Builder is entitled to be paid for the performance of the Design-Build Work, as set forth in Section 5.1 (Design-Build Price).

“Design-Build Quality Management Plan” means the Design-Builder’s plan [NOTE: to be submitted by the Design-Builder as part of its proposal] for quality assurance and quality control in implementing the Design-Build Work as set forth in Appendix 5 (Design-Build Quality Management Plan and Quality Control Requirements).

“Design-Build Work” means everything required to be furnished and done for and relating to the design, construction and Acceptance of the Design-Build Improvements by the Design-Builder pursuant to this Design-Build Agreement during the Design-Build Period. Design-Build Work includes the employment and furnishing of all labor, materials, equipment, supplies, tools, scaffolding, transportation, Utilities, insurance, temporary facilities and other things and services of every kind whatsoever necessary for the full performance and completion of the Design-Builder’s design, engineering, construction, start up, Acceptance Testing, obtaining and maintaining Governmental Approvals and related obligations with respect to the construction of the Design-Build Improvements during the Design-Build Period under this Design-Build Agreement, including all completed structures, assemblies, fabrications, acquisitions and installations, all commissioning and testing, and all of the Design-Builder’s administrative, accounting, recordkeeping, notification and similar responsibilities of every kind whatsoever under this Design-Build Agreement pertaining to such obligations. A reference to Design-Build Work shall mean any part and all of the Design-Build Work unless the context otherwise requires, and shall include all Design and Construction Requirement Changes authorized by a Change Order.

“Design-Builder” means [_____], a [_____] organized and existing under the laws of the State of [_____], and its permitted successors and assigns.

“Design-Builder Acceptance Test Commencement Date Notice” has the meaning specified in subsection 4.3(B) (Notice of Commencement of the Acceptance Tests).

“Design-Builder Fault” means any breach (including the untruth or breach of any Design-Builder representation or warranty herein set forth), failure, non-performance or non-compliance by the Design-Builder with respect to its obligations and responsibilities under this Design-Build Agreement to the extent not attributable to any Uncontrollable Circumstance or Owner Fault, and which materially and adversely affects the Owner’s rights, obligations or ability or costs to perform under this Design-Build Agreement.

“Design Documents” means the Design-Builder’s plans, technical specifications, drawings, record drawings and other design and construction documents prepared in connection with the Design-Build Work.

“Differing Geotechnical Conditions” means subsurface geotechnical conditions discovered during the Design-Builder’s pre-Construction Date geotechnical testing which could not have been reasonably anticipated based upon the Project Site-related information disclosed to the Design-Builder prior to the Contract Date (including the Geotechnical Baseline Report) and which would require a different foundation design and construction methodology, different dewatering methodologies or the removal and replacement of materials with more structurally suitable materials.

“Encumbrances” means any Lien, lease, mortgage, security interest, charge, judgment, judicial award, attachment or encumbrance of any kind with respect to the Design-Build Improvements, other than Permitted Encumbrances.

“Engineer” means a professional engineer licensed in the State in good standing who is designated by the Design-Builder and acceptable to the Owner, in its reasonable discretion, and is responsible for the preparation, signing, dating, sealing and issuing of the engineering documents relating to a portion or all of the Design-Build Work.

“Environmental Mitigation Measures” means the environmental mitigation measures set forth in Reference Document 1, as such document may be amended by Change Order following issuance of the final environmental impact report for the Project.

“EPA” means the United States Environmental Protection Agency and any successor agency.

“Event of Default” means, with respect to the Design-Builder, those items specified in Section 8.2 (Events of Default by the Design-Builder) and, with respect to the Owner, those items specified in Section 8.5 (Events of Default by the Owner), which may lead to termination of this Design-Build Agreement upon election of the non-defaulting party.

“Extension Period” means the period commencing on the day after the Scheduled Acceptance Date and ending 90 days following the Scheduled Acceptance Date, or if one or more delays caused by Uncontrollable Circumstances occurring during such period, the date determined by adding to such 90-day period the aggregate number of days of delay caused by such Uncontrollable Circumstances.

“Fees and Costs” means reasonable fees and expenses of employees, attorneys, architects, engineers, expert witnesses, contractors, consultants and other persons, and costs of transcripts, printing of briefs and records on appeal, copying and other reimbursed expenses, and expenses reasonably incurred in connection with investigating, preparing for, defending or otherwise appropriately responding to any Legal Proceeding.

“Final Completion” means completion of the Design-Build Work in compliance with the Design and Construction Requirements and the applicable requirements of this Design-Build Agreement, as more particularly described in Section 3.21 (Final Completion).

“Final Punch List” has the meaning specified in Section 3.20 (Final Punch List).

“Finished Water” means Raw Water which has been treated at the Plant for supply to the Owner’s water customers.

“Fixed Design-Build Price” has the meaning specified in subsection 5.1(B) (Fixed Design-Build Price).

“Fixed Design-Build Price Adjustments” has the meaning specified in subsection 5.1(C) (Fixed Design-Build Price Adjustments).

“Geotechnical Baseline Report” means the report prepared by URS Corporation, dated [June 2013], regarding geotechnical conditions at the Project Site. **[NOTE: to be provided in an Addendum to the RFP.]**

“Good Engineering and Construction Practice” means those methods, techniques, standards and practices which, at the time they are to be employed and in light of the circumstances known or reasonably believed to exist at such time, are generally recognized and accepted as good design, engineering, equipping, installation, construction, commissioning and testing practices for the design, construction and improvement of capital assets in the municipal water treatment industry as followed in northern California.

“Governmental Approvals” means all orders of approval, permits, licenses, authorizations, consents, certifications, exemptions, rulings, entitlements and approvals issued by a Governmental Body of whatever kind and however described which are required under Applicable Law to be obtained or maintained by any person with respect to the Design-Build Work.

“Governmental Body” means any federal, State, regional or local legislative, executive, judicial or other governmental board, agency, authority, commission (including the California Public Utilities Commission), administration, court or other body, or any official thereof having jurisdiction.

“Governance Committee” means the oversight committee formed by the Owner, the Monterey Peninsula Regional Water Authority, the Monterey Peninsula Water Management District, and the County of Monterey pursuant to an agreement dated March 8, 2013, to ensure efficient and effective public input into the development and operation of the Project.

“Guarantor” means [_____], a [_____] organized and existing under the laws of the State of [_____], and its successors and assigns permitted thereunder.

“Guaranty Agreement” or **“Guaranty”** means the Guaranty Agreement entered into concurrently with this Design-Build Agreement from the Guarantor to the Owner in the form set forth in the Transaction Forms, as the same may be amended from time to time in accordance therewith.

“Hazardous Material” means any waste, substance, object or material deemed hazardous under Applicable Law including, without limitation, “hazardous substances” as defined under CERCLA and “hazardous waste” as defined in RCRA and in California Health and Safety Code Section 25117.

“Insurance Requirement” means any rule, regulation, code, or requirement issued by any insurance company which has issued a policy of Required Insurance under this Design-Build Agreement, as in effect during the Term, compliance with which is a condition to the effectiveness of such policy.

“Interim Operations Approval” has the meaning set forth in Section 4.2 (Interim Operations Approval and New Domestic Water Supply Permit).

“Key Personnel” means any individual identified by the Design-Builder as having a lead capacity or a high level of authorization in a supervisory capacity, as set forth in Appendix 10 (Key Personnel and Approved Subcontractors).

“Legal Proceeding” means every action, suit, litigation, arbitration, administrative proceeding, and other legal or equitable proceeding having a material bearing upon this Design-Build Agreement or the performances of the parties hereunder, and all appeals therefrom.

“Letter of Credit” has the meaning specified in Section 10.3 (Letter of Credit).

“Lien” means any and every lien against the Design-Build Improvements or against any monies due or to become due from the Owner to the Design-Builder under this Design-Build Agreement, for or on account of the Design-Build Work, including mechanics’, materialmen’s, and laborers’ liens.

“Loss-and-Expense” means, and is limited to, any and all actual loss, liability, forfeiture, obligation, damage, fine, penalty, judgment, deposit, charge, Tax, cost or expense relating to third-party claims for which the Design-Builder is obligated to indemnify the Owner Indemnitees hereunder, including all Fees and Costs, except as explicitly excluded or limited under any provision of this Design-Build Agreement.

“Mediator” means any person serving as a third-party mediator of disputes hereunder pursuant to Section 8.12 (Non-Binding Dispute Resolution Procedures).

“MG” or **“mg”** means millions of gallons.

“MGD” or **“mgd”** means millions of gallons per day.

“MG/L” or **“mg/L”** means milligrams per liter.

“New Domestic Water Supply Permit” means the domestic water supply permit required to be issued by CDPH to the Owner following Substantial Completion, authorizing the Owner to use Finished Water from the Design-Build Improvements as a source of potable water for public consumption.

“Non-Binding Mediation” means the voluntary system of dispute resolution through third-party mediation established by Section 8.12 (Non-Binding Dispute Resolution Procedures) for the resolution of any dispute arising under this Design-Build Agreement.

“Notice of Completion” means the notice of completion filed in the Office of the Monterey County Clerk-Recorder pursuant to the California Civil Code section 8182 or successor statute.

“Notice to Proceed” has the meaning set forth in subsection 3.2(C) (Establishment of the Construction Date).

“Operation and Maintenance Manual” means the manual and related computer programs prepared by the Design-Builder containing detailed standard operating and maintenance procedures and other specific instructions, policies, directives, routines, schedules and other matters relating to the Design-Build Improvements, developed and maintained as required by subsection 4.1(C) (Operation and Maintenance Manual), Appendix 4 (General Design-Build Work Requirements), and Appendix 9 (Operation and Maintenance-Related Deliverables).

“OSHA” means both the California Occupational Safety and Health Act, Chapter 3.2, Division 1, Title 8 of the California Code of Regulations, including all applicable regulations promulgated thereunder, and the Occupational Safety and Health Act of 1970, 29 U.S.C. Section 650 *et seq.*, including the applicable regulations promulgated thereunder, each as amended or superseded from time to time.

“Overdue Rate” means the maximum rate of interest permitted by the laws of the State, if applicable, or the Prime Rate, whichever is lower.

“Owner” means California-American Water Company, a corporation organized and existing under the laws of the State of California, and its permitted successors and assigns.

“Owner Fault” means any breach (including the untruth or breach of any Owner representation or warranty herein set forth), failure, non-performance or non-compliance by the Owner with respect to its obligations and responsibilities under this Design-Build Agreement to the extent not attributable to any Uncontrollable Circumstance or Design-Builder Fault, and which materially and adversely affects the Design-Builder’s rights, obligations or ability or costs to perform under this Design-Build Agreement.

“Owner Indemnitee” has the meaning specified in Section 9.5 (Indemnification by the Design-Builder).

“Owner’s Representative” means a consulting engineer, firm of engineers, or an employee of the Owner having experience with respect to the permitting, design, construction, testing, operation, maintenance, repair, replacement and management of water treatment facilities, designated as the Owner’s Representative from time to time in writing by the Owner.

“Payment Bond” means the labor and materials payment bond provided by the Design-Builder concurrently with the execution of this Design-Build Agreement as described in

and maintained pursuant to subsection 10.2(A) (Performance and Payment Bonds), in the form set forth in the Transaction Forms.

“Performance Bond” means the performance bond to be provided by the Design-Builder concurrently with the execution of this Design-Build Agreement as described in and maintained pursuant to subsection 10.2(A) (Performance and Payment Bonds), in the form set forth in the Transaction Forms.

“Permitted Encumbrances” means, as of any particular time, any one or more of the following:

(1) encumbrances for utility charges, taxes, rates and assessments not yet delinquent or, if delinquent, the validity of which is being contested diligently and in good faith by the Design-Builder and against which the Design-Builder has established appropriate reserves in accordance with generally accepted accounting principles;

(2) any encumbrance arising out of any judgment rendered which is being contested diligently and in good faith by the Design-Builder, the execution of which has been stayed or against which a bond or bonds in the aggregate principal amount equal to such judgments shall have been posted with a financially-sound insurer and which does not have a material and adverse effect on the ability of the Design-Builder to construct, or the Owner to operate, the Design-Build Improvements;

(3) any encumbrance arising in the ordinary course of business imposed by law dealing with materialmen’s, mechanics’, workmen’s, repairmen’s, warehousemen’s, landlords’, vendors’ or carriers’ encumbrances created by law, or deposits or pledges which are not yet due or, if due, the validity of which is being contested diligently and in good faith by the Design-Builder and against which the Design-Builder has established appropriate reserves in accordance with generally accepted accounting principles;

(4) servitudes, licenses, easements, encumbrances, restrictions, rights-of-way and rights in the nature of easements or similar charges which will not in the aggregate materially and adversely impair the construction of the Design-Build Improvements by the Design-Builder or operation of the Design-Build Improvements by the Owner;

(5) zoning and building bylaws and ordinances, municipal bylaws and regulations, and restrictive covenants, which do not materially interfere with the construction of the Design-Build Improvements by the Design-Builder or operation of the Design-Build Improvements by the Owner;

(6) encumbrances which are created on or before the Contract Date;

(7) encumbrances which are created by a Change in Law on or after the Contract Date; and

(8) any encumbrance created by an act or omission by the Owner or with respect to which the Owner has given its consent.

“Preliminary Punch List” has the meaning set forth in Section 3.20 (Final Punch List).

“Prime Rate” means the prime rate as published in *The Wall Street Journal*, or a mutually agreeable alternative source of the prime rate if it is no longer published in *The Wall Street Journal* or the method of computation thereof is substantially modified.

“Project” means the Design-Build Improvements and includes the performance of the Design-Build Work relating thereto.

“Project Allowance” means an allowance totaling \$460,000 representing the maximum costs for the Project Allowance Items as set forth in Appendix 12 (Allowances).

“Project Allowance Items” means those items included in the Design-Build Work the cost for which will be agreed upon following the Contract Date as set forth in Appendix 12 (Allowances).

“Project Site” means the parcel of real property described or referred to in Appendix 1 (Description of the Project Site) on which the above-ground and below-ground structures and equipment constituting the Design-Build Improvements are to be located.

“QA/QC Manager” means an employee of the Design-Builder, any Affiliate of the Design-Builder, or the Design-Builder’s construction manager, designated by the Design-Builder as the individual responsible for developing and implementing the Design-Build Quality Management Plan for the Design-Build Improvements, as set forth in Appendix 5 (Design-Build Quality Management Plan and Quality Control Requirements).

“Raw Water” means any untreated water conveyed to the Project Site for treatment.

“RCRA” means the Resource Conservation and Recovery Act, 42 U.S.C.A. §6901 *et seq.*, and applicable regulations promulgated thereunder, each as amended from time to time.

“Reference Documents” means those documents listed as Reference Documents in the Table of Contents.

“Regulated Site Condition” means, and is limited to, (1) the presence of surface or subsurface structures, materials or conditions having historical, archaeological, religious or similar significance; (2) the presence or habitat of a species that is classified under Applicable Law as endangered, rare, threatened, of special concern, or similarly subject to the protections of Applicable Law; (3) the presence anywhere in, on or under the Project Site on the Contract Date of wells or underground storage tanks for the storage of chemicals, petroleum products or Regulated Substances (in each of items (1), (2) and (3), however, only to the extent not disclosed to the Design-Builder as of the Contract Date or discoverable by the Design Builder as of the Contract Date based upon an industry standard level of due diligence which standards shall not include any independent, pre-Contract Date subsurface investigations), and (4) the presence of Regulated Substances in environmental media anywhere in, on or under the Project Site

(including presence in surface water, groundwater, soils or subsurface strata), whether or not disclosed to the Design-Builder, but not including Regulated Substances used, stored or otherwise brought to the Project Site by the Design-Builder or any Subcontractor as provided in subsection 3.4(B) (Design-Builder Obligations with Respect to Specified Subsurface Conditions and Regulated Site Conditions).

“Regulated Substance” means (1) any oil, petroleum or petroleum product and (2) any pollutant, contaminant, hazardous substance, hazardous material, toxic substance, toxic pollutant, solid waste, municipal waste, industrial waste or hazardous waste that is defined as such by and is subject to regulation under any Applicable Law. Regulated Substances include Hazardous Materials.

“Required Insurance” has the meaning specified in Appendix 11 (Insurance Requirements).

“Requisition” means a written submission by the Design-Builder on the form of requisition as agreed to by the parties, together with accompanying submittals, requesting progress payments or final payment with respect to the Design-Build Price, and which is to be accompanied by such supporting documentation as required by Article 5 (Payment of the Design-Build Price).

“Response Action” means any action taken in the investigation, removal, confinement, remediation or cleanup of a release of any Regulated Substance. “Response Actions” include any action which constitutes a “removal”, “response”, or “remedial action” as defined by Section 101 of CERCLA.

“Restricted Person” means any person who (or any member of a group of persons acting together, any one of which):

(1) Is barred, suspended, or otherwise disqualified from federal, State or public utility contracting for any services similar in nature to the Design-Build Work (including those debarred by the California Division of Labor Standards Enforcement; *see* www.dir.ca.gov/dlse/debar.html);

(2) Was or is subject to any material claim of the United States, the State or the Owner in any proceedings (including regulatory proceedings) which have been concluded or are pending at the time at which the determination of whether the person falls within this definition is being made, and which (in respect of any such pending claim, if it were to be successful) would, in the Owner’s view, in either case, be reasonably likely to materially affect the ability of the Design-Builder to perform its obligations under this Design-Build Agreement;

(3) In the case of an individual, he or she (or in the case of a legal entity, any of the members of the board of directors or its senior executive managers) has been sentenced to imprisonment or otherwise given a custodial sentence for any criminal offense (other than minor traffic offences or misdemeanors) less than 5 years prior to the date at which the determination of whether the person falls within this definition is being made;

(4) Has, directly or indirectly, its principal or controlling office in a country that is subject to any economic or political sanctions imposed by the United States for reasons other than its trade or economic policies;

(5) Has as its primary business the illegal manufacture, sale, distribution or promotion of narcotic substances or arms, or is or has been involved in terrorism; or

(6) Is a firm listed in Appendix 15 (Restricted Persons) as a Restricted Person.

“Scheduled Acceptance Date” means the day [_____] consecutive calendar days following the Contract Date [**Note: as proposed on Proposal Form 12**] or, if one or more delays caused by Uncontrollable Circumstances during the Design-Build Period, (2) Change Orders during the Design-Build Period, or (3) the election of the Owner to direct the timing of the commencement of the Acceptance Test pursuant to Section 4.6 (Owner Right to Direct the Timing of the Commencement of the Acceptance Test), the date which is the next Business Day following the date calculated by adding to the Scheduled Acceptance Date the aggregate number of days of such delay. Any such extension in the Scheduled Acceptance Date shall be evidenced by a Contract Administration Memorandum or Change Order, as appropriate.

“Scheduled Construction Date” means ____ [**Note: as proposed on Proposal Form 12**].

“Schedule of Values” means the detailed itemized list that establishes the value or cost of each detailed part of the Design-Build Work, and which is used as the basis for preparing progress payments during the Design-Build Period and is in the form required by Appendix 13 (Payment Procedures and Drawdown Schedule).

“Security Instruments” means the Guaranty Agreement, the Performance Bond, the Payment Bond, the Warranty Bond and the Letter of Credit.

“Senior Supervisors” has the meaning specified in subsection 11.3(B) (Design-Builder’s Senior Supervisors).

“Specified Acceptance Test Commencement Date” has the meaning specified in subsection 4.6(B) (Owner Notice of Acceptance Test Commencement)

“Specified Raw Water Quality Parameters” means those Raw Water quality parameters which are listed in Table A7-8 in Appendix 7 (Acceptance Test Procedures and Requirements).

“Specified Subsurface Condition” means, and is limited to, the presence at the Project Site of: (1) any subsurface man-made object or structure; and (2) functioning subsurface structures used by Utility providers, unless, in each case, disclosed to the Design-Builder prior to the Contract Date.

“State” means the State of California.

“**Subcontract**” means an agreement or purchase order by the Design-Builder, or a Subcontractor to the Design-Builder, as applicable.

“**Subcontractor**” means every person (other than employees of the Design-Builder) employed or engaged by the Design-Builder or any person directly or indirectly in privity with the Design-Builder (including all subcontractors and every sub-subcontractor of whatever tier) for any portion of the Design-Build Work, whether for the furnishing of labor, materials, equipment, supplies, services or otherwise.

“**Substantial Completion**” has the meaning specified in Section 3.19 (Substantial Completion).

“**Tax**” means any tax, fee, levy, duty, impost, charge, surcharge, assessment or withholding, or any payment-in-lieu thereof, and any related interest, penalty or addition to the tax.

“**Term**” means the time period during which the obligations under this Design-Build Agreement are to be performed and shall begin on the Contract Date and end on the Termination Date.

“**Termination Date**” means the last day of the Term resulting from either a termination under Article 8 (Breach, Default, Remedies, and Termination) or expiration of the Warranty Period under Article 6 (Warranties).

“**Transaction Agreement**” means this Design-Build Agreement, the Performance Bond, the Payment Bond, the Warranty Bond and the Guaranty Agreement.

“**Transaction Form**” means any of the Transaction Forms appended to this Design-Build Agreement.

“**Uncontrollable Circumstance**” means any act, event or condition that (1) is beyond the reasonable control of the Design-Builder in relying on it as a justification for not performing an obligation or complying with any condition required of the Design-Builder under this Design-Build Agreement, and (2) materially expands the scope of, materially interferes with, materially delays or increases the cost of, performing the Design-Builder’s obligations under this Design-Build Agreement, to the extent that such act, event or condition is not the result of the willful or negligent act, error or omission, failure to exercise reasonable diligence, or breach of this Design-Build Agreement on the part of the Design-Builder in claiming the occurrence of an Uncontrollable Circumstance.

(1) Inclusions. Uncontrollable Circumstances may include the following, but only if and to the extent the foregoing requirements are met:

(a) a Change in Law, except as otherwise provided in this Design-Build Agreement;

(b) any injunction or similar order issued by a Governmental Body, provided that the Design-Builder is in compliance with the Contract Standards;

(c) the existence of a Specified Subsurface Condition, a Regulated Site Condition or Differing Geotechnical Condition to the extent provided in Section 3.4 (Specified Subsurface Conditions, Differing Geotechnical Conditions, and Regulated Site Conditions);

(d) contamination of the Project Site from groundwater, soil or airborne Regulated Substances migrating from sources outside of the Project Site and not caused by Design-Builder Fault;

(e) naturally occurring events (except weather conditions normal for the Project Site, including severe winter storms with high winds; heavy and extended rainfall; winter temperatures below freezing; hot, dry weather; thunderstorms; and early or late season rainfall and heavy fog, all not of an abnormally severe or extended nature) such as landslides, underground movement, earthquakes, fires, tornadoes, hurricanes, floods, lightning, epidemics and other acts of God;

(f) explosion, terrorism, sabotage or similar occurrence, acts of a declared public enemy, extortion, war, blockade or insurrection, riot or civil disturbance;

(g) labor disputes, except labor disputes involving employees of the Design-Builder, its Affiliates, or Subcontractors, which affect the performance of the Design-Build Work;

(h) the failure of any Subcontractor (other than the Guarantor or any Affiliate) to furnish services, materials, chemicals or equipment on the dates agreed to, but only if such failure is the result of an event which would constitute an Uncontrollable Circumstance if it affected the Design-Builder directly, and the Design-Builder is not able after exercising all reasonable efforts to timely obtain substitutes;

(i) the failure of any Subcontractor to furnish equipment which is critical to the Design-Build Improvements and which is manufactured only at facilities located outside of the United States; but only if such failure is the result of an event which would constitute an Uncontrollable Circumstance if it affected the Design-Builder directly, and the Design-Builder is not able after exercising all reasonable efforts to timely obtain substitutes;

(j) the failure of any appropriate Governmental Body or private utility having operational jurisdiction in the area in which the Design-Build Improvements is located to provide and maintain Utilities to the Design-Build Improvements which are required for the performance of this Design-Build Agreement;

(k) a defect, flaw, error, inoperability, inadequacy or unavailability of the Raw Water intake facilities or Finished Water transmission which are not part of the Design-Build Improvements or a delay in completion of any such facilities;

(l) variations in the nature, condition or quality of Raw Water, as and to the extent provided in Appendix 7 (Acceptance Test Procedures and Requirements);

(m) the preemption, confiscation, diversion, destruction or other interference in possession or performance of materials or services by a Governmental Body in connection with a public emergency or any condemnation or other taking by eminent domain of any material portion of the Design-Build Improvements or Project Site;

(n) a violation of Applicable Law by a person other than the affected party or its Subcontractors; or

(o) any Owner Fault and Owner-directed Change Orders not due to Design-Builder Fault.

(2) Exclusions. It is specifically understood that, without limitation, none of the following acts, events or circumstances shall constitute Uncontrollable Circumstances:

(a) any act, event or circumstance that would not have occurred but for the affected party's failure to comply with its obligations hereunder;

(b) changes in interest rates, inflation rates, wage rates, insurance premiums, commodity prices;

(c) any changes in the financial condition of the Design-Builder, the Guarantor or their Affiliates or Subcontractors affecting the ability to perform their respective obligations;

(d) the consequences of error, neglect or omissions by the Design-Builder, the Guarantor, any Subcontractor, any of their Affiliates or any other person in the performance of the Design-Build Work;

(e) union or labor work rules, requirements or demands which have the effect of increasing the cost to the Design-Builder of performing the Design-Build Work;

(f) any impact of prevailing wage or similar laws, customs or practices on the Design-Builder's costs;

(g) weather conditions normal for the Project Site (including severe winter storms with high winds; heavy and extended rainfall; winter temperatures below freezing; hot, dry weather; thunderstorms; and early or late season rainfall and heavy fog, all not of an abnormally severe or extended nature);

(h) any and all surface, subsurface and other conditions affecting the Project Site, which may increase costs of performing or cause delay in the

performance of the Design-Build Work, except those constituting Specified Subsurface Conditions or Regulated Site Conditions to the extent provided in Section 3.4 (Specified Subsurface Conditions, Differing Geotechnical Conditions, and Regulated Site Conditions);

(i) except as provided in item (i) of the “Inclusions” section of this definition, any act, event, circumstance or Change in Law occurring outside of the United States;

(j) mechanical failure of equipment to the extent not resulting from a condition that is listed in the “Inclusions” section of this definition;

(k) failure of the Design-Builder to secure any patent or other intellectual property right which is or may be necessary for the performance of the Design-Build Work; or

(l) except as provided in item (a) of the “Inclusions” section of this definition, a Change in Law pertaining to Taxes.

“Utilities” means any and all utility services and installations whatsoever (including gas, water, sewer, electricity, telephone, and telecommunications), and all piping, wiring, conduit, and other fixtures of every kind whatsoever related thereto or used in connection therewith.

“Warranty Bond” means the warranty bond to be provided by the Design-Builder on the Acceptance Date, as described and maintained pursuant to subsection 10.2(B) (Warranty Bond).

“Warranty Period” means has the meaning set forth in subsection 6.5(A) (Call-Back Generally).

“Warranty Work” has the meaning specified in subsection 5.1(D) (Limitation on Payment for Costs of the Design-Build Improvements).

“Water Distribution System” means the Owner’s water distribution system (including all pipes, pipelines, pumping stations, mains, valves, distribution facilities and equipment, treatment works, sources of water supply, and related buildings, structures, improvements and assets) and all appurtenances serving the Project Site.

SECTION 1.2. INTERPRETATION.

This Design-Build Agreement shall be interpreted according to the following provisions, except to the extent the context or the express provisions of this Design-Build Agreement otherwise require.

(A) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(B) Persons. Words importing persons include individuals, legal personal representatives, firms, companies, associations, joint ventures, general partnerships, limited partnerships, limited liability partnerships, limited liability companies, trusts, business trusts, corporations, governmental bodies, and other legal entities

(C) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Design-Build Agreement shall be solely for convenience of reference and shall not affect its meaning, construction or effect.

(D) References Hereto. The terms “hereby,” “hereof,” “herein,” “hereunder” and any similar terms refer to this Design-Build Agreement.

(E) References to Days and Time of Day. All references to days herein are references to calendar days, unless otherwise indicated, such as by reference to Business Days. Each reference to time of day is a reference to Pacific Standard time or Pacific Daylight Saving time, as the case may be.

(F) References to Including. The words “include”, “includes” and including” are to be construed as meaning “include without limitation”, “includes without limitation” and “including without limitation”, respectively.

(G) References to Statutes. Each reference to a statute or statutory provision includes any statute or statutory provision which amends, extends, consolidates or replaces the statute or statutory provision or which has been amended, extended, consolidated or replaced by the statute or statutory provision and includes any orders, regulations, by-laws, ordinances, codes of practice or instruments made under the relevant statute.

(H) References to Governmental Bodies. Each reference to a Governmental Body is deemed to include a reference to any successor to such Governmental Body or any organization or entity or organizations or entities which has or have taken over the functions or responsibilities of such Governmental Body.

(I) References to Business Days. If the time for doing an act falls or expires on a day that is not a Business Day, the time for doing such act shall be extended to the next Business Day.

(J) References to Documents and Standards. Each reference to an agreement, document, standard, principle or other instrument includes a reference to that agreement, document, standard, principle or instrument as amended, supplemented, substituted, notated or assigned.

(K) References to All Reasonable Efforts. The expression “all reasonable efforts” and expressions of like import, when used in connection with an obligation of either party, means taking in good faith and with due diligence all reasonable steps to achieve the objective and to perform the obligation, including doing all that can reasonably be done in the circumstances taking into account each party’s obligations hereunder to mitigate delays and additional costs to the other party, and in any event taking no less steps and efforts than those that would be taken by a reasonable and prudent person in comparable circumstances but where

the whole of the benefit of the obligation and where all the results of taking such steps and efforts accrued solely to that person's own benefit.

(L) References to Treatment. The terms "treat," "treated," "treatment," "treating" and any similar terms, when used with respect to Raw Water, shall mean and refer to the operation of the Design-Build Improvements (both before and after Acceptance) to clarify, filter, disinfect, remove impurities from, and otherwise treat Raw Water and supply Finished Water to the Owner's water customers, all in accordance with this Design-Build Agreement.

(M) Entire Design-Build Agreement. This Design-Build Agreement, including the Appendices hereto and the Transaction Forms, contains the entire agreement between the parties hereto with respect to the transactions contemplated by this Design-Build Agreement. Without limiting the generality of the foregoing, this Design-Build Agreement shall completely and fully supersede all other understandings and agreements among the parties with respect to such transactions.

(N) Counterparts. This Design-Build Agreement may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Design-Build Agreement.

(O) Governing Law. This Design-Build Agreement shall be governed by and construed in accordance with the applicable laws of the State.

(P) Severability. Each provision of this Design-Build Agreement shall be valid and enforceable to the fullest extent permitted by law. If any provision of this Design-Build Agreement is held to be invalid, unenforceable or illegal to any extent, such provision be severed and such invalidity, unenforceability or illegality shall not prejudice or affect the validity, enforceability and legality of the remaining provisions of this Design-Build Agreement. If any such provision of this Design-Build Agreement is held to be invalid, unenforceable or illegal, the parties will promptly endeavor in good faith to negotiate new provisions to eliminate such invalidity, unenforceability or illegality and to restore this Design-Build Agreement as nearly as possible to its original intent and effect.

(Q) Drafting Responsibility. The parties waive the application of any rule of law which otherwise would be applicable in connection with the construction of this Design-Build Agreement to the effect that ambiguous or conflicting terms or provisions should be construed against the party who (or whose counsel) prepared the executed agreement or any earlier draft of the same.

(R) Interpolation. If any calculation hereunder is to be made by reference to a chart or table of values, and the reference calculation falls between two stated values, the calculation shall be made on the basis of linear interpolation.

(S) Accounting and Financial Terms. All accounting and financial terms used herein are, unless otherwise indicated, to be interpreted and applied in accordance with GAAP.

(T) Applicability, Stringency and Consistency of Contract Standards. Where more than one Contract Standard applies to any particular performance obligation of the Design-

Builder hereunder, each such applicable Contract Standard shall be complied with. If there are different levels of stringency among such applicable Contract Standards, the most stringent of the applicable Contract Standards shall govern. Any reference in this Design-Build Agreement to materials, equipment, systems or supplies (whether such references are in lists, notes, specifications, schedules, or otherwise) shall be construed to require the Design-Builder to furnish the same, at minimum, in accordance with the grades and standards therefor indicated in this Design-Build Agreement.

(U) Delivery of Documents in Digital Format. In this Design-Build Agreement, the Design-Builder is obligated to deliver reports, records, designs, plans, drawings, specifications, proposals and other documentary submittals in connection with the performance of its duties hereunder. The Design-Builder agrees that all such documents shall be submitted to the Owner both in printed form (in the number of copies indicated) and, at the Owner's request, in digital form. Digital copies shall consist of computer readable data submitted in any standard interchange format which the Owner may reasonably request to facilitate the administration and enforcement of this Design-Build Agreement. If a conflict exists between the signed or the signed and stamped hard copy of any document and the digital copy thereof, the signed or the signed and stamped hard copy shall govern.

(V) Owner Obligations to Provide Assistance. Any obligation of the Owner to cooperate with, to assist or to provide assistance to the Design-Builder hereunder shall be construed as an obligation to use the Owner's personnel resources to the extent reasonably available in the context of performance of their normal duties, and not to incur material additional overtime or third party expense unless requested and reimbursed by the Design-Builder.

(W) Third-Party Rights. This Design-Build Agreement is exclusively for the benefit of the Owner and the Design-Builder and shall not provide any third parties (with the sole exceptions of the rights of any third-party Owner Indemnitees as provided in Section 8.5 (Indemnification by the Design-Builder)) with any remedy, claim, liability, reimbursement, cause of action or other rights.

(X) Discretion. When a party has "discretion", it means that party has the sole, absolute and unfettered discretion, with no requirement to act reasonably or provide reasons unless specifically required under the provisions of this Design-Build Agreement.

(Y) Liquidated Damages. This Design-Build Agreement provides for the payment by the Design-Builder of liquidated damages in certain circumstances. The parties agree that the Owner's actual damages in each such circumstance would be difficult or impossible to ascertain, and that the liquidated damages provided for herein with respect to each such circumstance are intended to place the Owner in the same economic position as it would have been in had the circumstance not occurred. Such liquidated damages shall constitute the only damages payable by the Design-Builder to the Owner in such circumstances of non-performance, breach or default, regardless of legal theory. This limitation, however, is not intended to and shall not limit the Owner's right to terminate this Design-Build Agreement in accordance with Section 8.2 (Events of Default by the Design-Builder).

(Z) Design and Construction Requirements. The Design and Construction Requirements are intended to include the basic design principles, concepts and requirements for the Design-Build Work but do not include the final, detailed design, plans or specifications or indicate or describe each and every item required for full performance of the physical Design-Build Work or for achieving Acceptance. The Design-Builder agrees to prepare all necessary and required, complete and detailed designs, plans, drawings and specifications and to furnish and perform all Design-Build Work in conformity with the Design and Construction Requirements and the final designs, plans, drawings and specifications based thereon. The Design-Builder further agrees that it shall not have the right to bring any claim whatsoever against the Owner or any of its consultants or subcontractors, arising out of any design drawings, specifications or Design and Construction Requirements made available during the procurement process.

(AA) Standards of Workmanship and Materials. Any reference in this Design-Build Agreement to materials, equipment, systems or supplies (whether such references are in lists, notes, specifications, schedules, or otherwise) shall be construed to require the Design-Builder to furnish the same in accordance with the grades and standards therefor indicated in this Design-Build Agreement. Where this Design-Build Agreement does not specify any explicit quality or standard for construction materials or workmanship, the Design-Builder shall use only workmanship and new materials of a quality consistent with that of construction workmanship and materials specified elsewhere in the Design and Construction Requirements, and the Design and Construction Requirements are to be interpreted accordingly.

(BB) Technical Standards and Codes. References in this Design-Build Agreement to all professional and technical standards, codes and specifications are to the most recently published professional and technical standards, codes and specifications of the institute, organization, association, authority or society specified, all as in effect as of the Contract Date. Unless otherwise specified to the contrary, (1) all such professional and technical standards, codes and specifications shall apply as if incorporated in the Design and Construction Requirements and (2) if any material revision occurs, to the Design-Builder's knowledge, after the Contract Date, and prior to completion of the applicable Design-Build Work, the Design-Builder shall notify the Owner. If so directed by the Owner, the Design-Builder shall perform the applicable Design-Build Work in accordance with the revised professional and technical standard, code, or specification as long as the Design-Build Price is increased to account for any additional cost or expense attributable to any such revision.

(CC) Causing Performance. A party shall itself perform, or shall cause to be performed, subject to any limitations specifically imposed hereby with respect to Subcontractors or otherwise, the obligations affirmatively undertaken by such party under this Design-Build Agreement.

(DD) Party Bearing Cost of Performance. All obligations undertaken by each party hereto shall be performed at the cost of the party undertaking the obligation or responsibility, unless the other party has explicitly agreed herein to bear all or a portion of the cost either directly, by reimbursement to the other party or through an adjustment to the Design-Build Price.

(EE) Defined Terms. The definitions set forth in Section 1.1 (Definitions) shall control if any conflict with any definitions used in the recitals hereto.

ARTICLE 2

REPRESENTATIONS AND WARRANTIES

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE OWNER.

The Owner represents and warrants that:

(A) Existence and Powers. The Owner is a corporation, duly organized, validly existing and in good standing under the laws of the State, with full legal right, power and authority to enter into and to perform its obligations under this Design-Build Agreement.

(B) Due Authorization. This Design-Build Agreement has been duly authorized, executed and delivered by all necessary corporate action of the Owner and constitutes a legal, valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and equitable principles of general application.

(C) No Conflict. To the best of its knowledge, neither the execution and delivery by the Owner of this Design-Build Agreement nor the performance by the Owner of its obligations in connection with the transactions contemplated hereby or the fulfillment by the Owner of the terms or conditions hereof: (1) conflicts with, violates or results in a breach of any law or governmental regulation, by-laws or certificate of incorporation applicable to the Owner; or (2) conflicts with, violates or results in a material breach of any term or condition of any order, judgment or decree, or any contract, agreement or instrument, to which the Owner is a party or by which the Owner or any of its properties or assets are bound, or constitutes a material default under any of the foregoing.

(D) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery by the Owner of this Design-Build Agreement.

(E) No Litigation. Except as disclosed to the Design-Builder, to the best of its knowledge, there is no Legal Proceeding before or by any Governmental Body pending or overtly threatened or publicly announced against the Owner, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the execution and delivery of this Design-Build Agreement by the Owner or the validity, legality or enforceability of this Design-Build Agreement against the Owner, or on the ability of the Owner to perform its obligations hereunder.

(F) Owner Ownership Interest in the Project Site. The Owner owns the Project Site in fee simple, subject to the easements and other exceptions to title indicated in Appendix 1 (Description of the Project Site).

SECTION 2.2. REPRESENTATIONS AND WARRANTIES OF THE DESIGN-BUILDER.

In addition to any other representations and warranties made by the Design-Builder in this Design-Build Agreement, the Design-Builder represents and warrants that:

(A) Existence and Powers. The Design-Builder is a [_____] duly organized, validly existing and in good standing under the laws of the State of [_____] and has the authority to do business in this State and in any other state in which it conducts its activities, with the full legal right, power and authority to enter into and perform its obligations under this Design-Build Agreement.

(B) Due Authorization. This Design-Build Agreement has been duly authorized, executed and delivered by all necessary corporate action of the Design-Builder and constitutes a legal, valid and binding obligation of the Design-Builder, enforceable against the Design-Builder in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and equitable principles of general application.

(C) No Conflict. To the best of its knowledge, neither the execution nor delivery by the Design-Builder of this Design-Build Agreement nor the performance by the Design-Builder of its obligations in connection with the transactions contemplated hereby or the fulfillment by the Design-Builder of the terms or conditions hereof (1) conflicts with, violates or results in a breach of any law, governmental regulation, by-laws or certificate of incorporation applicable to the Design-Builder or (2) conflicts with, violates or results in a breach of any order, judgment or decree, or any contract, agreement or instrument to which the Design-Builder is a party or by which the Design-Builder or any of its properties or assets are bound, or constitutes a default under any of the foregoing.

(D) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Design-Build Agreement by the Design-Builder except as such have been duly obtained or made.

(E) No Litigation. Except as disclosed in writing to the Owner, to the best of its knowledge, there is no Legal Proceeding, at law or in equity, before or by any court or Governmental Body pending or, to the best of the Design-Builder's knowledge, overtly threatened or publicly announced against the Design-Builder, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the execution and delivery of this Design-Build Agreement by the Design-Builder or the validity, legality or enforceability of this Design-Build Agreement against the Design-Builder, or on the ability of the Design-Builder to perform its obligations hereunder.

(F) Practicability of Performance. The Design and Construction Requirements, the technology and the construction management practices to be employed in the Design-Build Work are furnished exclusively by the Design-Builder and its Subcontractors pursuant to the terms of this Design-Build Agreement, and the Design-Builder assumes and shall have exclusive responsibility for their efficacy, notwithstanding the involvement of the Owner in

the development of the Design and Construction Requirements, Acceptance Test Procedures or design and construction reviews. The Design-Builder assumes the risk of the practicability and possibility of performance of the Design-Build Improvements on the scale, within the time for completion, and in the manner required hereunder, even though such performance may involve technological or market breakthroughs or overcoming facts, events or circumstances (other than Uncontrollable Circumstances) which may be different from those assumed by the Design-Builder in entering into this Design-Build Agreement, and agrees that sufficient consideration for the assumption of such risks and duties is included in the Design-Build Price. No impracticability or impossibility of any of the foregoing shall be deemed to constitute an Uncontrollable Circumstance.

(G) Patents and Licenses. The Design-Builder owns, or is expressly authorized to use under patent rights, licenses, franchises, trademarks or copyrights, the technology necessary for the Design-Build Improvements without any known material conflict with the rights of others.

(H) Information Supplied by the Design-Builder and the Guarantor. The information supplied and representations and warranties made by the Design-Builder and the Guarantor in all submittals made to the Owner with respect to the Design-Builder and the Guarantor (and to the Design-Builder's knowledge, all information supplied in such submittals with respect to any Subcontractor) are true, correct and complete in all material respects.

(I) Letter of Credit. Concurrently with the execution of this Design-Build Agreement, the Design-Builder has provided the Owner with the Letter of Credit as financial security for the faithful performance and payment of its obligations hereunder. The Letter of Credit is in the form set forth in the Transaction Forms, and is in compliance with the requirements of Section 10.3 (Letter of Credit).

(J) Required Insurance. Concurrently with the execution of this Design-Build Agreement, the Design-Builder has provided the Owner with certificates of insurance for all liability and errors and omissions insurance specified in Appendix 11 (Insurance Requirements). Such insurance is in compliance with the requirements of Article 9 (Insurance).

(K) No Prohibited Contact. The Design-Builder and its employees, representatives and agents have not contacted any Owner employee (other than the procurement contact, Lori Girard, regarding the procurement process, or other Owner employees in connection with the negotiation of this Design-Build Agreement); any Restricted Person identified in Appendix 15 (Restricted Persons); any County of Monterey official, representative or staff member; any Monterey Peninsula Regional Water Authority official, representative, technical advisory committee member or staff member; or any Monterey Peninsula Water Management District official, representative or staff member, on any matter relating to the Project, the MPWSP or this procurement process.

ARTICLE 3

PERMITTING, DESIGN AND CONSTRUCTION OF THE DESIGN-BUILD IMPROVEMENTS

SECTION 3.1. DESIGN-BUILD WORK GENERALLY.

(A) Commencement of Design-Build Work. On the Contract Date, the Design-Builder shall promptly proceed to undertake, perform and complete the Design-Build Work in accordance with the Contract Standards. The Design-Builder shall be paid the Design-Build Price pursuant to Section 5.1 (Design-Build Price) as its entitlement to portions of the Design-Build Price arise in accordance with that Section. The Design-Builder's failure to achieve Acceptance on or before the Scheduled Acceptance Date shall give the Owner the right to assess delay liquidated damages under Section 4.5 (Scheduled Acceptance Date and Delay Liquidated Damages). Failure to achieve Acceptance by the end of the Extension Period shall constitute a Design-Builder Event of Default upon which the Owner may terminate this Design-Build Agreement for cause in accordance with Section 8.2 (Events of Default by the Design-Builder).

(B) Elements of the Design-Build Work. In performing the Design-Build Work generally, the Design-Builder shall, in accordance with the Contract Standards and without limitation: (1) apply for, obtain and maintain all Governmental Approvals required for the Design-Build Work other than those Governmental Approvals set forth in Appendix 3 (Governmental Approvals) which will be obtained by the Owner; (2) comply with all reporting obligations set forth herein; (3) prepare and excavate the Project Site; (4) remove from the Project Site and dispose of any demolition or construction debris resulting from the Design-Build Work and any unused soil excavated therefrom; (5) design and construct the Design-Build Improvements; (6) conduct commissioning and start up operations; (7) conduct the Acceptance Tests and achieve Acceptance; (8) achieve Final Completion; and (9) perform its obligations during the Warranty Period; all so that the Design-Build Improvements are suitable and adequate for the purposes thereof. Laydown and staging areas for construction materials shall be located on the Project Site, as indicated in Appendix 2 (Design and Construction Requirements), or at other locations approved by the Owner and any other appropriate Governmental Body and arranged and paid for by the Design-Builder.

(C) Sequencing and Staging of Design-Build Work. The Design-Builder shall not be limited in the sequencing or staging of the Design-Build Work, except to the extent that the Contract Standards impose limitations. The Owner understands and acknowledges that the Design-Builder intends to complete the Design-Build Work in stages whereby particular segments of the Design-Build Work will be designed and built prior to the completion of the design of the Design-Build Improvements as a whole. Although this Design-Build Agreement does not require the Design-Builder to fully complete the entire design of the Design-Build Improvements prior to proceeding with particular segments of the physical construction of the Design-Build Improvements, the Design-Builder shall comply with all requirements of Applicable Law in performing the Design-Build Work and shall comply with the design submittal requirements set forth in subsection 3.9(C) (Owner Review and Comment on Design Documents). The Design-Builder shall comply with Good Engineering and Construction

Practice and all other Contract Standards in all aspects of the performance of the Design-Build Work. In no event shall the Design-Builder proceed with the physical construction of any segment of the Design-Build Improvements prior to the Construction Date established in accordance with Section 3.2 (Construction Date Conditions).

(D) Schedule and Reports. The Design-Builder shall prepare and provide the Owner with a work sequence schedule for Design-Build Work in accordance with Appendix 4 (General Design-Build Work Requirements). Throughout the Design-Build Period, the Design-Builder shall submit to the Owner and the Owner's Representative a monthly progress report and schedule including among other things an update of the work sequence schedule in accordance with the requirements of Appendix 6 (Design-Build Work Review Procedures). The Design-Builder agrees that the Design-Builder's submission of the monthly progress schedule and report (or any revised progress schedule and report) is for the Owner's and the Owner's information only. The Design-Builder's submission of the monthly progress schedule and report shall not limit or otherwise affect the Design-Builder's obligations to achieve Acceptance by the Scheduled Acceptance Date. The Owner's acceptance of the monthly progress schedule and report (or any revised progress schedule and report) shall not bind the Owner in any manner. Thus, the Owner's receipt and review of the monthly progress schedule and report (or any revised monthly progress schedule and report) shall not imply Owner approval or consent to any of the matters set forth therein.

(E) Quality Assurance and Quality Control. The Design-Builder shall have full responsibility for quality assurance and quality control for the Design-Build Work, including compliance with the Design-Build Quality Management Plan, as set forth in Appendix 5 (Design-Build Quality Management Plan and Quality Control Requirements). **[Note: Design-Build Quality Management Plan to be submitted by Proposer and developed with Owner input.]**

(F) Subcontracting and Licensing. Section 11.10 (Use of Subcontractors) shall be applicable to the Design-Builder's use of Subcontracts and Subcontractors in connection with the Design-Build Work. The Design-Builder and any Subcontractor that performs any construction portion of the Design-Build Work shall possess and maintain a California contractors licenses as required by Applicable Law.

(G) Title and Risk of Loss. Title to the structures, improvements, fixtures, machinery, equipment and materials constituting the Design-Build Improvements shall pass to the Owner upon installment on the Project Site or payment therefor by the Owner, whichever first occurs, free and clear of all Liens as provided in subsection (J) of this Section. The Design-Builder shall, however, bear all risk of loss concerning such structures, improvements, fixtures, machinery, equipment and materials in excess of all insurance proceeds available in connection with such loss prior to Final Completion.

(H) Damage or Destruction to the Design-Build Work. In performing the Design-Build Work, the Design-Builder shall use care and diligence, and shall take all appropriate precautions to protect the Design-Build Improvements from loss, damage or destruction in accordance with the Contract Standards. The procedures set forth in Section 9.2

(Loss, Damage or Destruction to the Design-Build Improvements) shall be applicable during the Design-Build Period if any damage to, or the destruction of, any Design-Build Work.

(I) Encumbrances. The Design-Builder shall not directly or indirectly, without the Owner's consent, create or permit to be created or to remain, and shall promptly discharge or bond any Encumbrance arising on the Design-Build Improvements, Project Site or Design-Build Work (other than Permitted Encumbrances) arising out of or in connection with (1) the Design-Builder's performance of the Design-Build Work, or (2) any acts, omissions or debts of the Design-Builder, the Guarantor, their Affiliates and their Subcontractors.

(J) Utilities Generally. The Design-Builder shall make all arrangements necessary to secure the availability of all Utilities required to construct the Design-Build Improvements, and shall install and utilize on-site power generators for the performance of the Design-Build Work (as necessary). If the Owner is required to grant Utility easements on the Project Site in connection with the Design-Build Work, the Design-Builder shall provide complete descriptions of all Utility connections and routes on the Project Site necessary for such purposes.

(K) Software Programming. The Design-Builder's obligation to perform the Design-Build Work includes providing all software and programming for monitoring instrumentation, alarms, shutdowns and control systems required for the Project to meet Owner and Governmental Body requirements, as specifically set forth in Appendix 2 (Design and Construction Requirements).

(L) Payment of Costs. The Design-Builder shall pay directly all costs and expenses of the Design-Build Work of any kind or nature whatsoever, including all costs of permitting (except with respect to Owner's costs associated with the Governmental Approvals to be obtained by the Owner set forth in Appendix 3 (Governmental Approvals)); regulatory compliance and Legal Proceedings brought against the Design-Builder; obtaining and maintaining the Security Instruments and Required Insurance; payments due under the Subcontracts with Subcontractors or otherwise for all labor and materials; legal, financial, engineering, architectural and other professional services of the Design-Builder; sales, use and similar Taxes on building supplies, materials and equipment; general supervision by the Design-Builder of all Design-Build Work; Design-Builder preparation of schedules, budgets and reports; keeping all construction accounts and cost records; and all other costs required to achieve Final Completion. The Design-Builder shall be compensated for the Design-Build Work as provided in Article 5 (Payment of the Design-Build Price) and Appendix 13 (Payment Procedures and Drawdown Schedule).

(M) Notice of Default. The Design-Builder shall provide to the Owner, promptly following the receipt thereof, copies of any notice of default, breach or non-compliance received under or in connection with any Governmental Approval or Subcontract pertaining to the Design-Build Work.

(N) Required Design-Builder Engineer Certification. Any notice, certification, report or application delivered by the Design-Builder to the Owner in connection with the Design-Build Work, or payment therefor, under this Article, Article 4 (Acceptance and Final

Completion of the Design-Build Improvements) or any Appendix relating to the performance of the Design-Build Work shall be accompanied by a signed and sealed certificate of the Design-Builder's Engineer affirming the accuracy thereof to the best of his or her knowledge. The form of certificates required pursuant to this subsection shall comply with all requirements of Applicable Law for engineer certifications.

(O) Statement Required by California Business and Professions Code Section 7030. Construction contractors are required by State law to be licensed and regulated by the Contractors' State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any question concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 2600, Sacramento, California 95826.

SECTION 3.2. CONSTRUCTION DATE CONDITIONS.

(A) Construction Date Conditions Generally. The "Construction Date" shall be the date established pursuant to subsection (C) of this Section upon satisfaction by the Design-Builder of its obligations pursuant to subsection (B) of this Section and issuance of a Notice to Proceed by the Owner. The requirements and conditions set forth in subsection (B) of this Section shall be the "Construction Date Conditions" hereunder.

(B) Conditions to Commencement of Physical Construction. In no event shall the Design-Builder commence physical construction of the Design-Build Improvements, including the pouring of foundations, prior to the satisfaction, or written waiver by the Owner, of the following Construction Date Conditions and receipt of the Notice to Proceed from the Owner:

(1) The Design-Builder shall have provided the Owner with the Performance Bond, the Payment Bond and the Letter of Credit and shall certify that the Performance Bond, the Payment Bond and the Letter of Credit are in full force and effect and in compliance with the requirements of Section 10.2 (Bonds) and 10.3 (Letter of Credit).

(2) The Design-Builder shall have provided the Owner with certificates for all Required Insurance in accordance with Article 9 (Insurance), including the builder's risk insurance, and shall certify that all such policies are in full force and effect and in compliance with the requirements of Article 9 (Insurance) and Appendix 11 (Insurance Requirements).

(3) The Design-Builder shall have certified that it has completed all pre-construction requirements set forth in Appendices 2 (Design and Construction Requirements) and 4 (General Design-Build Work Requirements), and shall have provided the Owner the Design-Build Quality Management Plan in accordance with Appendix 5 (Design-Build Quality Management Plan and Quality Control Requirements).

(4) The Design-Builder shall have submitted a design submittal protocol in accordance with the requirements of Appendix 6 (Design-Build Work Review Procedures) and shall have complied with the design submittal requirements set forth in subsection 3.9(C) (Owner Review and Comment on Design Documents) to the extent necessary to commence with the physical construction of the Design-Build Improvements.

(5) The Design-Builder shall have satisfied all requirements of Applicable Law with respect to the commencement of construction and shall have obtained all Governmental Approvals required for the commencement of the physical construction of the Design-Build Improvements and all such Governmental Approvals shall be in full force and effect.

(6) The Design-Builder shall have submitted a Site Plan to the Owner in a form acceptable to the Owner acting reasonable.

(7) The Design-Builder shall have prepared and provided to the Owner a “critical path” construction schedule detailing the anticipated dates corresponding to the occurrence of critical path items in connection with the Design-Build Work.

(8) The Design-Builder shall have cooperated with and assisted the Owner in all activities relating to the CWSRF Loan Agreement in accordance with subsection 3.11(F) (CWSRF Funding Responsibilities).

(9) The Design-Builder shall have obtained and furnished to the Owner a letter from the CDPH approving the engineering design for the Design-Build Improvements, on the basis of which construction is to be commenced.

(C) Establishment of the Construction Date. The Design-Builder shall provide written notice to the Owner when it has satisfied all of the Construction Date Conditions and the date it proposes to establish as the Construction Date hereunder. If the Owner agrees that all of the Construction Date Conditions have been met it shall issue a written notice to proceed (the “Notice to Proceed”) to the Design-Builder and the Construction Date will be deemed to have occurred on the date of such notice. If the Owner elects to delay issuance of the Notice to Proceed notwithstanding the satisfaction of the Construction Date Conditions (which may occur for example if the CPUC has not issued the CPCN), (1) the Construction Date shall be the date stipulated as such by the Owner in the Notice to Proceed, (2) the Scheduled Acceptance Date shall be extended by the number of days between the Construction Date proposed by the Design-Builder and the actual Construction Date established by the Owner in its Notice to Proceed, and (3) the Design-Builder shall be entitled to reasonable price relief through an increase in the Fixed Design-Build Price in accordance with Section 9.3 (Uncontrollable Circumstances – Entitlement to Relief) provided any such price relief will take into consideration the escalation of the Construction Component Price set forth in subsection 5.1(C) (Fixed Design-Build Price Adjustments). The schedule and price relief afforded in this subsection is only applicable if the Construction Date is delayed beyond the Scheduled Construction Date solely due to Owner delay. If the Owner determines that the Design-Builder has not satisfied the Construction Date Conditions, notwithstanding the Design-Builder’s notice pursuant to this Section, the Owner

shall indicate which conditions the Design-Builder has failed to satisfy in its notice to the Design-Builder pursuant to this subsection, the Design-Builder shall satisfy all such conditions prior to the establishment of the Construction Date, and there shall be no adjustment to the Scheduled Acceptance Date or price relief under this subsection.

(D) Effect of the Establishment of the Construction Date. Upon the establishment of the Construction Date, the Design-Builder shall have the right to proceed with the physical construction of the Design-Build Improvements and shall have full access to the Project Site in accordance with subsection 3.3(C) (Access to the Project Site). In addition, the maximum payment for demobilization costs if a convenience termination by the Owner following the Construction Date shall increase in accordance with subsection 8.6(C) (Owner Convenience Termination Right Option After the Construction Date and Prior to Final Completion). Absent the occurrence of a Change in Law or an Uncontrollable Circumstance as and to the extent provided in subsection 3.6(I) of this Design-Build Agreement and except as provided in subsection (C) of this Section with respect to the Owner's right to delay the establishment of the Construction Date notwithstanding the satisfaction of the Construction Date Conditions, no delay in the establishment of the Construction Date shall entitle the Design-Builder to any price, schedule or performance relief hereunder.

(E) Limitation on Owner Payment Responsibility Prior to Issuance of CPCN. Prior to the issuance of the CPCN by the CPUC, notwithstanding the permitting, design or other work performed or the total costs incurred by the Design-Builder, in no event shall the Owner be liable or responsible for the payment of more than \$2,500,000 to the Design-Builder for Design-Build Work.

SECTION 3.3. ACCESS TO AND SUITABILITY OF THE PROJECT SITE.

(A) Familiarity with the Project Site. The Design-Builder acknowledges that the Design-Builder's agents and representatives have visited, inspected and are familiar with the Project Site and surface physical conditions relevant to the obligations of the Design-Builder pursuant to this Design-Build Agreement, including normal and usual soil conditions, roads, utilities, topographical conditions and air and water quality conditions; that the Design-Builder is familiar with all local and other conditions which may be material to the Design-Builder's performance of its obligations under this Design-Build Agreement (including, but not limited to transportation; seasons and climate; access, availability, disposal, handling and storage of materials and equipment; and availability and quality of labor and Utilities), and has received and reviewed all information regarding the Project Site provided to it as part of the Project Site-related information or obtained in the course of performing its obligations hereunder, has made any other site investigations, other than independent geotechnical investigations, that it deems necessary to make a determination as to the suitability of the Project Site; and that based on the foregoing, the Project Site constitutes an acceptable and suitable site for the construction of the Design-Build Improvements in accordance herewith, and the Design-Build Improvements can be constructed on the Project Site for the Fixed Design-Build Price and can be completed by the Scheduled Acceptance Date. The Design-Build Improvements shall be located at the Project Site in a manner that takes into account the easements and other exceptions to title indicated in Appendix 1 (Description of the Project Site).

(B) Independent Verification. The Design-Builder acknowledges that it is responsible for the independent verification and confirmation of all information supplied to it by or on behalf of the Owner and upon which it elects to rely in connection herewith. No error or omission in any information supplied to the Design-Builder by or on behalf of the Owner shall constitute an Uncontrollable Circumstance, or relieve the Design-Builder from any of its obligations or entitle the Design-Builder to any increase in compensation hereunder, except to the extent provided in Section 3.4 (Specified Subsurface Conditions, Differing Geotechnical Conditions, and Regulated Site Conditions) with respect to Specified Subsurface Conditions, Regulated Site Conditions and Differing Geotechnical Conditions.

(C) Access to the Project Site. The execution of this Design-Build Agreement shall be deemed to constitute the granting of a license to the Design-Builder to access the Project Site for the purposes of performing such engineering and analysis, including such additional subsurface and geotechnical studies or tests as deemed necessary by the Design-Builder for the performance of the Design-Build Work prior to the Construction Date. Such access shall be subject to the Owner's prior approval, which shall not be unreasonably withheld, as to time and scope. Except to the extent provided in Section 3.4 (Specified Subsurface Conditions, Differing Geotechnical Conditions, and Regulated Site Conditions) with respect to Specified Subsurface Conditions and Regulated Site Conditions, the Design-Builder shall assume all risks associated with such activities and shall indemnify, defend and hold harmless the Owner Indemnitees in accordance with and to the extent provided in Section 9.5 (Indemnification by the Design-Builder) from and against all Loss-and-Expense resulting therefrom. Following the Construction Date, the Design-Builder shall have all Project Site access rights as are necessary for the performance of the Design-Build Work during the Term and such access rights shall not be subject to prior Owner approval. The Owner shall use good faith efforts to cooperate with the Design-Builder with respect to Design-Builder requests (in writing and upon reasonable notice) regarding scheduling of outages and other reasonable and agreed upon accommodations necessary for planned construction, start up and testing activities; provided, however, that it is the responsibility of the Design-Builder to schedule and perform such activities in accordance with the Design-Builder's plant operations during construction plan and agreed-upon schedules and in a manner which will not interfere with the ability of the Owner to operate the Design-Build Improvements so that it can continually meet all Applicable Law, including requirements of Governmental Approvals to which it is subject.

(D) Owner Responsibility for Specified Subsurface Conditions, Regulated Site Conditions, and Differing Site Conditions. Nothing in this Section shall be deemed to limit or otherwise affect the scope of the Owner's obligations with respect to Specified Subsurface Conditions, Regulated Site Conditions and Differing Geotechnical Conditions, as expressly set forth in Section 3.4 (Specified Subsurface Conditions, Differing Geotechnical Conditions, and Regulated Site Conditions) of this Design-Build Agreement.

SECTION 3.4. SPECIFIED SUBSURFACE CONDITIONS, DIFFERING
GEOTECHNICAL CONDITIONS, AND REGULATED SITE
CONDITIONS.

(A) General. Based on the investigations of the Project Site and other inquiries made by the Design-Builder prior to the Contract Date, which the Design-Builder

acknowledges to be sufficient for this purposes, and except with respect to Specified Subsurface Conditions, Differing Geotechnical Conditions, or Regulated Site Conditions, which constitute Uncontrollable Circumstances entitling the Design-Builder to relief as and to the extent provided in this Section and Section 9.3 (Uncontrollable Circumstances - Entitlement to Relief), the Design-Builder assumes the risk of all surface and subsurface geotechnical conditions at the Project Site as they may affect the Design-Builder's performance of the Design-Build Work, including the structural suitability of the Project Site or the Design-Builder's excavation or construction costs or schedules, and agrees that any such subsurface geotechnical condition revealed during the Design-Build Work which has such an affect shall not constitute an Uncontrollable Circumstance.

(B) Design-Builder Obligations with Respect to Specified Subsurface Conditions and Regulated Site Conditions. The Design-Builder represents and warrants that, as of the Contract Date, it has no knowledge of any Specified Subsurface Condition or Regulated Site Condition other than those disclosed by the Owner or discovered by the Design-Builder and disclosed to the Owner prior to the Contract Date. In performing the Design-Build Work, the Design-Builder shall exercise due care, in light of all relevant facts and circumstances, to avoid exacerbating any Specified Subsurface Condition or Regulated Site Condition after the location and existence of such condition has been disclosed to the Design-Builder, or becomes actually known by the Design-Builder through physical observation (including any such observation made during excavations). Upon encountering a Specified Subsurface Condition or Regulated Site Condition, the Design-Builder shall provide prompt written notice to the Owner of such condition, which notice shall not be later than five days after such condition is first known to the Design-Builder. The Design-Builder shall, to the extent reasonably possible, provide such notice before the Specified Subsurface Condition or Regulated Site Condition has been disturbed or altered. Except for the Design-Builder's failure to provide such notice and exercise due care with respect to such disclosed or known Specified Subsurface Condition or Regulated Site Condition, the Design-Builder shall not be responsible for any Specified Subsurface Condition or Regulated Site Condition and shall be entitled to Uncontrollable Circumstance relief in connection therewith in accordance with and to the extent provided in Section 9.3 (Uncontrollable Circumstances - Entitlement to Relief). The parties acknowledge and agree, however, that Regulated Site Conditions shall not include any condition involving Regulated Substances used, stored or otherwise brought to the Project Site by the Design-Builder or any Subcontractor. The Design-Builder shall comply, and shall cause all Subcontractors to comply, with the Contract Standards in using or storing any Regulated Substances on the Project Site, and shall assume all risks associated with such activities and indemnify, defend and hold harmless the Owner Indemnitees in accordance with and to the extent provided in Section 9.5 (Indemnification by the Design-Builder) from and against all Loss-and-Expense resulting therefrom.

(C) Owner Obligations with Respect to Specified Subsurface Conditions and Regulated Site Conditions. If at any time a Specified Subsurface Condition or Regulated Site Condition is determined to exist which (1) reasonably requires a Response Action or other action in order to comply with Applicable Law, (2) interferes with the performance of the Design-Build Work, or (3) increases the cost to the Design-Builder of performing the Design-Build Work, then the Owner shall promptly, after written notice from any Governmental Body or the Design-

Builder of the presence or existence thereof, commence and diligently prosecute Response Actions or other actions as may be necessary under Good Engineering and Construction Practice to dispose of, remediate or otherwise correct the Specified Subsurface Condition or Regulated Site Condition or otherwise make the Specified Subsurface Condition or Regulated Site Condition comply with Applicable Law and to negotiate a Change Order to reflect the appropriate increase to the Design-Build Price in light of such discovery. The Owner shall have the right to contest any determination of a Specified Subsurface Condition or Regulated Site Condition and shall not be required to take any action under this subsection so long as: (i) the Owner is contesting any determination of a Specified Subsurface Condition or Regulated Site Condition in good faith by appropriate proceedings conducted with due diligence; and (ii) with respect to Specified Subsurface Conditions or Regulated Site Conditions, Applicable Law permits continued design or construction of the Design-Build Improvements pending resolution of the contest, so that the Design-Builder shall have no liability as a result of the failure of the Owner to dispose of, remediate or otherwise correct such Specified Subsurface Condition or Regulated Site Condition during the period of contest. Notwithstanding any of the foregoing, the Owner shall have no obligation to take any action pursuant to this subsection with respect to any Specified Subsurface Condition as long as the Design-Builder is able to continue to perform the Design-Build Work in accordance with Applicable Law and the Owner provides the Design-Builder with appropriate price, performance or schedule relief to the extent necessary to address the Specified Subsurface Condition in accordance with Section 9.3 (Uncontrollable Circumstances - Entitlement to Relief).

(D) Differing Geotechnical Conditions. The parties acknowledge that the Fixed Design-Build Price was formulated based upon the subsurface conditions set forth in the Geotechnical Baseline Report. Prior to the Construction Date, the Design-Builder shall undertake its own independent geotechnical investigation in accordance with Appendix 2 (Design and Construction Requirements) and shall promptly notify the Owner of any Differing Geotechnical Conditions discovered as a result of such testing. The Design-Builder shall be entitled to relief in accordance with Section 9.3 (Uncontrollable Circumstances - Entitlement to Relief) with respect to any such Differing Geotechnical Conditions discovered by the Design-Builder's pre-Construction Date geotechnical investigation. On and after the Construction Date, the Design-Builder shall not be entitled to any such relief if it encounters unexpected surface or subsurface conditions at the Project Site except for Specified Subsurface Conditions or Regulated Site Conditions, regardless of the adverse affect such discovery may have on the Design-Builder.

(E) Protection of Underground Utilities. Prior to conducting any excavation or trenching, the Design-Builder shall contact the appropriate regional notification center as required by California Government Code Sections 4216 – 4216.9. The Design-Builder shall use due care, in accordance with Good Engineering and Construction Practice, to protect all underground Utilities at the Project Site from damage or destruction.

SECTION 3.5. ENVIRONMENTAL REVIEW.

A certified environmental impact report with respect to the Project will be prepared by the lead agency for the Project under the California Environmental Quality Act. The environmental impact report will require specific Environmental Mitigation Measures to be

completed in connection with the Project. The Environmental Mitigation Measures shall constitute part of the Design and Construction Requirements, which the Design-Builder is obligated to carry out and comply with hereunder.

SECTION 3.6. DESIGN-BUILD WORK PERMITTING
RESPONSIBILITIES.

(A) Generally. The Design-Builder shall make all filings, applications and reports and take all other action necessary to obtain and maintain, and shall obtain and maintain, all Governmental Approvals (except for those Governmental Approvals that are the responsibility of the Owner, as set forth in Appendix 3 (Governmental Approvals)) necessary to commence, continue and complete the Design-Build Work and achieve Acceptance, and shall pay all fees, costs and charges due in connection therewith. Where required under Applicable Law or requested by the Owner in its discretion, Governmental Approvals shall be obtained in the name of the Owner, name the Owner as a co-permittee or recognize the Owner as beneficiary of the Governmental Approval, and in connection therewith, the Design-Builder shall: (1) prepare the application and develop and furnish all necessary supporting material; (2) supply all data and information which may be required; (3) familiarize itself with the terms and conditions thereof; (4) attend all required meetings and hearings and, at the request of the Owner, assume the lead role in handling any such meetings and hearings; and (5) take all other action necessary in obtaining, maintaining, renewing, extending and complying with the terms thereof. All permit and filing fees required in order to obtain and maintain the Governmental Approvals (other than Governmental Approvals required as a result of an Uncontrollable Circumstance or to be obtained by the Owner pursuant to Appendix 3 (Governmental Approvals)), shall be paid by the Design-Builder, regardless of the identity of the applicant or permittee. The Design-Builder shall not disadvantage the Owner in any application, data submittal or other communication with any Governmental Body regarding any Governmental Approval. The Owner shall have the right to attend any proceedings associated with a Governmental Approval. The final terms and conditions of any Governmental Approval to be obtained and maintained by the Design-Builder shall be subject to the Owner's approval, which approval shall not be unreasonably withheld or delayed.

(B) Data and Information. All data, information and action required to be supplied or taken by the Design-Builder in connection with the Governmental Approvals shall be supplied and taken on a timely basis considering the requirements of Applicable Law and the responsibilities of the Owner as the legal and beneficial owner of the Design-Build Improvements. The data and information supplied by the Design-Builder to the Owner and all Governmental Bodies in connection therewith shall be correct and complete in all material respects, and shall be submitted in draft form to the Owner at least five Business Days prior to submitting such data and information to the applicable Governmental Body to allow full and meaningful review and comment by the Owner. The Design-Builder shall be responsible for any schedule and cost consequences which may result from the submission of materially incorrect or incomplete information.

(C) Non-Compliance and Enforcement. The Design-Builder shall report to the Owner and, as appropriate, other Governmental Bodies, immediately upon obtaining knowledge thereof, all violations of the terms and conditions of any Governmental Approval, Environmental

Mitigation Measures or Applicable Law pertaining to the Design-Build Improvements. Any unexcused non-compliance with regulatory standards imposed by Governmental Approvals, Environmental Mitigation Measures or Applicable Law shall constitute a breach of this Design-Build Agreement and may be enforced as such by the Owner irrespective of any regulatory enforcement inaction or action by any Governmental Body.

(D) Reports to Governmental Bodies. The Design-Builder shall prepare all reports, make all information submittals and provide all notices to all Governmental Bodies required by all Governmental Approvals, Environmental Mitigation Measures and under Applicable Law with respect to the Design-Build Work. Such reports shall contain all information required by the Governmental Body, and may be identical to comparable reports prepared for the Owner, if such are acceptable to the Governmental Body. The Design-Builder first shall provide the Owner with copies of such regulatory reports for review, comment and signature, as applicable, at least five Business Days before their filing with the Governmental Body, and then with the Governmental Body; provided, however, that if Applicable Law requires immediate filing with the Governmental Body, the Design-Builder shall provide such copies to the Owner concurrently with the filing with the Governmental Body. The Design-Builder shall certify to the Owner the accuracy and completeness of all reports, submittals, data and other information proposed for filing.

(E) Potential Regulatory Change. The Design-Builder shall keep the Owner regularly advised as to potential changes in regulatory requirements affecting the Design-Build Work of which the Design-Builder has knowledge, and shall provide recommended responses to such potential changes so as to mitigate any possible adverse economic impact on the Owner should a Change in Law actually occur.

(F) Assistance to the Owner. The Design-Builder, at its cost and expense, shall cooperate with and assist the Owner in obtaining and maintaining all Governmental Approvals that are the responsibility of the Owner, as set forth in Appendix 3 (Governmental Approvals). Such cooperation and assistance shall include compliance with any specific requirements set forth in Appendix 3 (Governmental Approvals) and providing to the Owner and all appropriate Governmental Bodies all data, information, plans and documentation that are within its possession or control (including all information specific to the Design-Build Work that may exist or be required by such Governmental Bodies to be developed), which may be required in order to properly apply for, obtain and maintain such Governmental Approvals. All such data, information, plans and documentation shall be correct and complete in all material respects and, as applicable, shall be developed by the Design-Builder in accordance with the Contract Standards.

(G) Limited Permitting Assistance by the Owner. The Owner shall provide reasonable assistance to the Design-Builder in connection with the Design-Builder's obligation to obtain and maintain the Governmental Approvals required to be obtained by the Design-Builder under this Section, including signing permit applications, attending public hearings as necessary and meetings of the Governmental Bodies charged with issuing the Governmental Approvals, and providing the Design-Builder with existing relevant data and documents that are within the Owner's custody or control or are reasonably obtainable by the Owner and which are reasonably required for such purpose; provided, however, that the Owner's obligation to provide

such reasonable assistance shall be limited, in light of the Design-Builder's primary role in the permitting and development of the Design-Build Improvements, only to those actions which are legally required to be taken by the Owner as permittee or co-permittee or which involve providing information which is in the possession of or reasonably obtainable by the Owner. Any such assistance shall be provided only upon the reasonable request of the Design-Builder made directly to the Owner, and the Owner shall have no affirmative obligation independently to initiate or to provide such assistance. This covenant shall not obligate the Owner to staff the Design-Builder's permitting or development efforts, to undertake any new studies or investigations with respect to the Design-Build Improvements, or to affirmatively seek to obtain the issuance of the Governmental Approvals required to be obtained by the Design-Builder pursuant to this Section.

(H) Design-Builder Assumption of Permitting Risk for Design-Build Work; Limitations. The Design-Builder explicitly assumes the risk of obtaining and maintaining the Governmental Approvals required to be obtained by the Design-Builder pursuant to this Section, including the risk of delay, non-issuance or the imposition of any term or condition in connection therewith by a Governmental Body; provided, however, that the Design-Builder shall be afforded relief from the assumption of such risk (1) upon the occurrence of any Change in Law, and (2) with respect to all Governmental Approvals other than the New Domestic Water Supply Permit which permit is addressed in subsection 4.2(D) (Design-Builder Assumption of Risk), to the extent provided under subsections (I) and (J) of this Section. In assuming this risk, the Design-Builder acknowledges in particular that (except as otherwise specifically provided in this Section) the delay or non-issuance of any Governmental Approval required for the commencement of construction will have the effect of compressing the period within which the completion of construction, testing and all other Design-Build Work must be completed hereunder in order to avoid delay liquidated damages pursuant to Section 4.5 (Scheduled Acceptance Date and Delay Liquidated Damages) and termination pursuant to Article 8 (Breach, Default, Remedies, and Termination). The Design-Builder further acknowledges that a Governmental Body, in issuing any Governmental Approval, may impose terms and conditions which require the Design-Builder to make changes or additions to the Design-Build Work which may increase the cost, time or risk to the Design-Builder of performing the Design-Build Work, all of which costs, delays or risks shall be for the account of and borne by the Design-Builder (except as otherwise specifically provided in this Section). Any such terms and conditions that impose requirements that are different from or that are in addition to those imposed by the Design and Construction Requirements and that are within the discretion of such Governmental Body without a formal change of regulation or law shall not constitute a Change in Law, and any changes to the Design-Build Work resulting therefrom shall be subject to review and approval by the Owner, acting reasonably.

(I) Uncontrollable Circumstance Relief Associated with Certain Permitting Obligations. If in seeking to obtain a Governmental Approval set forth in subsection (J) of this Section other than the New Domestic Water Supply Permit, (1) the Design-Builder has complied with the requirements of this Design-Build Agreement; (2) the Design-Builder has submitted all applications, data, studies, reports, responses and other information required under Applicable Law and the adopted administrative practice of the Governmental Body in order to obtain the Governmental Approval; (3) the Design-Builder has in all respects used its best efforts to obtain

the Governmental Approval; (4) the Design-Builder has consistently maintained a fully responsive, engaged relationship with the staff of the Governmental Body in a manner that is recognized as necessary to securing similar permits in a timely manner in light of the discretion accorded Governmental Bodies under administrative law; and (5) there has been a failure to issue a Governmental Approval by the Assumed Approval Issuance Date set forth in Table 3-6 below, then the Design-Builder shall be entitled to an adjustment to the Scheduled Acceptance Date and to recover incremental daily general condition costs to the extent provided in subsection (J) of this Section. Notwithstanding the above, the Design-Builder shall not be entitled to an adjustment to the Scheduled Acceptance Date or additional cost recovery if the failure or delay in obtaining any Governmental Approval is the result of the quality, timeliness, or completeness of the submittal application or of the nature of the design or approach reflected in such submittals.

(J) Assumed Approval Issuance Dates. The Design-Builder shall submit completed applications for each of the Governmental Approvals listed below in Table 3-6 by the applicable “Governmental Approval Application Submission Date”, stated in Table 3-6 as the number of days following the Contract Date. The “Assumed Approval Issuance Date” is the date by which the applicable Governmental Approval is expected to be obtained, as measured from the Application Submission Date and assuming completed application submittals in accordance with Applicable Law and the adopted administrative practice of the applicable Governmental Body by the applicable Governmental Approval Application Submission Date. The Scheduled Acceptance Date shall be adjusted to account for the number of days of delay by a Governmental Body in issuing any required Governmental Approval listed below in Table 3-6 beyond the Assumed Approval Issuance Date, reduced by (1) the number of days of Design-Builder delay in submitting a complete application in accordance with this Section beyond the applicable Governmental Approval Application Submission Date, and (2) the number of days of any Governmental Body delay in issuing the required Governmental Approval due to the failure of the Design-Builder to exercise reasonable diligence in accordance with this Section in securing the Governmental Approval following submittal of the complete application, but only to the extent any such Governmental Body delay actually causes delay in the Design-Builder’s critical path completion schedule after the exercise of all reasonable mitigation efforts by the Design-Builder. In addition, the Design-Builder shall be entitled to an adjustment of the Fixed Design-Build Price equal to the Design-Builder’s reasonable daily general conditions costs, subject to Cost Substantiation in accordance with Section 11.9 (Cost substantiation), for the number of days of delay caused by the applicable Governmental Body, as calculated in accordance with this subsection. The Design-Builder shall bear the burden of proving any claim of entitlement to an adjustment under this Section. Except as specifically provided for in this Section, no delay by a Governmental Body in issuing a required Governmental Approval shall entitle the Design-Builder to any price adjustment, schedule relief or any other relief from its performance obligations hereunder. This subsection (J) does not apply to delays in obtaining the New Domestic Water Supply Permit which permit is addressed in subsection 4.2(D) (Design-Builder Assumption of Risk). The Design-Builder shall promptly and regularly inform the Owner as matters arise which may culminate in any such claim in order to permit timely intervention by the Owner should it so elect.

Table 3-6

Governmental Approval	Issuing Agency	Governmental Approval Application Submission Date (Number of days from Contract Date)	Assumed Approval Issuance Date (Number of days following Date of Application Submittal)

[Note: Table to be completed based on information provided in Proposal Form 23]

SECTION 3.7. APPROVED TECHNOLOGY AND PILOT TESTING.

The Design-Builder shall be responsible for using technology approved by CDPH for sea water treatment and for performing any testing required by any Governmental Body in connection with any Governmental Approval at its sole cost and expense. The Design-Builder specifically bears all risk associated with any requirements imposed by a Governmental Body with respect to technology and with respect to testing. The Design-Builder shall not be entitled to rely on, and the Owner shall have no liability with respect to, any testing data produced by the Owner prior to the Contract Date.

SECTION 3.8. CDPH REQUIREMENTS.

The parties acknowledge that a New Domestic Water Supply Permit is not required under Applicable Law to commence and complete the Design-Build Work, but that obtaining the New Domestic Water Supply Permit is a requirement before Finished Water produced through the use of the Design-Build Improvements can be supplied to the Owner’s customers and must be obtained in order to achieve Acceptance. The obligations of the parties with respect to obtaining the New Domestic Water Supply Permit are set forth in Section 4.2 (Interim Operations Approval and New Domestic Water Supply Permit). The Design-Builder acknowledges that CDPH intends to provide comments and advice to the Design-Builder concerning the Design-Build Work throughout the Design-Build Period and that such comments and advice are likely to have a bearing on the ability of the parties to obtain the New Domestic Water Supply Permit. Accordingly, the Design-Builder shall cooperate with CDPH throughout the Design-Build Period and shall provide all reasonably requested information relating to the Design-Build Improvements to CDPH in accordance with Section 3.7 (Approved Technology) and 4.2 (Interim Operations Approval and New Domestic Water Supply Permit) If the Design-Builder believes that a request is unreasonable, it shall immediately notify the Owner. The Design-Builder explicitly bears the risk of proceeding in contravention of any comments or advice from CDPH, whether such comments or advice rise to the level of Applicable Law or otherwise. The Design-Builder shall assume all risks set forth in subsection 4.2(D) (Design-Builder Assumption of Risk) with respect to the New Domestic Water Supply Permit.

SECTION 3.9. DESIGN-BUILDER DESIGN – GENERAL.

(A) Performance of the Design Work. The Design-Builder agrees to undertake, perform, and complete the designs and plans for the Design-Build Improvements in accordance with the Contract Standards and shall prepare all Design Documents necessary or appropriate to carry out and complete the Design-Build Work. The Design-Builder shall make all design submittals to the Owner in accordance with this Section and Appendix 6 (Design-Build Work Review Procedures).

(B) Sole Responsibility and Liability. The Design-Builder shall have the sole and exclusive responsibility and liability for the design, construction and performance of the Design-Build Improvements hereunder and the preparation of all plans, specifications, drawings, blueprints and other Design Documents necessary or appropriate to complete the Design Build Work. As of the Contract Date, the Design-Builder's design for the Design-Build Improvements is not complete. All working and final Design Documents proposed by the Design-Builder shall comply with the Design and Construction Requirements set forth in Appendix 2 (Design and Construction Requirements) and shall ensure that the Design-Build Improvements are constructed to a standard of quality, integrity, durability and reliability which is equal to or better than the standard established by the Design and Construction Requirements. The Design-Builder shall be responsible for the professional quality, technical accuracy, timely completion and coordination of all Design Documents and shall, without additional compensation, correct or revise any errors, omissions or other deficiencies in the Design Documents.

(C) Owner Review and Comment on Design Documents. The Design-Builder shall provide the Owner with the design submittal protocol in accordance with the specific requirements set forth in Appendix 6 (Design-Build Work Review Procedures). The Owner shall have the right to review and comment on all Design Documents as provided in Appendix 6 (Design-Build Work Review Procedures) in order to confirm the compliance and consistency of the Design Documents with the Design and Construction Requirements and the other Contract Standards. In no event shall the Design-Builder proceed with the physical construction of any particular segment of the Design-Build Work without first complying with the requirements of the design submittal protocol and Appendix 6 (Design-Build Work Review Procedures). The Design-Builder shall give due consideration and provide written responses, in the time and manner provided in Appendix 6 (Design-Build Work Review Procedures), to any comments delivered by the Owner as to the Design-Builder's design submittals. Neither compliance by the Design-Builder with the Design and Construction Requirements, nor review and comment by the Owner of the Design-Builder's Design Documents, nor any failure or delay by the Owner in commenting on any design submittals shall in any way relieve the Design-Builder of full responsibility for the design, construction, and performance of the Design-Build Improvements in accordance with the Contract Standards.

(D) Owner Interest in the Design and Construction Requirements. The Design-Builder acknowledges the Owner's material interest in each provision of the Design and Construction Requirements and, notwithstanding the Acceptance Standards and Requirements of the Design-Builder and the associated non-performance remedies of the Owner, agrees that no change to the Design and Construction Requirements shall be made except with the consent of the Owner, which may be withheld or conditioned in its discretion. Any such changes shall be

evidenced by a Contract Administration Memorandum, Design-Build Agreement Amendment, or Change Order, as applicable. The Owner reserves the right to review and comment upon the final design of the Design-Build Improvements insofar as it relates to all matters of architectural treatment and exterior visual aesthetics, so as to assure that the appearance of the Design-Build Improvements is in compliance with Appendices 2 (Design and Construction Requirements) and 4 (General Design-Build Work Requirements) with respect to such matters.

(E) Documents at the Project Site. The Design-Builder shall maintain at the Project Site all design and construction documents, including a complete set of record drawings, in accordance with Appendix 4 (General Design-Build Work Requirements). These documents shall be available to the Owner for reference, copying and use, and a complete set thereof shall be delivered to the Owner upon completion of the Design-Build Work.

(F) Value Engineering. Upon completion of the design to the thirty percent (30%) level, the design will be vetted through a value engineering process as described in Appendix 4 (General Design-Build Work Requirements). The entire value engineering process shall take no longer than 60 days.

SECTION 3.10. CHANGES TO THE DESIGN AND CONSTRUCTION REQUIREMENTS.

(A) Changes Made at Design-Builder Request. The Design-Builder shall give the Owner written notice of, and reasonable opportunity to review and comment upon, any changes to the Design and Construction Requirements proposed to be made at the Design-Builder's request. The notice shall contain sufficient information for the Owner to determine that the change to the Design and Construction Requirements: (1) does not diminish the capacity of the Design-Build Improvements to be operated so as to meet the Contract Standards; (2) does not impair the quality, integrity, durability and reliability of the Design-Build Improvements; (3) is reasonably necessary or is advantageous for the Design-Builder to fulfill its obligations under this Design-Build Agreement; and (4) is feasible. The Owner shall have the absolute right to accept, reject or modify any proposed Design and Construction Requirements change. Any such proposed Design and Construction Requirements change accepted or modified by the Owner ("Design and Construction Requirement Change"), and any related change in the terms and conditions of this Design-Build Agreement, shall be reflected in a Change Order.

(B) Changes Made Due to Uncontrollable Circumstances. Upon the occurrence of an Uncontrollable Circumstance prior to the Acceptance Date, the Owner shall promptly proceed, subject to the terms, conditions and procedures set forth in Section 9.3 (Uncontrollable Circumstances - Entitlement to Relief), to issue a Change Order that reflects all Design and Construction Requirement Changes reasonably necessary to address the Uncontrollable Circumstance. The Design-Builder shall consult with the Owner concerning possible means of addressing and mitigating the effect of any Uncontrollable Circumstance, and the Design-Builder and the Owner shall cooperate in order to minimize any delay, lessen any additional cost and modify the Design-Build Improvements so as to permit the Design-Builder to continue providing the Design-Build Work in light of such Uncontrollable Circumstance. The design and construction costs resulting from any such Design and Construction Requirement Change shall be borne by the Owner, except to the extent provided in Section 9.3

(Uncontrollable Circumstances - Entitlement to Relief). Any Design and Construction Requirement Change made on account of Uncontrollable Circumstances and any related change in the terms and conditions of this Design-Build Agreement, shall be reflected in a Change Order.

(C) Changes Required by Governmental Bodies. The parties recognize that a Governmental Body may impose terms and conditions in connection with a Governmental Approval that require a Design and Construction Requirement Change. If the imposition of any such additional terms and conditions imposed by a Governmental Body, the Owner shall promptly proceed to issue a Change Order that reflects all Design and Construction Requirement Changes reasonably necessary to comply with such additional terms and conditions. Pursuant to and to the extent provided in Section 3.6 (Design-Build Work Permitting Responsibilities) and 4.2 (Interim Operations Approval and New Domestic Water Supply Permit), the Design-Builder shall bear the risk of the imposition of any such additional terms and conditions imposed by a Governmental Body in connection with a Governmental Approval. Accordingly, the design and construction costs resulting from any Design and Construction Requirement Change required under this Section shall be borne by the Design-Builder. Any such Design and Construction Requirement Change and any related change in the terms and conditions of this Design-Build Agreement shall be reflected in a Change Order.

(D) Changes Made at Owner Direction. The Owner shall have the right to make Design and Construction Requirement Changes at any time prior to the Acceptance Date at its own discretion for any reason whatsoever, whether and however the exercise of such rights affects this Design-Build Agreement so long as the Design-Builder's rights are protected as provided in subsection (F) of this Section. Except as provided in subsection (C) of this Section, the design and construction costs resulting from any such Design and Construction Requirement Change made at the Owner's direction under this Section shall be borne by the Owner through a Design-Build Price Adjustment. Any such Design and Construction Requirement Change and any related change in the terms and conditions of this Design-Build Agreement shall be reflected in a Change Order. The Owner shall have no obligation to make any Design and Construction Requirement Change under this subsection.

(E) Capacity Reduction Election. The Owner shall have the right at any time prior to the Construction Date to elect to reduce the capacity of the Design-Build Improvements in accordance with the Capacity Reduction Modifications set forth in Appendix 2 (Design and Construction Requirements). Upon such an election, the Fixed Design-Build Price will be adjusted in accordance with subsection 5.1(C) (Fixed Design-Build Price Adjustments).

(F) Design-Builder Non-Impairment Rights. No Design and Construction Requirement Change, other than a Design-Builder requested Design and Construction Requirement Change or the Capacity Reduction Modification, shall be made that materially impairs any right, materially impairs the ability to perform, imposes any material additional obligation or liability, or materially increases the costs of the Company hereunder unless the parties agree to appropriate reasonable price and/or other reasonable adjustments in connection with such Design and Construction Requirement Change. The Design-Builder shall have no right to object to such Design and Construction Requirement Change, however, if the Owner

affords the Design-Builder any price, schedule, performance and other relief necessary to avoid any such material effect.

SECTION 3.11. COMPLIANCE WITH APPLICABLE LAW.

(A) Compliance with Applicable Law and Equipment Operating Requirements. In designing, constructing, commissioning, starting up and testing the Design-Build Improvements, the Design-Builder shall comply with Applicable Law, shall construct, commission, and start-up all equipment and systems comprising the Design-Build Improvements, as applicable, in accordance with the Contract Standards and applicable equipment manufacturer's specifications and recommendations, and such other safety requirements set forth in Appendix 4 (General Design-Build Work Requirements).

(B) Registration, Licensing and Certification Requirements. The Design-Builder shall ensure that all persons performing Design-Build Work, including all Subcontractors, comply with all registration, licensing and certification requirements imposed by any Governmental Body and Applicable Law.

(C) Compliance with Conditions in Governmental Approvals. The Design-Builder shall comply with all conditions and requirements of all Governmental Approvals required to be made, obtained or maintained under Applicable Law in connection with the continuance of the Design-Build Work.

(D) Governmental Approvals Necessary for Continued Construction. The Design-Builder shall make all necessary filings, applications and reports necessary to obtain and maintain all Governmental Approvals required to be made, obtained or maintained under Applicable Law in connection with the continuance of the Design-Build Work after it has commenced. The Owner, subject to the limitations set forth in subsection 3.6(G) (Limited Permitting Assistance by the Owner), shall cooperate with the Design-Builder in connection with the foregoing undertaking.

(E) Prevailing Wages and Labor Compliance Program. The Design-Builder shall pay prevailing wage rates. The general prevailing wage rates for the Design-Build Work are available on the California Department of Industrial Relations' website at <http://www.dir.ca.gov>, copies of which are on file at the offices of Owner and are available to the Design-Builder or any interested party upon request. Pursuant to Public Resources Code section 75075 and Labor Code section 1771.5(b), the Design-Build Work is subject to a statutory requirement to adopt and enforce a labor compliance program for the monitoring and enforcement of prevailing wage requirements. The Design-Builder shall, at no additional cost to Owner, comply with labor compliance program requirements. The Design-Builder is responsible for all failures by Subcontractors to comply with labor compliance program requirements. Pursuant to section 1773 of the California Labor Code, the general prevailing wage rates in the county in which the Design-Build Work is to be done have been determined by the Director of the California Department of Industrial Relations.

(F) CWSRF Funding Responsibilities.

(1) Application and Submittals. The Owner shall submit all filings, applications and reports necessary to obtain reimbursement from the CWSRF for the Design-Build Improvements.

(2) Design-Builder Responsibilities. The Design-Builder shall be responsible for cooperating with and assisting the Owner in all activities related to the CWSRF Loan Agreement including:

(a) coordinating with the Owner or the Owner's consultant on the schedule and content of the submittals required for the CWSRF program;

(b) assisting the Owner or the Owner's consultant in developing and furnishing all necessary supporting material;

(c) supplying all data and information which may be required;

(d) familiarizing itself with the terms and conditions of the CWSRF program relating to construction activities and practices;

(e) complying with the terms and conditions of the CWSRF Loan Agreement or other financing document required by the CWSRF program or by Applicable Law with respect to construction activities and practices;

(f) preparing all plans associated with the Project required by the CWSRF Loan Agreement and the applicable regulations of the CWSRF program;

(g) attending meetings, as necessary, with State Water Resources Control Board and other Governmental Bodies; and

(h) taking all other action necessary or otherwise reasonably requested by the Owner or the Owner's consultant in order to assist and support the Owner related to the SRF financing for the Design-Build Improvements.

The Design-Builder shall take all actions necessary to comply with the conditions to disbursement of proceeds of the CWSRF Loan Agreement and to maximize the Owner's eligibility to receive timely reimbursement under the CWSRF Loan Agreement.

(3) Data and Information. All data, information and action required to be supplied or taken in connection with any CWSRF financing shall be supplied and taken on a timely basis considering the CWSRF requirements at the Design-Builder's sole cost and expense. The data and information supplied by the Design-Builder to the Owner or the Owner's consultant and the State Water Resources Control Board in connection therewith shall be correct and complete in all material respects and shall be submitted in draft form to the Owner or the Owner's consultant sufficiently in advance to allow full and meaningful review and comment by the Owner. The Design-Builder shall be responsible for any schedule and cost consequences which may result from the

submission of materially incorrect or incomplete information. The Owner reserves the right to reject, modify, alter, amend, delete or supplement any information supplied by the Design-Builder pursuant to this Section.

(4) Design Packages. The Design-Builder shall be responsible for preparing design packages pursuant to the requirements of the State Water Resources Control Board, and in accordance with Appendix 6 (Design-Build Work Review Procedures), in connection with any application for obtaining reimbursement for the Design-Build Improvements under the CWSRF Loan Agreement. The design packages shall include, but not be limited to, all plans, drawings, mapping, inspections, models, studies, reports, analyses and cost estimates required by the State Water Resources Control Board.

(5) CWSRF Requirements. In performing its CWSRF-related responsibilities as set forth herein, the Design-Builder shall do so in a manner which complies with all CWSRF program requirements. The Owner will make filings to the State Water Resources Control Board. All CWSRF related submittals to be prepared by the Design-Builder as set forth herein shall be delivered to the Owner or the Owner's consultant for its review and comment.

(G) Fines, Penalties and Remediation. Except to the extent excused by Uncontrollable Circumstances, if the Design-Builder or any Subcontractor fails at any time to comply with Applicable Law with respect to the Design-Build Work, the Design-Builder shall: (1) immediately correct such failure and resume compliance with Applicable Law; (2) pay any resulting fines, assessments, levies, impositions, penalties or other charges; (3) indemnify, defend and hold harmless the Owner Indemnitees in accordance with Section 9.5 (Indemnification by the Design-Builder) from any Loss-and-Expense resulting therefrom; (4) make all changes in performing the Design-Build Work which are necessary to assure that the failure of compliance with Applicable Law will not recur; and (5) comply with any corrective action plan filed with or mandated by any Governmental Body in order to remedy a failure of the Design-Builder to comply with Applicable Law.

SECTION 3.12. CONSTRUCTION PRACTICE.

The Design-Builder shall perform the Design-Build Work in accordance with the Contract Standards and shall have exclusive responsibility for all construction means, methods, techniques, sequences, and procedures necessary or desirable for the correct, prompt, and orderly prosecution and completion of the Design-Build Work as required by this Design-Build Agreement. The responsibility to provide the construction means, methods, techniques, sequences and procedures referred to above shall include the obligation of the Design-Builder to provide the following construction requirements: temporary offices and construction trailers; required design certifications; required approvals; weather protection; clean-up and housekeeping of the Project Site; construction trade management; temporary parking (beyond any parking provided by the Owner); vehicle traffic; safety and first aid facilities and equipment; correction of or compensation for defective work or equipment; Subcontractors' insurance; storage areas; workshops and warehouses; temporary fire protection; security of the Project Site; telecommunications, temporary utilities; potable water; sanitary services; Subcontractor and vendor qualification; receipt and unloading of delivered materials and equipment; erection

rigging; temporary supports; snow removal and construction coordination. The materials, machinery, structures, improvements, and equipment to be furnished as part of the Design-Build Improvements shall be new, of recent manufacture, and of good quality.

SECTION 3.13. ENGAGEMENT OF OWNER'S REPRESENTATIVE.

(A) Duties. The Design-Builder shall fully cooperate with any Owner's Representative in connection with the administration of this Design-Build Agreement and the performance of the duties of the Owner's Representative hereunder. One of the Owner's Representatives shall be the Resident Project Representative as defined in subsection 6.6.7 of Appendix 6 (Design-Build Work Review Procedures). In the performance of such services, the Design-Builder agrees that the Owner's Representative may, without limiting other possible services to the Owner: review and monitor construction progress, payments and procedures; determine the completion of specified portions of the Design-Build Work; review proposed changes to the Design and Construction Requirements; review plans, drawings and specifications of the Design-Build Improvements for compliance with the Design and Construction Requirements; monitor the Acceptance Tests undertaken by the Design-Builder and review the Design-Builder's certified Acceptance Test report to determine whether the Acceptance Standards and Requirements have been satisfied pursuant to Article 4 (Acceptance of the Design-Build Improvements) and Appendix 7 (Acceptance Test Procedures and Requirements); review the validity of the Design-Builder's written notice that an Uncontrollable Circumstance has occurred; and provide certificates and perform such other duties as may be specifically conferred on the Owner's Representative hereunder. It is understood that the services intended to be provided by the Owner's Representative shall be of an observational and review nature only, and that the Owner's Representative shall not have authority to interfere with, halt or delay in any way the construction of the Design-Build Improvements or to require or approve changes to the Design and Construction Requirements or the Design-Builder's plans and specifications made in accordance therewith. Notwithstanding the above, the Owner's Representative shall be permitted to stop work if a safety or other emergency concern arises.

(B) Role and Communications. The parties acknowledge that no decision of the Owner's Representative shall be binding upon the Owner except upon confirmation in writing by the Owner's Contract Administrator.

(C) Fees and Expenses. Any fees and expenses of the Owner's Representative shall be paid by the Owner. Any such fees, however, shall be reimbursed by the Design-Builder to the Owner (together with allocable costs of Owner personnel) to the extent any such fees and expenses are attributable to the failure of the Design-Builder to cause Acceptance to occur on or before the Scheduled Acceptance Date. The Design-Builder also shall reimburse the Owner for the reasonable fees and expenses of the Owner's Representative and costs of Owner personnel and other consultants for services, including overtime, in connection with repetition of any Acceptance Tests unless such additional or repeated Acceptance Tests are required as a result of Uncontrollable Circumstances.

SECTION 3.14. CONSTRUCTION MONITORING, OBSERVATIONS,
TESTING AND UNCOVERING OF WORK.

(A) Observation and Design Review Program. During the progress of the Design-Build Work through Final Completion, the Design-Builder shall at all times afford the Owner, Owner's Representative and appropriate Governmental Bodies every reasonable opportunity for observing all Design-Build Work, and shall comply with the Design-Build Work review procedures set forth in Appendix 6 (Design-Build Work Review Procedures) and the Design-Build Quality Management Plan. The Design-Builder shall use its best efforts to provide Owner, Owner's Representative, and Governmental Body employees with safe access to the Design-Build Work. During any such observation, all representatives of the Owner and the Owner's Representative shall comply with the Design-Builder's site-specific health and safety plan for the Design-Build Work applicable to areas visited, and shall in no material way interfere with the Design-Builder's performance of any Design-Build Work.

(B) Design-Builder Tests and Inspections. The Design-Builder shall conduct all tests of the Design-Build Work (including shop tests) or inspections required by the Contract Standards. The Design-Builder shall give the Owner and the Owner's Representative reasonable advance notice (at least 10 Business Days, unless waived or shortened by the Owner) of tests or inspections prior to the conduct thereof; provided, however, that in no event shall the inability, failure or refusal to attend or be present of the Owner or the Owner's Representative at or during any such test or inspection delay the conduct of such test or inspection or the performance of the Design-Build Work. The Design-Builder shall engage an Engineer (or, as appropriate, architect licensed in the State and acceptable to the Owner) at its sole cost and expense to conduct or witness any such test or inspection. All analyses of test samples shall be conducted by persons appearing on lists of laboratories authorized to perform such tests by the State or federal agency having jurisdiction and shall be subject to the approval of the Owner, which approval shall not be unreasonably withheld. In addition to the foregoing, Acceptance Testing of the performance of the completed Design-Build Improvements shall be conducted in accordance with Article 4 (Acceptance of the Design-Build Improvements) and Appendix 7 (Acceptance Test Procedures and Requirements).

(C) Owner Tests, Observations and Inspections. The Owner and the Owner's Representative, and their respective employees, agents, representatives and contractors (which may be selected in their discretion), and all Governmental Bodies having lawful jurisdiction, may at any reasonable time and with reasonable notice conduct such observations and inspections, and such civil, structural, mechanical, electrical, chemical, or other tests, as the Owner deems necessary or desirable to ascertain whether the Design-Build Work complies with this Design-Build Agreement. Such observations, inspections and tests may be conducted on-site or anywhere off-site, and may include factory inspections of piping and equipment. The costs of such test, observation or inspection shall be borne by the Owner unless such test, observation or inspection reveals a material failure of the Design-Build Work to comply with this Design-Build Agreement or Applicable Law, in which event the Design-Builder shall bear all reasonable costs and expenses of such observation, inspection or test. If any requested test, observation or inspection causes a material delay in the construction schedule, the Scheduled Acceptance Date shall be adjusted to reflect the actual period of time needed for completion as

directly caused by the requested testing, but only if such testing, observation or inspection does not reveal any material failure or non-compliance as set forth herein.

(D) Certificates and Reports. The Design-Builder shall secure and deliver to the Owner promptly, at the Design-Builder's sole cost and expense, all required certificates of inspection, test reports, work logs, certified payroll and approvals with respect to the Design-Build Work as and when required by the Contract Standards. The Design-Builder shall provide to the Owner, immediately after the receipt thereof, copies of any notice of default, breach or non-compliance received by the Design-Builder under or in connection with any Governmental Approval, Subcontract or Security Instrument pertaining to the Design-Build Period.

(E) Notice of Covering Design-Build Work. The Design-Builder shall give the Owner and the Owner's Representative notice of its upcoming schedule with respect to the covering and completion of any Design-Build Work, and shall update such notice, if necessary, within a reasonable time period (at least five Business Days) before such covering and completion. The Owner shall give the Design-Builder reasonable notice (a minimum of 72 hours) of any intended inspection or testing of such Design-Build Work in progress prior to its covering or completion, which notice shall be sufficient to afford the Owner and the Owner's Representative a reasonable opportunity to conduct a full inspection of such Design-Build Work. At the Owner's written request, the Design-Builder shall take apart or uncover for inspection or testing any previously-covered or completed Design-Build Work; provided, however, that the Owner's right to make such requests shall be limited to circumstances where there is a reasonable basis for concern by the Owner as to whether the disputed Design-Build Work complies with the requirements of this Design-Build Agreement. The cost of uncovering, taking apart, or replacing such Design-Build Work along with the costs related to any delay in performing Design-Build Work caused by such actions, shall be borne as follows:

(1) by the Design-Builder, if such Design-Build Work was covered prior to any observation or test required by the Contract Standards or prior to any observation or test for which the Owner was not provided reasonable advance notice hereunder and did not have the appropriate observers observe the test; and

(2) in all other cases, as follows:

(a) by the Design-Builder, if such observation or test reveals that the Design-Build Work does not comply with this Design-Build Agreement; or

(b) by the Owner, if such observation or test reveals that the Design-Build Work complies with this Design-Build Agreement.

If such Design-Build Work does comply with this Design-Build Agreement, the delay caused by such observation or test shall be treated as having been caused by an Uncontrollable Circumstance and any costs incurred with respect to such observation or test shall be borne by the Owner (through and only through a Design-Build Price Adjustment).

(F) Meetings and Design-Build Work Review. During the Design-Build Period, the Design-Builder and the Owner shall conduct periodic meetings in accordance with

this Section and Appendix 4 (General Design-Build Work Requirements). The Design-Builder, the Owner and the Owner's Representative shall conduct management meetings on at least a monthly basis, and shall conduct construction progress meetings on a weekly basis as set forth in Appendix 4 (General Design-Build Work Requirements). Such meeting shall take place in a field office or other suitable location at the Project Site to be provided by the Design-Builder. Representatives of any Governmental Bodies having lawful jurisdiction shall be permitted to attend and participate in all such meetings. At such meetings, discussions will be held concerning all aspects of the design, construction and testing of the Design-Build Improvements including, but not limited to, construction schedule, progress payments, Design and Construction Requirement Changes, shop drawings, progress photographs, and any soil boring data and shop test results. A monthly progress report containing all relevant information as required by subsection 3.1(D) (Schedule and Reports) and Appendix 4 (General Design-Build Work Requirements), shall be prepared by the Design-Builder and provided to the Owner and the Engineer at least five days prior to each monthly meeting. The Construction Superintendent or a Senior Supervisor, as appropriate, shall attend a meeting with the Governance Committee at least once per month.

SECTION 3.15. CORRECTION OF DESIGN-BUILD WORK.

(A) Correction of Non-Conforming Design-Build Work. Throughout the Design-Build Period, the Design-Builder shall complete, repair, replace, restore, re-perform, rebuild and correct promptly any Design-Build Work which does not conform with the Contract Standards. If the Design-Builder fails to complete, repair, replace, restore, re-perform, rebuild and correct promptly, any such Design-Build Work, the Owner shall give to the Design-Builder written notice of the need to correct such non-conforming Design-Build Work. The Design-Builder shall have the right to object to the Owner's determination within five days of receipt of the Owner notice, and either party may elect to initiate dispute resolution procedures in accordance with Article 7. Notwithstanding the Design-Builder's right of objection, upon receipt of Owner notice pursuant to this subsection, the Design-Builder shall, without being deemed to have waived such objection, at its cost and expense, complete, repair, replace, restore, re-perform, rebuild and correct promptly the non-conforming Design-Build Work. The failure of the Design-Builder to do so shall constitute Design-Builder Fault under the terms of this Design-Build Agreement.

(B) Costs of Correction. The costs of correcting rejected or omitted Design-Build Work shall be borne by the Design-Builder. If it is determined by the parties or through dispute resolution pursuant to Section 8.12 (Non-Binding Dispute Resolution Procedures) that the corrective action was not necessary to conform the Design-Build Work with the requirements of this Design-Build Agreement, the Owner shall reimburse the Design-Builder for its costs and expenses incurred in correcting the Design-Build Work, subject to Cost Substantiation, and the Scheduled Acceptance Date shall be extended to reflect delays caused by such corrective work.

(C) Election to Accept Non-Conforming Design-Build Work. The Owner may elect by Change Order, at the Design-Builder's request, to accept non-conforming Design-Build Work and charge the Design-Builder (through a Design-Build Price Adjustment) for the amount agreed upon by the parties by which the value of the Design-Builder's services or Design-Build Work has been reduced.

(D) Relation to Other Obligations. The obligations specified in this Section establish only the Design-Builder's specific obligation to correct the Design-Build Work and shall not be construed to establish any limitation with respect to any other obligations or liabilities of the Design-Builder under this Design-Build Agreement. This Section is intended to supplement (and not to limit) the Design-Builder's obligations under the Acceptance Standards and Requirements and any other provisions of this Design-Build Agreement or Applicable Law.

SECTION 3.16. DELIVERABLE MATERIAL.

As the Design-Build Work progresses (or upon the termination of the Design-Builder's right to perform the Design-Build Work), the Design-Builder shall deliver to the Owner all Deliverable Material. The provisions of Section 11.6 (Property Rights) shall apply to any Deliverable Material used by the Design-Builder in the Design-Build Work that is proprietary in nature or otherwise subject to the property rights of a third party. Deliverable Material provided to the Owner shall be the property of the Owner, and the Owner shall have the right to use, reuse, reproduce, publish, display, broadcast and distribute the Deliverable Material and to prepare derivative and additional documents or works based on the Deliverable Material without further compensation to the Design-Builder or any other party. The Owner shall have the right from and after the Contract Date to use (or permit use of) all such Deliverable Material, all oral information received by the Owner in connection with the Design-Build Work, and all ideas or methods represented by such Deliverable Material, without additional compensation. The Owner's use of any such Deliverable Material for any purpose other than the Design-Build Improvements shall be at its own risk and the Design-Builder shall have no liability therefor. For Deliverable Material provided to the Owner in paper format, upon request by the Owner, the Design-Builder agrees to provide the Deliverable Material to the Owner in an appropriate, usable and editable electronic format (e.g., Word file, Excel spreadsheet, AutoCAD file).

SECTION 3.17. PERSONNEL.

(A) Personnel Performance. The Design-Builder shall enforce discipline and good order at all times among the Design-Builder's employees and all Subcontractors. All persons engaged by the Design-Builder for Design-Build Work shall have requisite skills for the tasks assigned. The Design-Builder shall employ or engage and compensate engineers and other consultants to perform all engineering and other services required for the Design-Build Work. All firms and personnel performing Design-Build Work, including Subcontractor firms and personnel, shall meet the licensing and certification requirements imposed by Applicable Law.

(B) Construction Superintendent. The Design-Builder shall designate an employee of the Design-Builder, any Affiliate of the Design-Builder, or the Design-Builder's construction manager (the "Construction Superintendent"), who shall be present on the Project Site with any necessary assistants on a full-time basis when the Design-Builder or any Subcontractor is performing the Design-Build Work. The Construction Superintendent shall, among other things:

- (1) be familiar with the Design-Build Work and all requirements of this Design-Build Agreement;

- (2) coordinate the Design-Build Work and give the Design-Build Work regular and careful attention and supervision;
- (3) maintain a daily status log of the Design-Build Work; and
- (4) attend all construction progress meetings with the Owner and the Owner's Representative.

The Design-Builder may change the person assigned as Construction Superintendent, subject to the provisions of subsection (C) of this Section.

(C) Owner Rights with Respect to Key Design-Build Work Personnel. The Design-Builder acknowledges that the identity of the key Design-Build Work management and supervisory personnel proposed by the Design-Builder and its Subcontractors identified in Appendix 10 (Key Personnel and Approved Subcontractors) was a material factor in the selection of the Design-Builder to perform this Design-Build Agreement. Such personnel and their affiliations are set forth in Appendix 10 (Key Personnel and Approved Subcontractors). The Design-Builder shall utilize such personnel to perform such services unless such personnel are unavailable for good cause shown. "Good cause shown" shall not include performing services on other projects for the Design-Builder or any of its Affiliates, but shall include termination for cause, employee death, disability, retirement or resignation. If any such permissible unavailability, the Design-Builder shall utilize replacement key management and supervisory personnel of equivalent skill, experience and reputation. Any on-site personnel change shall be proposed to the Owner for its review, consideration and determination of compliance with this subsection with reasonable advance notice.

(D) Labor Disputes. The Design-Builder shall furnish labor that can work in harmony with all other elements of labor employed for the performance of the Design-Build Work. The Design-Builder shall have exclusive responsibility for disputes or jurisdictional issues among unions or trade organizations representing employees of the Design-Builder or its Subcontractors, whether pertaining to organization of the Design-Build Work, arrangement or subdivision of the Design and Construction Requirements, employee hiring, or any other matters. The Owner shall have no responsibility whatsoever for any such disputes or issues and the Design-Builder shall indemnify, defend and hold harmless the Owner Indemnitees in accordance with Section 9.5 (Indemnification by the Design-Builder) from any and all Loss-and-Expense resulting from any such labor dispute.

SECTION 3.18. WARRANTIES AND MAINTENANCE CONTRACTS.

The Design-Builder shall, for the protection of the Owner, obtain from all Subcontractors, vendors, suppliers and other persons from which the Design-Builder procures structures, improvements, fixtures, machinery, equipment and materials to be incorporated in the Design-Build Improvements such warranties and guarantees as are normally provided with respect thereto and as are specifically required in Appendix 2 (Design and Construction Requirements) and by the Contract Standards, each of which shall be assigned to the Owner to the full extent of the terms thereof. No such warranty shall relieve the Design-Builder of any obligation hereunder, and no failure of any warranted or guaranteed structures, improvements,

fixtures, machinery, equipment or material shall be the cause for any increase in the Design-Build Price or excuse any non-performance of the Design-Build Work unless such failure is itself attributable to an Uncontrollable Circumstance. In addition, the Design-Builder shall obtain maintenance contracts on behalf of the Owner for specified equipment as specified in Appendix 2 (Design and Construction Requirements).

SECTION 3.19. SUBSTANTIAL COMPLETION.

(A) Conditions to Substantial Completion. “Substantial Completion” shall occur only when all of the following conditions have been satisfied, unless waived in writing by the Owner:

(1) the Design-Builder has submitted and the Owner has approved in writing, such approval not to be unreasonably withheld, a certification by the Design-Builder that construction of the Design-Build Improvements is physically complete and all other Design-Build Work pertaining to the Design-Build Improvements, except the Acceptance Tests and the items on the Final Punch List, is complete and in all respects is in compliance with this Design-Build Agreement;

(2) a preliminary or temporary certificate of occupancy has been issued for the Design-Build Improvements, if required by Applicable Law;

(3) the authority to operate the Design-Build Improvements contained in the Governmental Approvals is in full force and effect and has not been withdrawn, revoked, superseded, suspended or materially impaired or amended;

(4) the Design-Build Improvements are authorized, on a temporary or permanent basis, to be operated under Applicable Law;

(5) the Design-Builder has delivered to the Owner a red-lined set of construction record drawings as required by Appendix 4 (General Design-Build Work Requirements);

(6) all Utilities specified or required under this Design-Build Agreement to be arranged for by the Design-Builder are connected and functioning properly;

(7) the Design-Builder and the Owner have agreed in writing upon the Preliminary Punch List in accordance with Section 3.20 (Final Punch List) (or, if they are unable to agree, the Owner shall have prepared and issued the Preliminary Punch List to the Design-Builder within 15 Business Days of the Design-Builder having submitted its proposed Preliminary Punch List to the Owner);

(8) the Design-Builder has delivered to the Owner written certification from the equipment manufacturers (including manufacturers of information technology systems and instrumentation and controls) that all major items of machinery and equipment included in the Design-Build Improvements have been properly installed and tested in accordance with the manufacturers’ recommendations and requirements;

(9) the Design-Builder has delivered to the Owner a claims statement setting forth in detail all claims of every kind whatsoever of the Design-Builder connected with, or arising out of, the Design-Build Work pertaining to the Design-Build Improvements, and arising out of or based on events prior to the date when the Design-Builder gives such statement to the Owner;

(10) the Design-Builder has developed and conducted a program to train operating personnel designated by the Owner to operate and maintain the Design-Build Improvements in accordance with subsection 4.1(D) (Training of Owner Personnel) and the Owner's personnel have completed training in accordance with the training plan, in accordance with Appendix 4 (General Design-Build Work Requirements);

(11) the Design-Builder has delivered to the Owner the draft Operation and Maintenance Manual, in accordance with Appendix 4 (General Design-Build Work Requirements) and Appendix 9 (Operation and Maintenance-Related Deliverables); and

(12) the Design-Builder has submitted written certification that all of the foregoing conditions have been satisfied and the Owner has approved the Design-Builder's certification, which approval shall be effective as of the date of the Design-Builder's certification.

Alternatively, Substantial Completion shall occur on any date certified by the Owner, which shall have discretion to waive any of the foregoing conditions.

(B) Notice of Substantial Completion. The Design-Builder shall give the Owner's Contract Administrator at least 30 days' prior written notice of the expected date of Substantial Completion.

SECTION 3.20. FINAL PUNCH LIST.

As required by Section 3.19 (Substantial Completion), the Design-Builder shall submit a proposed Preliminary Punch List to the Owner and the Owner's Representative when the Design-Builder believes that the Design-Build Work has been substantially completed in compliance with this Design-Build Agreement. The "Preliminary Punch List" shall be a statement of repairs, corrections and adjustments to the Design-Build Work, and incomplete aspects of the Design-Build Work, which in the Design-Builder's opinion:

(1) the Design-Builder can complete before the Final Completion deadlines provided in Section 3.21 (Final Completion), and with minimal interference to the occupancy, use and lawful operation of the Design-Build Improvements; and

(2) would represent, to perform or complete, a total cost of not more than 2.5% of the portion of the Design-Build Price applicable to the construction of the Design-Build Improvements (unless the Owner determines that a higher percentage is acceptable).

In no event shall the Preliminary Punch List contain any incomplete items necessary for full Design-Build Improvements operations. The Preliminary Punch List shall be approved by the

Owner, and upon such approval, the Preliminary Punch List shall become the Final Punch List. Completion of the Final Punch List work shall be verified by a final walk-through of the Design-Build Improvements conducted by the Owner and the Owner's Representative with the Design-Builder and the Construction Superintendent.

SECTION 3.21. FINAL COMPLETION.

(A) Requirements. The Design-Builder shall achieve Final Completion within 180 days after the Acceptance Date. "Final Completion" shall occur when all of the following conditions have been satisfied:

(1) Acceptance Achieved. The Design-Builder has achieved Acceptance of the Design-Build Improvements in accordance with Article 4 (Acceptance of the Design-Build Improvements);

(2) New Domestic Water Supply Permit. CDPH has issued the New Domestic Water Supply Permit, if the New Domestic Water Supply Permit has not been issued earlier; or, if earlier issued, the Project is operating in compliance with the New Domestic Water Supply Permit;

(3) Design-Build Work Completed. All Design-Build Work (including all items on the Final Punch List and all clean up and removal of construction materials and demolition debris) is complete and in all respects is in compliance with this Design-Build Agreement;

(4) Certificate of Occupancy Issued. A final certificate of occupancy has been issued for the Design-Build Improvements or any component thereof, if required by Applicable Law;

(5) Deliverable Material. The Design-Builder shall have delivered to the Owner all Deliverable Material required by Section 3.16 (Deliverable Material);

(6) Final Record Drawings. The Design-Builder shall have delivered to the Owner a final and complete reproducible set of construction record drawings as required by Appendix 4 (General Design-Build Work Requirements);

(7) Equipment Warranties, Maintenance Contracts, and Manuals. The Design-Builder shall be in possession of, and shall have delivered to the Owner, copies of the warranties of machinery, equipment, fixtures and vehicles constituting a part of the Design-Build Improvements and maintenance contracts required to be obtained under Section 3.18 (Warranties and Maintenance Contracts), together with copies of all related operating manuals supplied by the equipment supplier;

(8) Spare Parts In Storage. All spare parts required by the applicable Design and Construction Requirements have been delivered and are in storage at the Project Site;

(9) Payment of Claims. The Design-Builder has certified to the Owner that all of its claims against the Owner have been paid or withdrawn as provided in Section 5.4 (Final Requisition and Payment).

(10) Preparation of Notice of Completion. The Design-Builder has prepared and delivered to the Owner a signature-ready Notice of Completion meeting the requirements of Applicable Law, including California Civil Code section 8182, except that the Owner will enter the date of Final Completion.

(B) Failure to Achieve Final Completion. The Design-Builder shall achieve Final Completion within 180 days after the Acceptance Date; provided that, if CDPH has issued an Interim Operations Approval that stipulates a condition for obtaining the New Domestic Water Supply Permit which is of a duration greater than 180 days after the Acceptance Date, the Design-Builder shall achieve all of the items required for Final Completion no later than 180 days after the Acceptance Date, and shall obtain the New Domestic Water Supply Permit no later than 60 days following the specified timeframe for completing such condition. If the Design-Builder fails to achieve any of the items set forth in subsection (A) of this Section by the last day of the applicable period specified in the preceding sentence, an Event of Default by the Design-Builder will be deemed to have occurred under Section 8.5 (Events of Default by the Design-Builder) notwithstanding any absence of notice, further cure opportunity or other procedural rights accorded the Design-Builder thereunder, and the Owner shall thereupon have the right to terminate this Design-Build Agreement upon written notice to the Design-Builder. The Owner's right of termination under this Section shall apply notwithstanding any interim operations. Upon any such termination, the Owner shall have all of the rights provided in Article 8 (Breach, Default, Remedies and Termination) upon a termination of the Design-Builder for cause.

SECTION 3.22. NOTICE OF COMPLETION.

(A) Generally. Promptly following Final Completion and acceptance of the Design-Build Work by the Owner in accordance with its standard administrative practice, the Owner shall record the Notice of Completion.

(B) Effect of the Filing of the Notice of Completion. Upon the recording of the Notice of Completion:

(1) the parties' obligations hereunder during the Design-Build Period shall terminate, and the Design-Builder shall have no further obligation to furnish and maintain the Required Insurance;

(2) as provided in Section 10.3 (Letter of Credit), the Design-Builder shall have no further obligation to maintain the Letter of Credit; and

(3) the Design-Builder shall be entitled to payment of the undisputed balance of the Design-Build Price, including retention amounts, in accordance with Section 5.4 (Final Requisition and Payment).

ARTICLE 4

ACCEPTANCE OF THE DESIGN-BUILD IMPROVEMENTS

SECTION 4.1. COMMISSIONING AND START UP.

(A) General. The Design-Builder may commission and start up the Design-Build Improvements, test equipment and subsystems, and conduct post-start up (but pre-Acceptance Testing) operations at its election at any time, whether prior or subsequent to Substantial Completion, in accordance with this Section. The cost of all such commissioning activities, regardless of their extent or duration, is included in the Design-Build Price.

(B) Notices. The Design-Builder shall give the Owner (1) at least 90 days' prior written notice of the expected date of commencement of start-up operations, which notice shall include a certification (to be confirmed as of the date start up operations commence) that the Design-Builder is in full compliance with all of the conditions of the Governmental Approvals applicable to the Design-Build Improvements and other Applicable Law; and (2) notice as to the Design-Builder's requirements for Raw Water during commissioning and start-up operations reasonably in advance of the date by which the Design-Builder requires the Raw Water.

(C) Operation and Maintenance Manual. The Design-Builder shall provide to the Owner and the Owner's Representative a detailed description of the electronic Operations and Maintenance Manual which the Design-Builder is required to provide pursuant to and in conformance with Appendix 4 (General Design-Build Work Requirements). Such detailed description shall describe, among other things, the Operation and Maintenance Manual's features, and provide a content and organizational overview, and shall be delivered to the Owner within the time frame set forth in Appendix 4 (General Design-Build Work Requirements).

(D) Training of Owner Personnel. The Design-Builder shall, on not less than 30 days' prior written notice to the Owner, conduct a comprehensive training program for the Owner's operating personnel in order to enable them perform the Acceptance Test and to assume operating and management responsibility for the Design-Build Improvements as set forth in Appendix 4 (General Design-Build Work Requirements), and such training program shall be completed as a condition to Substantial Completion and prior to commissioning.

SECTION 4.2. INTERIM OPERATIONS APPROVAL AND NEW DOMESTIC WATER SUPPLY PERMIT.

(A) Authorization of Operation and Water Introduction. The Design-Builder acknowledges that the operation of the Design-Build Improvements and the supply of Finished Water by the Design-Build Improvements, to the Owner's customers is prohibited by Applicable Law until an Interim Operations Approval, as defined in this subsection, or the New Domestic Water Supply Permit is issued by CDPH. CDPH may, but is not legally obligated to, issue a letter, permit with provisions or other instrument authorizing temporary operation of the Design-Build Improvements and the supply of Finished Water by the Design-Build Improvements to the Owner's customers until such time as the conditions of such letter, permit with provisions or other instrument have been satisfied and the New Domestic Water Supply Permit is issued (an

“Interim Operations Approval”). The Design-Builder further acknowledges that the terms and conditions, as well as the issuance, of an Interim Operations Approval are a matter of administrative discretion on the part of CDPH.

(B) Owner’s Responsibilities with Respect to the New Domestic Water Supply Permit. It is expected the CDPH will require submittals with respect to the Design-Build Improvements in connection with the issuance of the New Domestic Water Supply Permit. If CDPH requires submittals that do not pertain to the Design-Build Improvements in connection with the issuance of the New Domestic Water Supply Permit, the Owner shall have sole responsibility, on a timely basis, to prepare all information and take all actions which may be necessary in order to submit a completed application with respect to all aspects of the New Domestic Water Supply Permit other than those pertaining to the Design-Build Improvements.

(C) Design-Builder Obligations Generally. The Design-Builder shall cooperate with CDPH throughout the Design-Build Period and, except as provided in subsection (B) of this Section, shall make all applications and take all other action necessary, including performing all required testing, to obtain and maintain the New Domestic Water Supply Permit and any Interim Operations Approval, and shall pay all fees, costs and charges due in connection therewith. Where required under Applicable Law, such applications shall be made in the name of the Owner, subject to the Owner’s rights hereunder. The Design-Builder shall manage the process of obtaining the New Domestic Water Supply Permit and any Interim Operations Approval in a manner which affords the Owner a reasonable opportunity to review and comment upon such submittals and all material documentation submitted to and issued by any Governmental Body in connection therewith as provided in Appendix 6 (Design-Build Work Review Procedures); provided, however, that the Owner shall have the right to take any action it deems necessary to coordinate the Design-Builder’s efforts with its own efforts pursuant to subsection (B) of this Section. The Design-Builder shall not knowingly take any action in any application, data submittal or other communication with any Governmental Body regarding the New Domestic Water Supply Permit and any Interim Operations Approval or the terms and conditions thereof that would impose any unreasonable cost or burden on the Owner or that would contravene any Owner policies with respect to the matters contained therein. The Owner reserves the right to reject, modify, alter, amend, delete or supplement any information supplied, or term or condition proposed, by the Design-Builder which would have such effect. The Design-Builder shall bear the responsibility and risk with respect to any pilot testing required by CDPH provided in Section 3.7 (Approved Technology and Pilot Testing).

(D) Design-Builder Assumption of Risk. The Design-Builder explicitly assumes the risk of obtaining and maintaining the New Domestic Water Supply Permit and any Interim Operations Approval from CDPH as contemplated in subsection (C) of this Section, including the risk of delay, non-issuance, withdrawal, expiration, revocation or imposition of any term or condition in connection therewith; provided, however, that the Design-Builder shall be afforded relief from the assumption of such risk if the occurrence of any Change in Law. In assuming this risk, the Design-Builder acknowledges in particular that (1) the delay or non-issuance of the New Domestic Water Supply Permit or an Interim Operations Approval may delay or prevent the supply of Finished Water to the Owner’s customers, the commencement of the Acceptance Tests, or the occurrence of Acceptance, and thereby give the Owner the right to impose delay liquidated damages or terminate this Design-Build Agreement as provided in

Sections 4.5 (Scheduled Acceptance Date and Delay Liquidated Damages), and 4.8 (Failure to Achieve Acceptance) and (2) CDPH may impose or enforce terms and conditions which require the Design-Builder to make changes or additions to the Design-Build Improvements or Design-Build Improvements operations which may increase the cost or risk to the Design-Builder of performing the Design-Build Work, all of which costs or risks shall be for the account of and borne by the Design-Builder. The exercise by CDPH of any of its rights with respect to the New Domestic Water Supply Permit or an Interim Operations Approval shall not constitute a Change in Law. For example, an Interim Operations Approval that is time-limited or revocable, or that conditions its effectiveness on further capital investment in the Design-Build Improvements, use of additional technologies or equipment, or substantial revision to expected testing protocols, are terms and conditions with respect to which the Design-Builder assumes the risk. The Design-Builder shall promptly inform the Owner of any unreasonable request or requirement imposed by CDPH.

SECTION 4.3. ACCEPTANCE TESTING.

(A) Submittal of Acceptance Test Plan. At least 180 days before the earlier of the Scheduled Acceptance Date or the date upon which the Design-Builder plans to begin Acceptance Testing, the Design-Builder shall prepare and submit to the Owner for its approval a detailed Acceptance Test Plan, which shall conform to the requirements of Appendix 7 (Acceptance Test Procedures and Requirements) in all respects. If the Design-Builder and Owner are unable to agree upon an acceptable Acceptance Test Plan within 90 days of such submittal, either party may elect to initiate dispute resolution procedures in accordance with Section 8.12 (Non-Binding Dispute Resolution Procedures).

(B) Notice of Commencement of the Acceptance Tests. The Design-Builder shall provide the Owner with at least 30 days' prior written notice of the expected initiation of the Acceptance Tests in accordance with the requirements of Appendix 7 (Acceptance Test Procedures and Requirements) (the "Design-Builder Acceptance Test Commencement Date Notice"). At least 10 days prior to the actual commencement of Acceptance Testing, the Design-Builder shall certify in writing that it is ready to begin Acceptance Testing in accordance with the Acceptance Test Plan and Appendix 7 (Acceptance Test Procedures and Requirements).

(C) Conditions to Commencement of the Acceptance Tests. The Design-Builder shall not commence the Acceptance Tests until the following events have occurred:

- (1) The requirements of subsections (A) and (B) of this Section have been met and the Owner has approved the Acceptance Test Plan;
- (2) If required by Applicable Law, CDPH has approved the Acceptance Test Plan proposed by the Design-Builder and approved by the Owner;
- (3) Substantial Completion has occurred;

(4) The New Domestic Water Supply Permit or an Interim Operations Approval has been issued by CDPH, and contains sufficient authorization to permit the Acceptance Tests and post-Acceptance Test operations to be conducted in accordance herewith;

(5) The Design-Builder has authorization from all appropriate Governmental Bodies for the performance of the procedures necessary to achieve Acceptance and for the conduct of the Acceptance Tests under Applicable Law, and such authorization has not been withdrawn, revoked, suspended, superseded, or materially impaired or amended;

(6) The Design-Builder has submitted to the Owner and the Owner has reviewed and approved the Acceptance Test Plan as required by Appendix 7 (Acceptance Test Procedures and Requirements); and

(7) The Design-Builder has certified that it has complied with the pre-Acceptance Testing requirements of Appendix 7 (Acceptance Test Procedures and Requirements).

(D) Conduct of the Acceptance Tests. The Design-Builder shall conduct the Acceptance Tests utilizing Owner staff that has been trained by the Design-Builder in accordance with Appendix 4 (General Design-Build Work Procedures). The Acceptance Test shall be conducted in accordance with Appendix 7 (Acceptance Test Procedures and Requirements), the Acceptance Test Plan, and the requirements of Applicable Law. The Owner's Representative and other designated supervisory representatives of the Owner may inspect the preparations for the Acceptance Tests and be present for the conduct of the Acceptance Tests. During the performance of the Acceptance Tests, Owner operating personnel will operate the Design-Build Improvements in accordance with the Acceptance Test Plan as described in Appendix 7 (Acceptance Test Procedures and Requirements). If the Design-Builder, Owner or the Owner's Representative believes that the ongoing conduct of the Acceptance Test is jeopardizing the ability of the Design-Build Improvements to comply with any requirements of Applicable Law or is otherwise adversely affecting the performance of the Design-Build Improvements, such party shall notify the other party thereof. Upon such notification, the Acceptance Testing shall immediately terminate. The Design-Builder shall make all corrections in order to avoid any such adverse consequence and shall re-initiate the Acceptance Tests. If it is determined that the Design-Build Improvements failed the Acceptance Tests and the Design-Builder successfully demonstrates that such failure was due to the failure to receive Raw Water within the Specified Raw Water Quality Parameters or the failure of Owner staff to follow the Acceptance Test Plan, such failure shall constitute an Uncontrollable Circumstance. In such event, the Owner shall have the option of declaring that the Acceptance Tests have been passed or requiring the Design-Builder to re-perform the tests, in which event the Design-Builder would be entitled to cost and schedule relief.

(E) Test Report. Within 21 days following the last day of any Acceptance Test, the Design-Builder shall furnish the Owner and the Owner's Representative with ten copies of a written Acceptance Test report consistent with the requirements specified in Appendix 7 (Acceptance Test Procedures and Requirements), certified as true, complete and correct by the Design-Builder. The failure of the Design-Builder to furnish the certified Acceptance Test report

within such 21-day period shall constitute a breach of this Design-Build Agreement and such failure shall not operate to extend the Extension Period or affect the Owner's rights to assess liquidated damages and terminate this Design-Build Agreement pursuant to Sections 4.5 (Scheduled Acceptance Date and Delay Liquidated Damages) and 4.78 (Failure to Achieve Acceptance).

SECTION 4.4. ACCEPTANCE DATE CONDITIONS.

The following conditions shall constitute the "Acceptance Date Conditions," each of which must be satisfied in all material respects by the Design-Builder (or waived in writing by the Owner) in order for the Acceptance Date to occur, and each of which must be and remain satisfied as of the Acceptance Date:

(1) Achievement of Acceptance Standards and Requirements. The Design-Builder shall have completed the Acceptance Tests and such tests shall have demonstrated that the Design-Build Improvements have met the Acceptance Standards and Requirements, as certified by the Design-Builder pursuant to Section 4.3 (Acceptance Testing) and agreed to by the Owner pursuant to Section 4.7 (Concurrence or Disagreement with Test Results);

(2) Operating Governmental Approvals. All Governmental Approvals required under Applicable Law which are necessary for the continued routine operation of the Design-Build Improvements shall have been duly obtained by the Design-Builder and shall be in full force and effect. Certified copies of all such Governmental Approvals, to the extent not in the Owner's possession, shall have been delivered to the Owner;

(3) Final Operation and Maintenance Manual. The Design-Builder has delivered to the Owner the final Operation and Maintenance Manual in accordance with Appendix 9 (Operation and Maintenance-Related Deliverables);

(4) Required Warranty Bond. The Design-Builder has obtained and delivered to the Owner the Warranty Bond pursuant to subsection 9.2(B) (Warranty Bond); and

(5) No Default. The Design-Builder has certified that there is no Event of Default by the Design-Builder existing under this Design-Build Agreement or by the Guarantor under the Guaranty Agreement, or event which with the giving of notice or the passage of time would constitute an Event of Default by the Design-Builder hereunder or an Event of Default by the Guarantor under the Guaranty Agreement.

SECTION 4.5. SCHEDULED ACCEPTANCE DATE AND DELAY LIQUIDATED DAMAGES.

(A) Schedule for Completing the Design-Build Work. The Design-Builder shall achieve Acceptance by the Scheduled Acceptance Date, as such date may be extended in accordance with this Section. If one or more delays in the Design-Build Work caused by an Uncontrollable Circumstance, Change Order, or Owner election to direct the timing of the

commencement of the Acceptance Test pursuant to Section 4.6 (Owner Right to Direct the Timing of the Commencement of the Acceptance Test) occurs during the Design-Build Period, the Scheduled Acceptance Date shall be the date determined by adding to the Schedule Acceptance Date the aggregate number of days of delay in the performance of the Design-Build Work by the Design-Builder caused by such occurrence. If any such adjustment, delay liquidated damages payable by the Design-Builder under this Section, if any, shall be payable from the adjusted Scheduled Acceptance Date.

(B) Acceptance Prior to Scheduled Acceptance Date. If Acceptance occurs on or prior to the Scheduled Acceptance Date, the Design-Builder shall have no obligation to pay delay liquidated damages hereunder.

(C) Acceptance Subsequent to Scheduled Acceptance Date; Delay Liquidated Damages. If Acceptance occurs subsequent to the Scheduled Acceptance Date, the Design-Builder shall pay to the Owner daily delay liquidated damages in accordance with this subsection for each day that the Acceptance Date falls after the Scheduled Acceptance Date, up to the end of the Extension Period and thereafter until any termination of this Design-Build Agreement as permitted hereunder. The amount of such daily delay liquidated damages payable shall be \$10,000.00 per day, for each day of delay. Such damages shall be payable on the first day of each month and, upon any termination for failure to achieve Acceptance, upon the date of termination.

SECTION 4.6. OWNER RIGHT TO DIRECT THE TIMING OF THE COMMENCEMENT OF THE ACCEPTANCE TEST.

(A) Election of the Owner to Direct the Timing of the Commencement of the Acceptance Test. The parties acknowledge and agree that the implementation by the Owner of infrastructure necessary to deliver Raw Water to the Design-Build Improvements and to pipe Finished Water off-site to the Owner's distribution system will be a critical factor in the ability of the Acceptance Test to be performed. Accordingly, the Owner shall have the right, exercisable in its sole discretion by written notice to the Design-Builder, to delay the performance of the Acceptance Test. The Owner shall notify the Design-Builder of its election pursuant to this Section not later than 15 days following receipt of the Design-Builder Acceptance Test Commencement Date Notice. If the Owner does not elect to exercise its right to direct the timing of the commencement of the Acceptance Test pursuant to this subsection, the provisions of this Section shall not apply. If the Owner elects under this subsection to exercise its right to direct the timing of the commencement of the Acceptance Test, the Design-Builder shall commence the Acceptance Test on the Specified Acceptance Test Commencement Date in accordance with subsection 4.6(B) (Owner Notice of Acceptance Test Commencement) and the provisions of this Section shall apply.

(B) Owner Notice of Acceptance Test Commencement. Subject to the election notification requirements of subsection 4.6(A) (Election of the Owner to Direct the Timing of the Commencement of the Acceptance Test), the Owner shall have the right to direct the Design-Builder to commence the Acceptance Test upon 15 days notice at any time during the 180 day period following the Acceptance Test Readiness Date. The date that is 15 days following the date of the Owner's notice delivered pursuant to this Section shall be the

“Specified Acceptance Test Commencement Date”. The Design-Builder shall commence the Acceptance Test on the Specified Acceptance Test Commencement Date in accordance with the specific requirements set forth in Section 4.3 (Acceptance Testing) and Appendix 7 (Acceptance Test Procedures and Requirements).

(C) Price Relief for Owner-Caused Delay. The Owner shall pay the Design-Builder its reasonable Cost Substantiated costs incurred due to an Owner-directed delay in the commencement of the Acceptance Tests.

SECTION 4.7. CONCURRENCE OR DISAGREEMENT WITH TEST RESULTS.

(A) Acceptance Date Concurrence. If the Design-Builder verifies in the written report delivered pursuant to subsection 4.3(E) (Test Report) that the Acceptance Date Conditions have been satisfied, the Owner shall determine, within 60 days of its receipt of such report, whether it concurs with such certification. If the Owner states in writing that it concurs with the Design-Builder’s certification, the Design-Build Improvements shall be deemed to have achieved Acceptance and the Acceptance Date shall be deemed to have been established on the date of the Design-Builder’s original certification of the Acceptance Date.

(B) Acceptance Date Disagreement. If the Owner determines at any time during such 60-day review period that it does not concur with the Design-Builder’s certification delivered pursuant to subsection 4.3(E) (Test Report), the Owner shall immediately send written notice to the Design-Builder of the basis for its disagreement. If any such non-concurrence by the Owner, either party may elect to initiate dispute resolution procedures in accordance with Section 8.12 (Non-Binding Dispute Resolution Procedures). Acceptance shall not be deemed to have been achieved unless the Acceptance Tests, conducted in a unified and continuous manner as provided in the Acceptance Test Plan and in Appendix 7 (Acceptance Test Procedures and Requirements), demonstrate that all of the Acceptance Standards and Requirements have been met. If the Design-Builder, in conducting the Acceptance Tests, does not successfully meet the Acceptance Standards and Requirements, the Design-Builder shall re-test the Design-Build Improvements in accordance with Appendix 7 (Acceptance Test Procedures and Requirements). Nothing in this Section shall prevent the Design-Builder from bringing an action or from repeating any Acceptance Test in order to establish the achievement of Acceptance. The Design-Builder shall provide the Owner with at least three days’ written notice of any re-test of the Acceptance Tests.

SECTION 4.8. FAILURE TO ACHIEVE ACCEPTANCE.

Unless, as of the last day of the Extension Period, Acceptance has been achieved, an Event of Default by the Design-Builder will be deemed to have occurred under Section 8.2 (Events of Default by the Design-Builder) notwithstanding any absence of notice, further cure opportunity or other procedural rights accorded the Design-Builder thereunder, and the Owner shall thereupon have the right to terminate this Design-Build Agreement upon written notice to the Design-Builder. The Owner’s right of termination under this Section shall apply notwithstanding any interim operations. Upon any such termination, the Owner shall have all of

the rights provided in Article 8 (Breach, Default, Remedies and Termination) upon a termination of the Design-Builder for cause.

SECTION 4.9. NO ACCEPTANCE, WAIVER OR RELEASE.

None of the following shall be construed as the Owner's acceptance of any Design-Build Work which is defective, incomplete, or otherwise not in compliance with this Design-Build Agreement, or as the Owner's release of the Design-Builder from any obligation, guarantee, or warranty under this Design-Build Agreement, or as the Owner's extension of the Design-Builder's time for performance, or as an estoppel against the Owner, or as the Owner's acceptance of any claim by the Design-Builder:

(1) the Owner's payment to the Design-Builder or any other person of all or any portion of the Design-Build Price (including any payment upon Final Completion, or while the Design-Builder is requesting any extension of time); or the Owner's failure to retain any portion of the Design-Build Price; or the Owner's change or variation in the time, method or condition of payment;

(2) the Owner's review or acceptance of any drawings, submissions, punch lists, other documents, certifications (other than certificates relating to completion or Acceptance of the Design-Build Improvements), or Design-Build Work of the Design-Builder or any Subcontractor;

(3) the Owner's review of (or failure to prohibit) any construction applications, means, methods, techniques, sequences, or procedures for the Design-Build Work;

(4) the Owner's failure to include any item on any punch list or similar document unless the Owner explicitly approves such an omission (any such omissions shall be approved or acknowledged in writing);

(5) the Owner's entry at any time on the Project Site (including any area in which the Design-Build Work is being performed) or the Owner's use or occupancy of the Project Site at any time (whether before or after Substantial Completion or Final Completion);

(6) any inspection, testing, or review of any Design-Build Work (whether finished or in progress) by the Owner, the Owner's Representative or any other person; or

(7) the failure of the Owner, the Owner's Representative, or any Owner consultant to respond in writing to any notice or other communication of the Design-Builder.

ARTICLE 5

PAYMENT OF THE DESIGN-BUILD PRICE

SECTION 5.1. DESIGN-BUILD PRICE.

(A) Design-Build Price Generally. The Design-Builder shall be entitled to receive the Design-Build Price for the Design-Build Services on a progress basis in accordance with the terms of this Section. The Design-Build Price shall be the sum of the Fixed Design-Build Price and the Fixed Design-Build Price Adjustments.

(B) Fixed Design-Build Price. The Fixed Design-Build Price shall be \$_____ [Note: As proposed on Proposal Form 13 as modified by escalating the Construction Component Price in accordance with the change in the Construction Component Price Index from the date which is 90 days following the Proposal submittal date to the Contract Date]. Except as provided in subsection (C) of this Section, the Fixed Design-Build Price shall not be subject to adjustment in any manner whatsoever.

(C) Fixed Design-Build Price Adjustments. The following items shall constitute the Fixed Design-Build Price Adjustments:

(1) An adjustment for the cost of any Change Orders issued by the Owner with respect to the Design-Build Improvements;

(2) An adjustment for the cost of any Uncontrollable Circumstances required pursuant to Section 9.3 (Uncontrollable Circumstances – Entitlement to Relief).

(3) If the Construction Date occurs subsequent to October 1, 2015, due solely to a delay caused by the Owner, the Construction Component Price portion of the Fixed Design-Build Price will be adjusted by multiplying (i) the Construction Component Price, by (ii) the change in the Construction Component Price Escalation Index between (a) the later of the Contract Date and the date that is 90 days following [the Proposal submission date] and (b) the actual Construction Date, provided however that the Fixed Design-Build Price shall not escalate during delays caused in whole or in part by Design-Builder fault.

(4) An adjustment in the amount of the Capacity Reduction Price Adjustment, if applicable.

(5) A downward adjustment representing the balance of the Project Allowance representing available funds allocated for Project Allowance Items for which the parties have not agreed upon a guaranteed fixed price as of the Construction Date.

(D) Limitation on Payments for Costs of the Design-Build Improvements. The Design-Builder agrees that the Design-Build Price shall be the Design-Builder's entire compensation and reimbursement for the performance of the Design-Build Work, including obtaining all Utilities that the Design-Builder will require to perform the Design-Build Work, commissioning and starting up the Design-Build Improvements, conducting the Acceptance Tests, and performing all repairs and replacements during the Warranty Period (the "Warranty

Work”), except that the Design-Builder will not be responsible for the cost of Owner’s labor force performing the Acceptance Test (except if the Acceptance Tests have to be repeated due to the unexcused failure of the Design-Build Improvements to pass the initial tests). In no event shall the Design-Builder be entitled to any payment for Design-Build Improvements costs in excess of the Design-Build Price, notwithstanding any cost overruns the Design-Builder may incur. The Design-Builder shall finance and pay for any such excess cost of the Design-Build Improvements in any manner it chooses without reimbursement from or other claim upon the Owner.

SECTION 5.2. PAYMENT PROCEDURES AND AMOUNTS.

(A) Schedule of Values. The Design-Builder shall prepare and submit to the Owner for its approval preliminary and final drafts of the Schedule of Values in accordance with the requirements of Appendix 13 (Payment Procedures and Drawdown Schedule). After the final Schedule of Values is accepted by the Owner, it shall be used to assist in the estimating of the value of the Design-Build Work performed for payment purposes. The Design-Builder shall not submit requests for progress payments unless a final Schedule of Values has been approved.

(B) Design-Build Work Disbursement Procedure. Following the establishment of the Construction Date in accordance with Section 3.2 (Construction Date Conditions), the Design-Builder shall be entitled to submit Requisitions and receive from the Owner the payments, which (1) shall be made on a percent complete basis in accordance with the Schedule of Values, and (2) shall be subject to the conditions to payment set forth in this Section. Each Requisition must be accompanied by a monthly requisition report, which shall include:

- (1) a reasonably detailed description of all Design-Build Work actually completed to date;
- (2) revisions to the progress schedule (or a revised progress schedule) which shall reflect changes in the Design-Builder’s construction schedule since the date of the last Requisition;
- (3) revisions to the cost-loaded work sequence schedule, which shall reflect changes in the work sequence schedule since the date of the last Requisition;
- (4) construction progress photographs;
- (5) a certificate of the Construction Superintendent and the Engineer certifying (1) the portion of the Design-Build Price which is payable to the Design-Builder, (2) that the Design-Builder is neither in default under this Design-Build Agreement nor in breach of any material provision of this Design-Build Agreement such that the breach would, with the giving of notice or passage of time, constitute an Event of Default, and (3) that all items applicable to the Design-Build Work entitling the Design-Builder to the requested payment under the Schedule of Values have been completed in accordance therewith and with the Design and Construction Requirements;

(6) notice of any Encumbrances which have been filed together with evidence that the Design-Builder has discharged or bonded against any such Encumbrances or made timely notification to the Payment Bond surety regarding such Encumbrances; and

(7) any other documents or information relating to the Design-Build Work or this Design-Build Agreement reasonably requested by the Owner or the Owner's Representative or as may be required by Applicable Law, this Design-Build Agreement or generally accepted accounting practices or principles.

The Owner's Representative shall review the Design-Builder's certified Requisitions to the Owner for each Design-Build Price payment and within seven days after receipt of the Design-Builder's written report delivered pursuant to this Section, shall verify or dispute in writing (or by telecommunication promptly confirmed in writing) the Design-Builder's certification that the Design-Builder has achieved the level of progress indicated and is entitled to payment. If the Owner's Representative determines that the Design-Build Work has progressed to the level indicated in the Design-Builder's certified Requisition and the Owner's Representative provides written notice thereof to the Design-Builder and the Owner, thereupon the Design-Builder shall be entitled to payment within 30 days after the Owner's receipt of the Design-Builder's certified Requisition. Disputes regarding payments of the Design-Build Price shall be resolved in accordance with subsection (C) of this Section. Any undisputed amounts of the Design-Build Price shall be paid in within 30 days after the Owner's receipt of the Design-Builder's certified Requisition.

(C) Disbursement Dispute Procedures. If the Owner's Representative determines, pursuant to subsection (B) of this Section, that the Design-Build Work required for any payment has not progressed as indicated by the Design-Builder, or otherwise disputes any Requisition, the Owner's Representative shall provide prompt written notice to the Design-Builder and the Owner as to the Owner's Representative's reasons, in reasonable detail, for such determination or the basis for such dispute. After receiving such determination notice, the Design-Builder may make the necessary corrections and resubmit a certified Requisition to the Owner's Representative, or the Owner's Representative may agree on a revised amount, Requisition or estimate, as applicable, in which case the Design-Builder shall promptly notify the Owner of such agreement. If the Design-Builder is unable to reach agreement with the Owner's Representative as to the progress of the Design-Build Work, the Design-Builder may exercise its right to contest the Owner's Representative's determination in accordance with either the dispute resolution procedures set forth in Section 8.12 (Non-Binding Dispute Resolution Procedures). Any proceedings undertaken to resolve a dispute arising under this subsection shall immediately terminate if (1) the Design-Builder demonstrates to the Owner's Representative that the Design-Build Work has proceeded as indicated in the certified Requisition giving rise to the dispute or that any disputed certified Requisition is correct, and (2) the Owner's Representative concurs with such demonstration. The Design-Builder shall not be entitled to payment of the amount so requisitioned and disputed except upon resolution of the dispute in accordance with this subsection; provided, however, that the Owner shall pay all requisitioned amounts which are not in dispute in accordance with subsection (B) of this Section. If upon resolution of any such dispute, it is determined that the Design-Builder was properly entitled to the disputed amount as of a date earlier than the date on which payment is actually made, the Design-Builder shall be entitled to receive, promptly following such resolution, such disputed amount plus interest on

such disputed amount for the period of dispute calculated in accordance with Section 11.7 (Interest on Overdue Obligations).

(D) Retainage. Each progress payment will be subject to a five percent (5%) retainage holdback, after subtracting any amounts owing for design services and construction management services. Interest earned on the retainage holdback shall be for the Owner's benefit, and shall not be paid to the Design-Builder. The Owner shall release to the Design-Builder the accumulated funds retained upon receipt of certification from the Design-Builder and confirmation by the Owner's Representative that Acceptance has occurred pursuant to subsection 4.7(A)4.6(A) (Acceptance Date Concurrence); provided, however, that to the extent items are contained on the Final Punch List, the Owner or the Owner's Representative shall reasonably estimate the cost to make each correction or to complete each such item and the Owner shall be entitled to withhold from payment of the retained funds an amount equal to 150% of the aggregate value of such items, in addition to 150% of the amount of unresolved or unbounded claims or Liens by third parties in connection with the Design-Build Work and earned interest on such retained funds. Upon (1) certification by the Owner's Representative that Final Completion has occurred, (2) the recording of the Notice of Completion by the Owner in accordance with Section 3.22 (Notice of Completion), and (3) so long as authority contained in the Governmental Approvals to operate the Design-Build Improvements remains unimpaired, the Owner shall release to the Design-Builder all remaining retained funds.

(E) Certification of Amounts Due. Whenever requested by the Owner, the Design-Builder shall submit a sworn statement certifying all amounts then due (or yet to become due) the Design-Builder for the Design-Build Work (or any portion thereof) and describing any payment or other dispute which may exist between the Design-Builder and any Subcontractor.

(F) No Waiver or Release. No progress payments made by the Owner to the Design-Builder pursuant to this Section shall constitute an acceptance of the Design-Build Work, or any portion thereof, or a waiver or release by the Owner of any rights relating to the Design-Builder's obligations under this Design-Build Agreement.

(G) Project Allowances. The parties acknowledge that the Fixed Design-Build Price contains an allowance in the aggregate amount of \$460,000 (the "Project Allowance") for certain portions of the Design-Build Work identified in Appendix 12 (Allowances) (the "Project Allowance Items"). To the extent practicable, prior to the Construction Date the parties shall agree to guaranteed fixed prices for each Project Allowance Item. The individual allowances related to each Project Allowance Item represent the maximum amount which the Owner anticipates will be paid for such Project Allowance Item; provided, however, the Owner may agree to a price for an individual item in excess of the corresponding allowance without a Change Order as long as the aggregate payments for the Project Allowance Items do not exceed the Project Allowance. On the Construction Date, the Fixed Design-Build Price will be adjusted accordingly as set forth in Section 5.2 (Payment Procedure and Amount). If a guaranteed fixed price for any Project Allowance Item has not been set prior to the Construction Date, the balance of the Project Allowance shall be deducted from the Fixed Design-Build Price and the Owner shall have the option of either (i) agreeing with the Design-Builder to another methodology for fixing the payment for such Project Allowance Item (e.g. cost-plus guaranteed maximum price, or future guaranteed fixed price) or (ii) bidding such work out to a third party in which even such

work will no longer constitute Design-Build Work for which the Design-Builder is responsible. In either event, the parties shall memorialize their agreement on how to proceed through the execution of a Contract Administration Memorandum as set forth in subsection 11.4(B) (Contract Administration Memorandum).

SECTION 5.3. PERMISSIBLE WITHHOLDINGS.

In addition to the amounts required to be retained pursuant to subsection 5.2(D) (Retainage), the Owner may disapprove, withhold and retain all or any portion of any payment requested in any Requisition (including the final Requisition) in an amount sufficient to pay the expenses the Owner reasonably expects to incur in correcting any deficiency set forth in the Owner's Representative's written finding pursuant to subsection 5.2(C) (Disbursement Dispute Procedure). Without limiting the foregoing, the Design-Builder agrees that the Owner may disapprove, withhold and retain, as applicable and to the extent permitted by Applicable Law, amounts associated with the following:

- (1) any liquidated damages which are due and owing to the Owner hereunder;
- (2) any indemnification amounts which are due and owing to the Owner hereunder and with respect to which a claim has been filed against the Owner by a third party in accordance with Applicable Law;
- (3) any deductions or withholdings which are required by Applicable Law;
- (4) any payments with respect to which documents to be delivered in connection therewith are not correct and complete;
- (5) any payments with respect to which the Design-Build Work covered by such Requisition (or any previous Requisition) does not comply with this Design-Build Agreement;
- (6) any payments with respect to which any person has asserted a Lien or stop notice resulting from the acts or omissions of the Design-Builder in performing the Design-Build Work and such stop notice or Lien remains unreleased or unbonded;
- (7) all requisitioned payments, if an Event of Default of the Design-Builder has occurred under Section 8.2 (Events of Default by the Design-Builder); and
- (8) if the Design-Builder fails to pay any Taxes, assessments, penalties or fees imposed by any Governmental Body, then the Design-Builder authorizes the Owner to deduct and withhold or pay over to the appropriate Governmental Body those unpaid amounts upon demand by the Governmental Body.

SECTION 5.4. FINAL REQUISITION AND PAYMENT.

(A) Final Requisition. Upon achieving Final Completion in accordance with Section 3.21 (Final Completion), the Design-Builder shall prepare and submit to the Owner a final Requisition. The final Requisition shall include:

(1) A certificate from the Design-Builder's surety in a form, reasonably acceptable to the Owner, that the surety agrees that final payment of the Design-Build Price shall not relieve the surety of any of its obligations under the Performance Bond or the Payment Bond;

(2) a contractor's affidavit regarding settlement of claims and complete and legally effective releases or waivers in a form provided by California Civil Code Section 3262 and acceptable to the Owner in the full amount of the Design-Build Price, or if any Subcontractor refuses or fails to furnish such release or waiver, a bond or other security acceptable to the Owner to indemnify the Owner Indemnitees against any payment claim; and

(3) a list of all pending property damage and personal injury or other insurance claims arising out of or resulting from the Design-Build Work, identifying the claimant and the nature of the claim.

(B) Final Payment. If based on the Owner's Representative's (1) observation of the Design-Build Work, (2) final inspection, and (3) review of the final Requisition and other documents required by subsection (A) of this Section and Section 3.21 (Final Completion), the Owner's Representative is satisfied that conditions for Final Completion have been satisfied or waived in writing by the parties, the Owner's Representative shall, within 30 days after receipt of the final Requisition, furnish to the Owner and the Design-Builder the Owner's Representative's recommendation of final payment and Final Completion. If the Owner's Representative is not satisfied, the Owner's Representative within seven days shall return the final Requisition to the Design-Builder, indicating in writing the reasons for not recommending final payment, in which case the Design-Builder shall either (1) exercise its right to contest the Owner's Representative's determination in accordance with subsection 5.2(C) (Disbursement Dispute Procedures), or (2) make the necessary corrections and resubmit the final Requisition.

(1) Owner Concurrence. If the Owner concurs with the Owner's Representative's recommendation of final payment and Final Completion, the Owner shall following receipt of such recommendation promptly record the Notice of Completion in accordance with Section 3.22 (Notice of Completion) and within 60 days following the recording of the Notice of Completion, or on request by the Design-Builder for payment on an earlier date as required by Applicable Law, pay to the Design-Builder the undisputed balance of the Design-Build Price, subject to any withholdings and any other provisions governing final payment specified herein or required by Applicable Law.

(2) Owner Non-Concurrence. If the Owner does not concur with the Owner's Representative's determination, the Owner shall return the Requisition to the Design-Builder, through the Owner's Representative, indicating in writing its reasons for refusing final payment and Final Completion. The Design-Builder shall promptly make the necessary corrections and resubmit the Requisition to the Owner's Representative. The Owner's written determination shall bind the Design-Builder, unless the Design-Builder delivers to the Owner, through the Owner's Representative, written notice of a claim within 30 days after receipt of that determination.

Final payment does not constitute a waiver by the Owner of any rights relating to the Design-Builder's obligations under this Design-Build Agreement. Final payment constitutes a waiver of all claims by the Design-Builder against the Owner relating to the Design-Build Work, the payment of the Design-Build Price or otherwise in connection with the Design-Build Period other than those previously filed in writing with the Owner on a timely basis and still unsettled.

SECTION 5.5. CONSTRUCTION BOOKS AND RECORDS; AUDIT.

(A) Construction Books and Records. The Design-Builder shall prepare and maintain proper, accurate and complete books and records regarding the Design-Build Work and all other transactions related to the design, permitting, construction, shakedown and testing of the Design-Build Work, including all books of account, bills, vouchers, invoices, personnel rate sheets, cost estimates and bid computations and analyses, Subcontracts, purchase orders, time books, daily job diaries and reports, correspondence, and any other documents showing all acts and transactions in connection with or relating to or arising by reason of the Design-Build Work, this Design-Build Agreement, any Subcontract or any operations or transactions in which the Owner has or may have a financial or other material interest hereunder. All financial books and records of the Design-Builder and its Subcontractors shall be maintained in accordance with generally accepted accounting principles. If the Design-Builder fails to prepare or maintain any books, records or accounts as required under this subsection, the Design-Builder shall not be entitled to any requested payments or adjustments for which Cost Substantiation was required hereunder to the extent such failure prevented Cost Substantiation. To the extent any such information is delivered or made available to the Owner, such information shall be presented in a format such that an independent auditor will be able to perform a review of such information in accordance with generally accepted accounting principals. The Design-Builder shall keep and maintain all such construction books and records for the Design-Build Work separate and distinct from other records and accounts, and shall keep and maintain all such books and records for at least seven years after the date of the filing of the Notice of Completion, or such longer period during which any Legal Proceeding with respect to the Design-Build Work commenced within seven years after the filing of the Notice of Completion may be pending.

(B) Audit Rights and Requirements. All payments whatsoever by the Owner to the Design-Builder and all Design-Build Work of the Design-Builder shall be subject to audit at any time by the Owner. Any audit of the Design-Builder's costs of performing the Design-Build Work shall be subject to the provisions of subsection (A) of this Section. The Design-Builder shall produce the construction books and records required to be kept and maintained by the Design-Builder pursuant to subsection (A) of this Section for examination and copying by the Owner in connection with the payment of the Design-Build Price and with the costs of Change Orders, Uncontrollable Circumstance costs, or other costs in addition to the Design-Build Price under circumstances in which such costs are the responsibility of the Owner hereunder and are required to be Cost Substantiated pursuant to this Design-Build Agreement. Notwithstanding any of the foregoing, the Design-Builder shall produce all books and records required to be maintained pursuant to subsection (A) of this Section to the extent that such books and records pertain directly to contract performance if there is reasonable indication of fraud, gross abuse or corrupt practices. The provisions of this Section shall survive the termination of this Design-Build Agreement.

SECTION 5.6. SALES AND USE TAXES PAYABLE WITH RESPECT TO
THE DESIGN-BUILD WORK.

In its performance of the Design-Build Work, the Design-Builder acknowledges that construction materials and supplies acquired by the Design-Builder or any Subcontractor in connection with the Design-Build Work may be subject to State sales and use tax. The Design-Builder further acknowledges that these taxes have been taken into account in establishing the Fixed Design-Build Price and that the Design-Builder shall not be entitled to additional compensation if it made improper assumptions as to any such Tax requirements except in connection with a Change in Law.

ARTICLE 6

WARRANTIES

SECTION 6.1. WARRANTY OF PROFESSIONAL SERVICES.

The Design-Builder warrants to the Owner that all engineering and other professional services provided with respect to the Design-Build Work will be provided in accordance with the terms of this Design-Build Agreement and will, at a minimum, conform to the standard of care required of professional engineers performing similar services. The Owner's review or comment on any Design Documents or other instruments of professional service shall not constitute a waiver by the Owner of any of the Design-Builder's warranties or obligations under this Article nor shall this warranty limit the Design-Builder's obligations or the Owner's rights under any other warranty or obligation contained in this Design-Build Agreement.

SECTION 6.2. WARRANTY OF MATERIALS AND EQUIPMENT.

The Design-Builder warrants to the Owner that the materials, machinery, structures, improvements and equipment furnished as part of the Design-Build Improvements will be new, of recent manufacture, of good quality, that the Design-Build Work will be free from defects and that the Design-Build Work will conform with the requirements of this Design-Build Agreement. Design-Build Work not conforming to these requirements, including substitutions not properly approved and authorized by the Owner, may be considered defective. The Design-Builder's warranty set forth in this Section: (1) excludes remedy for damage or defect caused by modifications not executed by the Design-Builder, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage; and (2) includes remedy for damage or defect caused by any defects or errors in the Operation and Maintenance Manual prepared by the Design-Builder.

SECTION 6.3. MANUFACTURERS' WARRANTIES.

The Design-Builder shall, for the protection of the Owner, obtain from all Subcontractors, vendors, suppliers and other persons from which the Design-Builder procures structures, improvements, fixtures, machinery, equipment and materials to be incorporated in the Design-Build Improvements such warranties and guarantees as are normally provided with respect thereto and as are specifically required in Appendix 2 (Design and Construction Requirements) and the Contract Standards, each of which shall be assigned to the Owner to the full extent of the terms thereof. No such warranty shall relieve the Design-Builder of any obligation hereunder, and no failure of any warranted or guaranteed structures, improvements, fixtures, machinery, equipment or material shall be the cause for any increase in the Design-Build Price or excuse any non-performance of the Design-Build Work unless such failure is itself attributable to an Uncontrollable Circumstance.

SECTION 6.4. WARRANTY OF ADEQUACY OF CONSTRUCTION SERVICES.

The Design-Builder warrants to the Owner that all construction and related services provided under this Design-Build Agreement with respect to the Design-Build Work

shall be performed in a good and workmanlike manner, by workers who are appropriately trained and experienced in the work being performed, and in accordance with the Contract Standards.

SECTION 6.5. CALL-BACK OBLIGATIONS.

(A) Call-Back Generally. If, at any time during the one-year period following the Acceptance Date (the “Warranty Period”), any of the Design-Build Work is found to be malfunctioning or otherwise not in accordance with the requirements of this Design-Build Agreement, the Design-Builder shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Design-Builder a written release of such condition. The Owner shall give such notice promptly after discovery of the condition. The Design-Builder shall respond to critical or emergency service calls from the Owner within 24 hours and non-critical or non-emergency calls within five Business Days. Such response shall require that a competent representative familiar with the specific equipment used in the Design-Build Improvements inspect the Design-Build Improvements and, while on site, either correct the problem or initiate a course of action that will fully correct the problem within a reasonable period of time. In critical or emergency situations (including any circumstances that may prevent the Design-Build Improvements from being on-line at full production while meeting the requirements of Applicable Law), that time period shall not exceed 48 hours after the on-site inspection. For non-emergencies, such period shall not exceed ten calendar days. The obligations and time limitations set forth in this Section shall not limit the Design-Builder’s obligations or the Owner’s rights set forth in Section 6.1 (Warranty of Professional Services) with respect to the warranty of professional services.

(B) No Period of Limitation on Other Design-Build Work Warranties. Nothing contained in this Section shall be construed to establish a period of limitation with respect to other obligations that the Design-Builder has under this Design-Build Agreement or under Applicable Law with respect to the Design-Build Improvements, including warranties with respect to latent defects. The Warranty Period relates only to the specific obligation of the Design-Builder to correct the Design-Build Work, and has no relationship to the time within which the obligation to comply with this Design-Build Agreement may be enforced, nor the time within which proceedings may be commenced to establish the Design-Builder’s liability with respect to the Design-Builder’s obligations other than specifically to correct the Design-Build Work.

(C) Extension of Warranties. The “call-back” obligations set forth in this Section shall apply to all Design-Build Work re-done pursuant to the terms of this Design-Build Agreement. The “call-back” obligations for re-done elements of the Design-Build Work shall extend beyond the Warranty Period, if necessary, to provide at least a one-year period following acceptance of such re-done Design-Build Work.

(D) Design-Builder Reliance on Manufacturers’ Warranties During Call-Back Period. During the period in which the call-back obligations set forth in this Section are in effect, the Design-Builder shall be permitted to enforce all warranties provided by manufacturers and suppliers. Notwithstanding the applicability or effectiveness of such warranties, the Design-Builder shall be required to comply with the requirements set forth in subsection (A) of this Section.

SECTION 6.6. WARRANTIES NOT EXCLUSIVE.

(A) No Limitation. The warranties set forth in this Article are in addition to, and not in limitation of, any other warranties, rights and remedies available under this Design-Build Agreement or Applicable Law, and shall not limit the Design-Builder's liability or responsibility imposed by this Design-Build Agreement or Applicable Law with respect to the Design-Build Improvements Design-Build Work, including liability for design defects, latent construction defects, strict liability, negligence or fraud.

(B) Compensation. The Design-Builder acknowledges that the Design-Build Price contains the entire compensation due the Design-Builder for any and all Design-Build Improvements Warranty Work to be performed by the Design-Builder or its Subcontractors or agents. If any amounts are required to be paid to third parties to perform Design-Build Improvements Warranty Work, payment of such amounts shall be the responsibility of the Design-Builder.

(C) Performance of Design-Build Improvements Warranty Work. All Design-Build Improvements Warranty Work shall be performed in accordance with the Contract Standards. The Design-Builder shall perform or cause to be performed all Design-Build Improvements Warranty Work in a manner which will minimize interference with the ongoing operations of the Design-Build Improvements. The Design-Builder shall provide a written plan for its proposed Design-Build Improvements Warranty Work (unless expressly waived by the Owner).

ARTICLE 7

PERFORMANCE PERIOD OBLIGATIONS

[Note: to be developed based upon pre-Proposal interviews.]

ARTICLE 8

BREACH, DEFAULT, REMEDIES AND TERMINATION

SECTION 8.1. REMEDIES FOR BREACH.

The parties agree that, except as otherwise provided in this Article with respect to termination rights, if either party breaches this Design-Build Agreement, the other party may exercise any legal rights it may have under this Design-Build Agreement, under the Security Instruments and under Applicable Law to recover damages or to secure specific performance, and that such rights to recover damages and to secure specific performance shall ordinarily constitute adequate remedies for any such breach. Neither party shall have the right to terminate this Design-Build Agreement for cause except upon the occurrence of an Event of Default.

SECTION 8.2. EVENTS OF DEFAULT BY THE DESIGN-BUILDER.

(A) Events of Default Not Requiring Previous Notice or Cure Opportunity for Termination. Each of the following shall constitute an Event of Default by the Design-Builder upon which the Owner, by notice to the Design-Builder, may terminate this Design-Build Agreement without any requirement of having given notice previously or of providing any further cure opportunity:

(1) Security for Performance. The failure of the Design-Builder to obtain and maintain in full force and effect any Security Instrument required by Article 10 (Security for Performance) as security for the performance of this Design-Build Agreement, without excuse for Uncontrollable Circumstances;

(2) Failure to Achieve Acceptance. Except to the extent excused due to the occurrence of Uncontrollable Circumstances, the failure of the Design-Builder to achieve Acceptance prior to the end of the Extension Period as provided in Section 4.8 (Failure to Achieve Acceptance);

(3) Failure to Achieve Final Completion. Except to the extent excused due to the occurrence of Uncontrollable Circumstances, the failure of the Design-Builder to achieve Final Completion by the date set forth in Section 3.21 (Final Completion);

(4) Emergency Response. The failure of the Design-Builder to immediately take all appropriate action if the Owner notifies the Design-Builder at any time after Substantial Completion that a public health or safety emergency exists or is threatened due to the Design-Builder's failure to comply with the Contract Standards;

(5) Insolvency. The insolvency of the Design-Builder or the Guarantor as determined under the Bankruptcy Code;

(6) Voluntary Bankruptcy. The filing by the Design-Builder or the Guarantor of a petition of voluntary bankruptcy under the Bankruptcy Code; the consenting of the Design-Builder or the Guarantor to the filing of any bankruptcy or reorganization petition against the Design-Builder or the Guarantor under the Bankruptcy Code; or the filing by the Design-Builder or the Guarantor of a petition to reorganize the Design-Builder or the Guarantor pursuant to the Bankruptcy Code;

(7) Involuntary Bankruptcy. The issuance of an order of a court of competent jurisdiction appointing a receiver, liquidator, custodian or trustee of the Design-Builder or the Guarantor or of a major part of the Design-Builder's or the Guarantor's property, respectively, or the filing against the Design-Builder or the Guarantor of a petition to reorganize the Design-Builder or the Guarantor pursuant to the Bankruptcy Code, which order shall not have been discharged or which filing shall not have been dismissed within 90 days after such issuance or filing, respectively;

(8) Gross Misconduct. An official or employee of the Design-Builder or the Guarantor has engaged in activity which constitutes a gross misfeasance of duty, notwithstanding the fact that at the time the notice of an Event of Default is given such failure or refusal to perform may no longer exist or be continuing; or

(9) Default of Guarantor. The failure of the Guarantor to perform any obligation under the Guaranty in a timely manner.

(B) Events of Default Requiring Previous Notice and Cure Opportunity for Termination. It shall be an Event of Default by the Design-Builder upon which the Owner may terminate this Design-Build Agreement, by notice to the Design-Builder, if:

(1) Representations and Warranties. Any representation or warranty of the Design-Builder hereunder or the Guarantor under the Guaranty Agreement was false or inaccurate in any material respect when made, and the legality of this Design-Build Agreement or the Guaranty Agreement or the ability of the Design-Builder to carry out its obligations hereunder or the ability of the Guarantor to carry out its obligations thereunder is thereby materially and adversely affected; or

(2) Payment or Performance. The Design-Builder fails, refuses or otherwise defaults in its duty (a) to pay any amount required to be paid to the Owner under this Design-Build Agreement within 60 days following the due date for such payment, or (b) to perform any obligation under this Design-Build Agreement (unless such default is excused by an Uncontrollable Circumstance as and to the extent provided herein).

No event set forth in items (1) or (2) of this subsection (B) shall constitute an Event of Default giving the Owner the right to terminate this Design-Build Agreement for cause under this subsection unless:

(i) Notice. The Owner has given prior written notice to the Design-Builder and the surety providing the Performance Bond, as applicable, by stating that a specified default has occurred which gives the Owner a right to terminate this Design-Build Agreement for cause under this Section, and describing the default in reasonable detail; and

(ii) Action to Correct. The Design-Builder has not initiated within a reasonable time (in any event not more than 30 days from the initial default notice) and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence (completion to have occurred in no event more than 90 days unless otherwise agreed to by the Owner).

(C) Other Remedies Upon Design-Builder Event of Default. The right of termination provided under this Section upon an Event of Default by the Design-Builder is not exclusive. If this Design-Build Agreement is terminated by the Owner for an Event of Default by the Design-Builder, the Owner shall have the right to pursue a cause of action for actual damages and to exercise all other remedies which are available to it under this Design-Build Agreement, under the Security Instruments and under Applicable Law.

(D) Relationship to Liquidated Damages. Any liquidated damages payable by the Design-Builder under this Design-Build Agreement shall cease to accrue on the Termination Date. The Design-Builder shall be liable for all liquidated damages that have accrued up to the Termination Date. The parties acknowledge and agree that such liquidated damages are intended solely to compensate the Owner for costs and expenses associated with the specific circumstances identified in the specific provisions providing for such liquidated damages and are not intended to liquidate all damages that the Owner is likely to suffer if a Design-Builder Event of Default under this Article. Accordingly, except as specifically provided in Section 8.3 (Limitation on Design-Builder Liability) and except with respect to damages relating solely to the specific circumstances for which liquidated damages are provided under this Design-Build Agreement, the payment of any such liquidated damages by the Design-Builder shall not serve to limit or otherwise affect the Owner's right to pursue and recover damages under subsection (C) of this Section.

SECTION 8.3. LIMITATION ON DESIGN-BUILDER LIABILITY.

(A) Design-Builder Liability Limit Upon Termination. Subject to Section 8.4 (Applicability and Interpretation of the Limitation of Liability), the Design-Builder's aggregate liability under this Design-Build Agreement and, accordingly, the liability of the Guarantor under the Guaranty Agreement, with respect to damages of any kind payable to the Owner arising out of the performance or unexcused non-performance of the Design-Build Work as a consequence of a claim or action initiated by the Owner shall not exceed an amount equal to 100% of the Design-Build Price.

(B) Liquidated Damages Limit. The aggregate liability of the Design-Builder, with respect to any liquidated damages payable pursuant to Section 4.5 (Scheduled Acceptance Date and Delay Liquidated Damages), shall not exceed an amount equal to 100% of the Design-Build Price.

(C) Relationship to Security for Performance of Design-Build Work. Pursuant to Section 10.2 (Bonds), the Design-Builder has provided or will provide a Payment Bond and a Performance Bond in the amount of 100% of the Design-Build Price. Nothing in this Section shall limit the security provided by either the Payment Bond or the Performance Bond.

SECTION 8.4. APPLICABILITY AND INTERPRETATION OF THE LIMITATION ON LIABILITY.

The limitation on Design-Builder liability provided for in Section 8.3 (Limitation on Design-Builder Liability) applies solely to the liability of the Design-Builder and the Guarantor for damages to the Owner arising out of the performance or unexcused non-performance of the Design-Build Work as a consequence of a claim or action initiated by the Owner. The limitation on liability provided for in Section 8.3 (Limitation on Design-Builder Liability) does not apply to any other liability, loss, damage, cost or expense that may be incurred by the Design-Builder or the Guarantor in connection with this Design-Build Agreement, including any of the following liabilities, losses, damages, costs or expenses:

- (1) Any loss, cost or expense sustained by the Design-Builder in the performance of the Design-Build Work or any other loss sustained by the Design-Builder, the Guarantor, or any other party in connection with this Design-Build Agreement, the Guaranty Agreement or other agreement relating to the Design-Build Improvements;
- (2) Any loss, cost or expense sustained by the Design-Builder, the Guarantor, or the Design-Builder's surety in seeking to cure or prevent any breach of this Design-Build Agreement by the Design-Builder;
- (3) Any fines or penalties levied or imposed by any Governmental Body;
- (4) Any claims, losses or penalties incurred by the Design-Builder or the Guarantor to third parties in any Legal Proceedings;
- (5) Any indemnity payment (resulting from third party claims, fines, or penalties) made by the Design-Builder or the Guarantor to the Owner;
- (6) Payment of any defense costs, including attorney's fees, to, for, or on behalf of the Owner with respect to any third party claim; and
- (7) Any claims, losses, penalties or settlement payments paid to the Owner in connection with any tort claim by the Owner against the Design-Builder based on negligence, willful misconduct, fraud, misrepresentation or false claims.

SECTION 8.5. EVENTS OF DEFAULT BY THE OWNER.

(A) Events of Default Permitting Termination. Each of the following shall constitute an Event of Default by the Owner upon which the Design-Builder, by notice to the Owner, may terminate this Design-Build Agreement:

(1) Representations and Warranties. Any representation or warranty of the Owner hereunder was false or inaccurate in any material respect when made, and the legality of this Design-Build Agreement or the ability of the Owner to carry out its obligations hereunder is thereby materially and adversely affected;

(2) Failure to Pay or Perform. The failure, refusal or other default by the Owner in its duty: (1) to pay the amount required to be paid to the Design-Builder under this Design-Build Agreement within 60 days following the due date for such payment; or (2) to perform any other material obligation under this Design-Build Agreement (unless such default is excused by an Uncontrollable Circumstance as and to the extent provided herein); or

(3) Bankruptcy. The authorized filing by the Owner of a petition seeking relief under the Bankruptcy Code, as applicable to political subdivisions which are insolvent or unable to meet their obligations as they mature; provided that the appointment of a financial control or oversight board by the State for the Owner shall not in and of itself constitute an Event of Default hereunder.

(B) Notice and Cure Opportunity. No such default described in subsection (A) of this Section shall constitute an Event of Default giving the Design-Builder the right to terminate this Design-Build Agreement for cause under this subsection unless:

(1) The Design-Builder has given prior written notice to the Owner stating that a specified default has occurred which gives the Design-Builder a right to terminate this Design-Build Agreement for cause under this Section, and describing the default in reasonable detail; and

(2) The Owner has not initiated within a reasonable time (in any event not more than 30 days from the initial default notice) and continued with due diligence to carry out to completion all actions reasonably necessary to correct the default and prevent its recurrence (completion to have occurred in no event more than 90 days unless otherwise agreed to by the Design-Builder).

(C) Limitation of Liability Upon Owner Event of Default. If this Design-Build Agreement is terminated by the Design-Builder for cause as a result of an Event of Default by the Owner during the Term, the damages payable by the Owner upon any such termination shall not exceed the amounts specified in subsections 8.6(B) (Owner Convenience Termination Right Option Prior to the Construction Date) and 8.6(C) (Owner Convenience Termination Right Option After the Construction Date and Prior to Final Completion), as applicable, and calculated as provided therein, which would be payable if this Design-Build Agreement were terminated during the Term, according to the date of termination, at the election of the Owner for convenience and without cause.

(D) Payment of Amounts Owing Through the Termination Date. Upon any termination pursuant to this Section, the Design-Builder shall also be paid all amounts due for the Design-Build Work performed prior to the Termination Date to be paid as part of the Design-Build Price but not yet paid as of the Termination Date.

SECTION 8.6. OWNER TERMINATION OPTIONS DURING THE DESIGN-BUILD PERIOD.

(A) Owner Termination for Cause. The Owner shall have the right during the Design-Build Period to terminate this Design-Build Agreement for cause and to pursue all remedies available pursuant to this Article, without cost or liability to the Owner, based upon the occurrence of any Event of Default by the Design-Builder under Section 8.2 (Events of Default by the Design-Builder) during the Design-Build Period.

(B) Owner Convenience Termination Right Option Prior to the Construction Date. The Owner shall have the right at any time prior to the Construction Date, exercisable in its discretion, for its convenience and without cause, to terminate this Design-Build Agreement upon written notice. Such written notice shall specify the date which this Design-Build Agreement is terminated. Upon any such termination, the Owner shall pay the Design-Builder an amount equal to the reasonable costs of demobilization (not to exceed \$200,000), subject to Cost Substantiation and after settlement of payments owing the Design-Builder as of the Termination Date under subsection (D) of this Section.

(C) Owner Convenience Termination Right Option After the Construction Date and Prior to Final Completion. The Owner shall have the right at any time after the Construction Date and prior to Final Completion, exercisable in its discretion, for its convenience and without cause, to terminate this Design-Build Agreement upon written notice. Such written notice shall specify the date which this Design-Build Agreement is terminated. Upon any such termination, the Owner shall pay the Design-Builder an amount equal to the reasonable costs of demobilization (not to exceed \$500,000), subject to Cost Substantiation and after settlement of payments owing the Design-Builder as of the Termination Date under subsection (D) of this Section.

(D) Payment of Amounts Owed Through the Termination Date. Upon any termination pursuant to this Section, the Design-Builder shall also be paid all amounts due for the Design-Build Work performed prior to the Termination Date to be paid as part of the Design-Build Price but not yet paid as of the Termination Date.

(E) Delivery of Design-Build Period Work Product to the Owner. Concurrently with payment by the Owner to the Design-Builder of the amount due upon any termination of this Design-Build Agreement under this Section, the Design-Builder shall deliver to the Owner all of its Design-Build Period work product (including all Deliverable Material) produced during the period commencing on the Contract Date to the Termination Date hereunder, which work product immediately shall become the property of the Owner. The Owner's use of any such work product for any purpose other than the Design-Build Improvements shall be at its own risk and the Design-Builder shall have no liability therefor.

SECTION 8.7. GENERAL PROVISIONS REGARDING CONVENIENCE TERMINATION.

(A) Termination Fee Payment Contingent Upon Surrender of Possession. The Owner shall have no obligation to pay the applicable termination fee provided for in Section 8.6

(Owner Termination Options During the Design-Build Period), except concurrently with the surrender of possession and control by the Design-Builder of the Design-Build Improvements to the Owner.

(B) Adequacy of Termination Payment. The Design-Builder agrees that the applicable termination fee provided in Section 8.6 (Owner Termination Options During the Design-Build Period) shall fully and adequately compensate the Design-Builder and all Subcontractors for all costs of undertaking their obligations under subsection 8.8(A) (Design-Builder Obligations), foregone potential profits and any charges of any kind whatsoever (whether foreseen or unforeseen), including initial transition and mobilization costs and demobilization, employee transition and other similar wind-down costs, attributable to the termination of the Design-Builder's right to perform this Design-Build Agreement.

(C) Consideration for Convenience Termination Payment. The right of the Owner to terminate this Design-Build Agreement for its convenience and in its discretion in accordance with this Article constitutes an essential part of the overall consideration for this Design-Build Agreement, and the Design-Builder hereby waives any right it may have under Applicable Law to assert that the Owner owes the Design-Builder a duty of good faith dealing in the exercise of such right.

(D) Completion or Continuance by Owner. After the date of any termination under this Article, the Owner may at any time (but without any obligation to do so) take any and all actions necessary or desirable to continue and complete the Design-Build Work so terminated, including entering into contracts with other contractors.

SECTION 8.8. OBLIGATIONS OF THE DESIGN-BUILDER UPON
TERMINATION OR EXPIRATION.

(A) Design-Builder Obligations. Upon the termination or expiration of this Design-Build Agreement under any provision hereof, the Design-Builder shall, as applicable:

- (1) stop the Design-Build Work on the date and to the extent specified by the Owner;
- (2) promptly deliver to the Owner all Design Documents and construction record drawings prepared by the Design-Builder in carrying out the Design-Build Work which have not previously been delivered to the Owner, and all supporting design notebooks, calculations, record files, design meeting memoranda, and construction meeting memoranda;
- (3) promptly take all action as necessary to protect and preserve all materials, equipment, tools, facilities and other property including all of the items described in item (8) below;

(4) promptly remove from the Design-Build Improvements all equipment, implements, machinery, tools, temporary facilities of any kind and other property owned or leased by the Design-Builder (including sheds, trailers, workshops and toilets), and repair any damage caused by such removal;

(5) clean the Design-Build Improvements and the Project Site, and leave them in a neat and orderly condition;

(6) promptly remove all employees of the Design-Builder and any Subcontractors and vacate the Design-Build Improvements;

(7) promptly deliver to the Owner a list of all supplies, materials, machinery, equipment, property and special order items previously delivered or fabricated by the Design-Builder or any Subcontractor but not yet incorporated in the Design-Build Improvements;

(8) deliver to the Owner the Operation and Maintenance Manual and all computer programs used at the Design-Build Improvements in the performance of the Design-Build Work, including all revisions and updates thereto;

(9) provide the Owner with a list of all computer and other files relevant to the Design-Build Improvements and access, user names, passwords and security codes with instructions and demonstrations which show how to open and change such codes;

(10) deliver to the Owner a copy of all books and records in its possession relating to the performance of the Design-Build Work, and including all books, records, documents and computer data relating to the operation, maintenance, activities and administration of the Design-Build Improvements and its various components and facilities;

(11) advise the Owner promptly of any special circumstances which might limit or prohibit cancellation of any Subcontract;

(12) promptly deliver to the Owner copies of all Subcontracts, together with a statement of:

- (a) the items ordered and not yet delivered pursuant to each agreement;
- (b) the expected delivery date of all such items;
- (c) the total cost of each agreement and the terms of payment; and
- (d) the estimated cost of canceling each agreement;

(13) assign to the Owner any Subcontract that the Owner elects in writing, at its sole election and without obligation, to have assigned to it. The Owner shall assume, and the Design-Builder shall be relieved of its obligations under, any Subcontract so assigned;

(14) unless the Owner directs otherwise, terminate all Subcontracts and make no additional agreements with Subcontractors;

(15) provide the Owner with a list of all Design-Build Improvements subject to patents, licenses, franchises, trademarks or copyrights and the associated royalties and license fees associated therewith which the Owner will be responsible for paying on or after the Termination Date;

(16) as directed by the Owner, transfer to the Owner by appropriate instruments of title, and deliver to the Design-Build Improvements (or such other place as the Owner may specify), all special order items pursuant to this Design-Build Agreement for which the Owner has made or is obligated to make payments;

(17) promptly transfer to the Owner all warranties given by any manufacturer or Subcontractor with respect to particular components of the Design-Build Work;

(18) notify the Owner promptly in writing of any Legal Proceedings against the Design-Builder by any Subcontractor or other third parties relating to the termination of the Design-Build Work (or any Subcontracts);

(19) give written notice of termination, effective as of date of termination of this Design-Build Agreement, promptly under each policy of Required Insurance (with a copy of each such notice to the Owner), but permit the Owner to continue such policies thereafter at its own expense, if possible;

(20) retain on the Design-Build Improvements, computer systems to be delivered to the Owner including all Design-Build Improvements-related files, data, information and software and to not delete any such files, data, information or software; and

(21) take such other actions, and execute such other documents as may be necessary to effectuate and confirm the foregoing matters, or as may be otherwise necessary or desirable to minimize the Owner's costs, and take no action which shall increase any amount payable by the Owner under this Design-Build Agreement.

(B) Continuity of Service and Technical Support. Upon the termination or expiration of this Design-Build Agreement under any provision hereof, the Design-Builder, at the request and direction of the Owner, shall provide for an effective continuity of service and the smooth and orderly transition of construction management to the Owner or any replacement contractor designated by the Owner. Such service shall be for a period of up to 90 days and shall include providing technological and design advice and support and delivering any plans, drawings, renderings, bluelines, operating manuals, computer programs, spare parts or other

information useful or necessary for the Owner or any replacement contractor designated by the Owner to carry out and complete the Design-Build Work. In addition, the Design-Builder shall provide the Owner and any replacement contractor with a one-time training program relating to the operation and maintenance of the Design-Build Improvements.

(C) Design-Builder Payment of Certain Costs. If termination is pursuant to Section 8.2 (Events of Default By the Design-Builder), the Design-Builder shall be obligated to pay the costs and expenses of undertaking its obligations under subsection (C) of this Section. If the Design-Builder fails to comply with any obligation under this Section, the Owner may perform such obligation and the Design-Builder shall pay on demand all reasonable costs thereof subject to Cost Substantiation.

(D) Owner Payment of Certain Costs. If termination is for the convenience of the Owner under Section 8.6 (Owner Termination Options During the Design-Build Period) or due to a Owner Event of Default pursuant to Section 8.5 (Events of Default by the Owner), or upon the expiration of this Design-Build Agreement in accordance with its terms, the Owner shall pay to the Design-Builder within 60 days of the date of the Design-Builder's invoice supported by Cost Substantiation all reasonable costs and expenses incurred by the Design-Builder in satisfying its obligations under subsection (C) of this Section.

SECTION 8.9. NO WAIVERS.

No action of the Owner or Design-Builder pursuant to this Design-Build Agreement (including any investigation or payment), and no failure to act, shall constitute a waiver by either party of the other party's compliance with any term or provision of this Design-Build Agreement. No course of dealing or delay by the Owner or Design-Builder in exercising any right, power or remedy under this Design-Build Agreement shall operate as a waiver thereof or otherwise prejudice such party's rights, powers and remedies. No single or partial exercise of (or failure to exercise) any right, power or remedy of the Owner or the Design-Builder under this Design-Build Agreement shall preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

SECTION 8.10. SURVIVAL OF CERTAIN PROVISIONS UPON TERMINATION.

Notwithstanding any other provision of this Design-Build Agreement, the following provisions hereof shall survive the expiration or earlier termination of this Design-Build Agreement:

- (1) Article 2 (Representations and Warranties);
- (2) Section 3.16 (Deliverable Material);
- (3) Section 5.5 (Construction Books and Records; Audit)
- (4) Section 8.12 (Non-Binding Dispute Resolution Procedures);

(5) Article 8 (Breach, Default, Remedies and Termination), as applicable to the obligations of the parties following the Termination Date;

(6) Section 9.5 (Indemnification by the Design-Builder);

(7) Section 11.6 (Property Rights);

(8) Section 11.12 (Fair Employment and Contracting Policy);

(9) Section 11.14 (Confidentiality);

(10) Appendix 11 (Insurance Requirements); and

(11) all other provisions of this Design-Build Agreement that so provide shall survive the termination of this Design-Build Agreement;

(12) together with any provision necessary to give effect to the above provisions. No termination of this Design-Build Agreement shall (1) limit or otherwise affect the respective rights and obligations of the parties hereto accrued prior to the date of such termination; or (2) preclude either party from impleading the other party in any Legal Proceeding originated by a third-party as to any matter occurring during the Term.

SECTION 8.11. NO SPECIAL, CONSEQUENTIAL OR PUNITIVE DAMAGES.

In no event shall either party hereto be liable to the other or obligated in any manner to pay to the other any special, incidental, consequential, punitive or similar damages based upon claims arising out of or in connection with the performance or non-performance of its obligations or otherwise under this Design-Build Agreement, or the material inaccuracy of any representation made in this Design-Build Agreement, whether such claims are based upon contract, tort, negligence, warranty or other legal theory. The waiver of the foregoing damages under this Section is intended to apply to only disputes and claims as between the Owner and the Design-Builder, and specifically is not intended to limit the scope of the indemnity provisions in Section 9.5 (Indemnification by the Design-Builder), which indemnity includes all claims by third parties irrespective of the nature thereof or the relief sought thereby.

SECTION 8.12. FORUM FOR BINDING DISPUTE RESOLUTION.

Unless the parties mutually agree to submit a dispute to arbitration, judicial proceedings held in California state courts in Monterey County will be the sole forum for binding dispute resolution.

SECTION 8.13. NON-BINDING DISPUTE RESOLUTION PROCEDURES.

(A) Generally. Except as provided below, each party shall follow the dispute resolution procedures set forth in this Section to attempt to resolve and settle disputes between themselves concerning the rights, obligations and liabilities of the parties. The dispute resolution procedures set forth in this Section are intended to encourage a negotiated resolution of disputes

in a prompt and efficient manner without resort to arbitration or litigation, which should be a last resort.

(B) Informal Negotiations. Representatives of the Owner and the Design-Builder with day-to-day involvement in the administration of this Design-Build Agreement and the performance of the Design-Build Work shall initially and promptly enter into negotiations to attempt to address and resolve any disputes that may arise concerning this Design-Build Agreement. In connection with such negotiations, the party asserting the dispute shall provide the other with a written description of the nature of the dispute, along with reasonable supporting documentation. The parties shall consider involving senior representatives and other upper management personnel of each party in the informal negotiation process, as well as other representatives of the parties not actively involved in the day-to-day activities associated with the dispute who might be able to take a broader look at the dispute in the context of the overall objectives of the Design-Build Improvements and this Design-Build Agreement. Upon the expenditure of reasonable efforts towards resolution of a dispute through such informal negotiations without reaching agreement, a party may declare that the informal negotiations have been exhausted and such party may request Non-Binding Mediation in accordance with this Section.

(C) Rights to Request and Decline Non-Binding Mediation. Subject to the requirements of subsection (B) of this Section, either party may request Non-Binding Mediation of any dispute arising under this Design-Build Agreement. The non-requesting party may decline the request in its discretion except with respect to claims regarding changes to the Design-Build Price or guaranteed schedules for which mediation may not be declined unless otherwise agreed to by the parties. If there is concurrence that any particular matter shall be mediated, the provisions of this Section shall apply. The costs of such Non-Binding Mediation shall be divided equally between the Owner and the Design-Builder.

(D) Procedure. The Mediator shall be a professional engineer, attorney or other professional mutually acceptable to the parties who has no current or on-going relationship to either party. The Mediator shall have full discretion as to the conduct of the mediation. Each party shall participate in the Mediator's program to resolve the dispute until and unless the parties reach agreement with respect to the disputed matter or one party determines in its discretion that its interests are not being served by the mediation.

(E) Non-Binding Effect. Mediation is intended to assist the parties in resolving disputes over the correct interpretation of this Design-Build Agreement. No Mediator shall be empowered to render a binding decision.

ARTICLE 9

INSURANCE, DAMAGE, UNCONTROLLABLE CIRCUMSTANCES AND INDEMNIFICATION

SECTION 9.1. INSURANCE.

(A) Required Insurance. The Design-Builder shall obtain and maintain its Required Insurance in accordance with Appendix 11 (Insurance Requirements) and the provisions of this Design-Build Agreement, and shall pay all premiums with respect thereto as the same become due and payable. The Owner shall obtain and maintain its Required Insurance in accordance with Appendix 11 (Insurance Requirements) and the provisions of this Design-Build Agreement and shall pay all premiums with respect thereto as the same may become due and payable.

(B) Subcontractors. Whenever a Subcontractor is utilized, the Design-Builder shall require the Subcontractor to obtain and maintain insurance in accordance with Appendix 11 (Insurance Requirements) and shall provide the Owner with certificates evidencing such insurance.

(C) Compliance with Insurance Requirements. The Design-Builder shall comply with all applicable Insurance Requirements pertaining to the Project Site and the Design-Build Improvements under any policy of Required Insurance and take all steps necessary to assure that the Design-Build Improvements remain continuously insured in accordance with the requirements of this Design-Build Agreement during the Term.

(D) Failure to Provide Insurance Coverage. If the Design-Builder fails to pay any premium for its Required Insurance, or if any insurer cancels any of the Design-Builder's Required Insurance policies and the Design-Builder fails to obtain replacement coverage so that its Required Insurance is maintained on a continuous basis, the Owner may, but is not obligated to, pay such premium or procure similar insurance coverage from another insurer and upon such payment by the Owner the amount thereof shall be immediately reimbursable to the Owner by the Design-Builder. The Design-Builder shall not perform Design-Build Work during any period when any policy of Required Insurance is not in effect. The failure of the Design-Builder to obtain and maintain, or cause to be obtained and maintained, any of its Required Insurance shall not relieve the Design-Builder of its liability for any losses intended to be insured thereby, be satisfaction of any Design-Builder liability under this Design-Build Agreement or in any way limit, modify or satisfy the Design-Builder's indemnity obligations hereunder. Should any failure to provide continuous insurance coverage occur, the Design-Builder shall indemnify, defend and hold harmless the Owner Indemnitees in accordance with and to the extent provided in Section 9.5 (Indemnification by the Design-Builder), from and against any and all Loss-and-Expense arising out of such failure.

(E) Reductions for Insurance Proceeds. Whenever this Design-Build Agreement obligates the Owner to pay any amount to the Design-Builder in respect of any event or circumstance for which, or with respect to the consequences of which an insurance claim may be made by the Design-Builder under the Required Insurance, the amount which the Owner is obligated to pay shall be reduced by the amount of such insurance proceeds which the Design-

Builder recovers or would have been entitled to recover if it had complied with the requirements of this Design-Build Agreement or any policy of Required Insurance.

SECTION 9.2. LOSS, DAMAGE OR DESTRUCTION TO THE DESIGN-BUILD IMPROVEMENTS.

(A) Prevention and Repair. The Design-Builder shall use care and diligence, and shall take all appropriate precautions, to protect the Design-Build Improvements from loss, damage or destruction in accordance with Good Engineering and Construction Practice, Applicable Law and the Insurance Requirements. The Design-Builder shall report to the Owner, any other appropriate Governmental Body and the insurers under any applicable Required Insurance, immediately upon obtaining knowledge thereof, any loss, damage or destruction to any portion of the Design-Build Improvements or any OSHA recordable injury accident on the Project Site related to the Design-Build Work, and as soon as practicable thereafter (but in no event later than 72 hours) shall submit a full written report to the Owner. Such report shall be updated on a weekly basis and upon culmination of all tests, analysis and reviews, a final report incorporating all of the tests, analysis and reviews and the findings thereof shall be submitted to the Owner. The Design-Builder shall also submit to the Owner within 24 hours of receipt copies of all accident and other reports filed with, or given to the Design-Builder by, any insurance company, adjuster or Governmental Body. The parties shall cooperate so as to promptly commence and proceed with due diligence to complete the repair, replacement and restoration of the Design-Build Improvements to at least the character or condition thereof existing immediately prior to the loss, damage or destruction, and such work shall be performed by the Design-Builder or the Owner, as applicable, as if it constituted (1) a Change Order in accordance with and subject to the procedures set forth in Article 3 (Permitting, Design and Construction of the Design-Build Improvements) during the Design-Build Period. The Owner shall have the right to monitor, review and inspect the performance of any repair, replacement and restoration work by the Design-Builder as if such work constituted Design-Build Work hereunder.

(B) Insurance and Other Third-Party Payments. To the extent that any repair, replacement or restoration costs incurred pursuant to this Section can be recovered from any insurer or from another third-party, each party shall assist the other in exercising such rights as it may have to effect such recovery. All available insurance or other third-party payment proceeds shall be applied for such repair, replacement and restoration purposes in accordance with subsection (C) of this Section. Each party shall provide the other with copies of all relevant documentation at no cost to the other party, and shall cooperate with and assist the other party upon request by participating in conferences, negotiations and litigation regarding insurance claims; provided, however, that neither party shall be obligated pursuant to this subsection to provide the other party with documents subject to the attorney-client privilege under State law.

(C) Payment for Restoration Work and Insurable Costs. All insurance proceeds and recoveries from third parties resulting from damage to or the loss or destruction of the Design-Build Improvements shall be for the account of the Owner to be used for repair, replacement and restoration costs.

(D) Repair of Owner and Private Property. The Design-Builder shall promptly repair or replace all Owner property and all private property damaged by the Design-Builder or

any officer, director, employee, representative or agent of the Design-Builder in connection with the performance of, or the failure to perform, the Design-Build Work. The repair and replacements shall restore the damaged property, to the maximum extent reasonably practicable, to its character and condition existing immediately prior to the damage. Nothing in this subsection is intended to waive any rights of recovery under applicable policies of insurance.

SECTION 9.3. UNCONTROLLABLE CIRCUMSTANCES –
ENTITLEMENT TO RELIEF.

(A) Relief Available to the Design-Builder. If and to the extent that an Uncontrollable Circumstance interferes with, delays or increases the cost to the Design-Builder performing the Design-Build Work in accordance herewith, the Design-Builder shall be entitled to either relief from its performance obligations or an increase in the Fixed Design-Build Price (except as and to the extent provided in this Section, Section 9.4 (Uncontrollable Circumstances - Claim Procedures) and Section 9.5 (Indemnification by the Design-Builder)), or any combination thereof, each of which properly reflects the interference with performance, the amount of the increased cost, or the time lost as a result thereof, in each case at the sole option of the Owner and only to the minimum extent necessary to compensate the Design-Builder or provide performance relief and only to the extent directly attributable to the Uncontrollable Circumstance. The Design-Builder shall perform all other Design-Build Work not affected by the Uncontrollable Circumstances. Any cost reduction achieved, or which should have been achieved, through the mitigation measures undertaken by the Design-Builder pursuant to subsection (B) of this Section upon the occurrence of an Uncontrollable Circumstance shall be reflected in a reduction of the amount by which the Design-Build Price would have otherwise been increased or shall serve to reduce the Fixed Design-Build Price to reflect such mitigation measures, as applicable. The Design-Builder shall not be entitled to any price relief through an adjustment to the Fixed Design-Build Price or otherwise on account of any costs incurred as the result of an act, event or circumstance that the Design-Builder or the Guarantor is obligated to insure against under Article 9 (Insurance) and Appendix 11 (Insurance Requirements), irrespective of any limits of coverage and of any deductible applicable under any policy of insurance maintained or required to be maintained thereunder.

(B) Mitigation. Whenever an Uncontrollable Circumstance occurs, the Design-Builder shall, as promptly as practicable, use all reasonable efforts to eliminate the cause thereof, reduce costs resulting therefrom, mitigate and limit damage to the parties, and resume or continue full performance under this Design-Build Agreement. The Design-Builder shall be compensated for any such mitigation costs as part of the Fixed Design-Build Price, and there shall be a Fixed Design-Build Price Adjustment to account for any such costs.

(C) Applicable Law Compliance. Nothing in this Section shall be interpreted as relieving the Design-Builder of its obligation, following any and all Uncontrollable Circumstances, to perform its obligations under this Design-Build Agreement in compliance with Applicable Law.

SECTION 9.4. UNCONTROLLABLE CIRCUMSTANCES – CLAIM PROCEDURES.

(A) Notice and Written Report. In order to assert an entitlement based on the occurrence of an Uncontrollable Circumstance, the Design-Builder shall give notice of the occurrence of the Uncontrollable Circumstance to the Owner as soon as practicable, and in any event within ten days of the date the Design-Builder has knowledge that the Uncontrollable Circumstance has caused or is likely to cause an entitlement to relief under this Design-Build Agreement. The Design-Builder's notice shall include a written report:

(1) Describing the Uncontrollable Circumstance and the cause thereof, to the extent known;

(2) Stating the date on which the Uncontrollable Circumstance began and its estimated duration;

(3) Summarizing the consequences of the Uncontrollable Circumstance and the expected impact on the performance of the Design-Builder's obligations under this Design-Build Agreement; and

(4) Indicating the nature and scope of the Design-Builder's potential entitlement to relief.

(B) Updates. The Design-Builder shall provide the Owner with periodic updates, together with further details and supporting documentation, as it receives or develops additional information pertaining to the Uncontrollable Circumstance and the matters described in subsection (A) of this Section. In particular, the Design-Builder shall notify the Owner as soon as the Uncontrollable Circumstance has ceased and of the time when performance of its affected obligations can be resumed.

(C) Submittal of Relief Request. The Design-Builder shall submit to the Owner a further notice making its request for specific relief, the basis therefor and the event giving rise to the requested relief within 30 days after the notice referred to in subsection (A) of this Section. If the specific relief cannot reasonably be ascertained within such 30-day period, the Design-Builder shall furnish such notice within such longer period as necessary to detail the event and ascertain such relief.

(D) Delay in Notification. If any Uncontrollable Circumstance notice or any required information is submitted by the Design-Builder to the Owner after the dates required under this Section, then the Design-Builder shall be entitled to relief provided due to the occurrence of the Uncontrollable Circumstance except to the extent that the ability to mitigate was adversely affected as a result of the delay in providing such notice or information.

(E) Multiple and Overlapping Claims. The Design-Builder may make multiple but not duplicative claims with respect to an Uncontrollable Circumstance.

(F) Burden of Proof and Mitigation. The Design-Builder shall bear the burden of proof in establishing the occurrence of an Uncontrollable Circumstance and the entitlement to

relief based thereon, and shall demonstrate that the Design-Builder complied with its mitigation obligations under subsection 9.3(B) (Mitigation).

(G) Resumption of Performance. Promptly following the occurrence of an Uncontrollable Circumstance, the Design-Builder shall use all reasonable efforts to eliminate the cause thereof and resume performance of this Design-Build Agreement.

(H) Owner Response. Within 30 days after receipt of a relief request by the Design-Builder pursuant to subsection (C) of this Section, the Owner shall issue a written determination as to the extent, if any, to which it concurs with the Design-Builder's request, and the reasons therefor.

(I) Agreement or Dispute. The agreement of the parties as to the specific relief to be given the Design-Builder on account of an Uncontrollable Circumstance shall be evidenced by a Contract Administration Memorandum or a Design-Build Agreement Amendment, as applicable. Any issue in dispute relating to the assertion of the occurrence of an Uncontrollable Circumstance may be referred to the dispute resolution procedures set forth in Section 8.12 (Non-Binding Dispute Resolution Procedures).

SECTION 9.5. INDEMNIFICATION BY THE DESIGN-BUILDER.

The Design-Builder shall indemnify, defend and hold harmless the Owner and its agents, directors, officers, stockholders, attorneys, affiliates (including parent company), subsidiaries, employees, representatives, independent contractors, insurers, assigns and successors (each, an "Owner Indemnitee"), from and against (and pay the full amount of) any and all Loss-and-Expense incurred by an Owner Indemnitee to third parties arising from or in connection with (or alleged to arise from or in connection with):

- (1) the negligence or willful misconduct of the Design-Builder or any of its officers, directors, employees, representatives, agents or Subcontractors;
- (2) Design-Builder Fault;
- (3) the exercise by the Design-Builder of its access rights pursuant to subsection 3.3(C) (Access to the Project Site);
- (4) any Design-Builder non-compliance with Applicable Law;
- (5) the performance or non-performance by the Design-Builder of the Design-Build Work
- (6) any claim, judgment, cost or expense described in subsection 11.6(A) (Protection from Infringement); or
- (7) any other matter identified as requiring indemnification by the Design-Builder under this Design-Build Agreement.

The Design-Builder's indemnity obligations hereunder shall not be limited by any insurance the Design-Builder does or does not maintain or by any matter relating to insurance. The Design-Builder shall not, however, be required to reimburse or indemnify any Owner Indemnitee for any Loss-and-Expense to the extent caused by the negligence or willful misconduct of any Owner Indemnitee or to the extent attributable to any Uncontrollable Circumstance. These indemnification provisions are for the protection of the Owner Indemnitees only and shall not be deemed to create any right in favor of any third parties. The provisions of this Section shall survive the termination of this Design-Build Agreement.

ARTICLE 10

SECURITY FOR PERFORMANCE

SECTION 10.1. GUARANTOR.

(A) Guaranty Agreement. The Design-Builder, concurrently with the execution and delivery of this Design-Build Agreement, has caused the Guaranty Agreement to be provided by the Guarantor in the form attached hereto as a Transaction Form and such Guaranty Agreement shall remain effective throughout the Term.

(B) Material Decline in Guarantor's Credit Standing Defined. For purposes of this Section, a "Material Decline in Guarantor's Credit Standing" shall be deemed to have occurred if neither the Design-Builder nor Guarantor maintain the Minimum Financial Criteria set forth in Appendix 14 (Minimum Financial Criteria) hereto. The Design-Builder immediately shall notify the Owner of any Material Decline in Guarantor's Credit Standing.

(C) Credit Enhancement Upon a Material Decline in Guarantor's Credit Standing. If, at any time after the Contract Date and prior to the expiration of the Warranty Period, a Material Decline in Guarantor's Credit Standing occurs, the Design-Builder shall provide, or cause the Guarantor to provide the Owner within 60 days of notice from the Owner, a Letter of Credit from a Qualified Commercial Bank in the stated amount of \$10 million. The Owner shall have the right but not the obligation, exercisable in its sole and absolute discretion, to waive, modify (but not increase the face amount), alter or replace any of the foregoing requirements from time to time as and to the extent the Owner deems necessary to protect its interest and to secure the performance by the Design-Builder of its obligations hereunder and by the Guarantor of its obligations under the Guaranty Agreement in light of the nature, extent, and potential duration of the Material Decline in Guarantor's Credit Standing. The letter of credit required hereunder shall be in addition to all other Security Instruments required by this Design-Build Agreement.

(D) Restoration of Credit Standing. If, at any time following the occurrence of a Material Decline in Guarantor's Credit Standing, (1) the Guarantor meets the Minimum Financial Criteria, or (2) an additional guaranty agreement in a form substantially identical to the form of the Guaranty Agreement is provided by another company acceptable to the Owner, the letter of credit required in subsection 10.1(C) (Credit Enhancement Upon a Material Decline in Guarantor's Credit Standing) will no longer be required.

(E) Guarantor Annual Reports. The Design-Builder shall furnish the Owner, within 120 days after the end of the Guarantor's fiscal year, consolidated financial statements reported upon by the Guarantor's independent public accountant. If applicable, the Design-Builder shall also furnish the Owner with copies of the quarterly and annual reports and other filings of the Guarantor filed with the Securities and Exchange Commission or comparable foreign regulatory body, as applicable.

SECTION 10.2. BONDS.

(A) Performance Bond and Payment Bond. The Design-Builder shall provide the Owner with the Performance Bond and the Payment Bond as a Construction Date Condition pursuant to Section 3.2 (Construction Date Conditions). The Payment Bond shall be in the form required by California Civil Code Section 3247 as attached in Transaction Form B, and the Performance Bond shall be in the form attached as Transaction Form C. Each of the Payment Bond and the Performance Bond shall be in an amount equal to 100% of the Design-Build Price. The Performance Bond and the Payment Bond shall be issued by a surety company (1) approved by the Owner and having a rating of “A” in the latest revision of the A.M. Best Design-Builder’s Insurance Report; (2) listed in the United States Treasury Department’s Circular 570, “Companies Holding Certificates of Owner as Acceptable Sureties on Federal Bonds and as Acceptable Reinsurance Companies”; and (3) holding a valid certificate as an admitted surety authorized to transact surety business in the State. The Performance Bond and the Payment Bond shall comply with and shall be subject to the California Bond and Undertaking Law (California Code of Civil Procedure Section 995.010 et seq.). The Performance Bond shall remain open in an amount equal to 100% of the Design-Build Price, including any Fixed Design-Build Price Adjustments, until the filing of the Notice of Completion. The Payment Bond shall remain open in an amount equal to 100% of the Design-Build Price, including any Fixed Design-Build Price Adjustments, for the statutory period following the filing of the Notice of Completion, as required by Applicable Law.

(B) Warranty Bond. Pursuant to Section 6.1 (Warranty of Professional Services), the Design-Builder shall provide a warranty bond on the Acceptance Date in an amount equal to 20% of the Design-Build Price as security for the Design-Builder’s obligations with respect to the Design-Build Improvements pursuant to Article 6 (Warranties) (the “Warranty Bond”). The Warranty Bond shall be in a form attached or as otherwise approved by the Owner and shall be issued by a surety company (1) approved by the Owner and having a rating of “A” in the latest revision of the A.M. Best Design-Builder’s Insurance Report; (2) listed in the United States Treasury Department’s Circular 570, “Companies Holding Certificates of Owner as Acceptable Sureties on Federal Bonds and as Acceptable Reinsurance Companies”; and (3) holding a valid certificate as an admitted surety authorized to transact surety business in the State. The Warranty Bond shall remain open for the Project Warranty Period.

(C) Monitoring of Sureties. The Design-Builder shall be responsible throughout the Term for monitoring the financial condition of any surety company issuing bonds under this Design-Build Agreement and for making inquiries no less often than annually to confirm that each such surety company maintains at least the minimum rating level specified in this Section. If the rating of any issuing surety company falls below such minimum level, the Design-Builder shall promptly notify the Owner of such event and shall promptly furnish or arrange for the furnishing of a substitute or an additional bond of a surety company whose rating and other qualifications satisfy all above requirements, unless the Owner agrees to accept the surety company or agrees to an alternative method of assurance. Upon such notice by the Design-Builder of such an event, the Owner shall not unreasonably withhold its approval of such assurance.

SECTION 10.3. LETTER OF CREDIT.

(A) Qualified Commercial Bank. A “Qualified Commercial Bank” for the purposes of this Design-Build Agreement shall mean a domestic or foreign commercial bank whose long-term debt is rated “A2” or higher by Moody’s and whose long-term debt is rated “A” or higher by Standard & Poor’s, and if there is a split rating, then the lower of the two shall apply. The Qualified Commercial Bank shall maintain a banking office in either Monterey County or San Francisco. The Qualified Commercial Bank shall be subject to the approval of the Owner, which shall not unreasonably be withheld or delayed.

(B) Letter of Credit Requirements. The Letter of Credit shall be for a term of one year, shall be continuously renewed, extended or replaced so that it remains in effect until 180 days after the earlier of the Termination Date or the end of the Warranty Period, and shall be issued substantially in the form set forth in Transaction Form D. The Letter of Credit shall be in a stated amount (the “stated amount”) equal to \$1,000,000. The required stated amount shall, upon each renewal, extension or replacement thereof, be reduced by the aggregate amount of all amounts drawn on all previous Letters of Credit provided under this subsection. The stated amount of the Letter of Credit and the Owner’s estimate of damages for purposes of its drawing rights under this Section shall in no way limit the amount of damages to which the Owner may be entitled for any material breach or Design-Builder Event of Default hereunder. In order to evidence the authorized reduction of the stated amount hereunder, the Owner, at the request of the Design-Builder, shall deliver to the Qualified Commercial Bank the certificate for reduction in stated amount provided for in Transaction Form E.

(C) Drawings for Non-Renewal or Bankruptcy. The Owner shall have the unconditional right to immediately draw upon the Letter of Credit for the full stated amount thereof upon the following conditions: (1) if any required renewal, extension or replacement thereof is not made earlier than the date which is 30 days prior to its expiration date; (2) the Design-Builder or the Guarantor (i) has filed a petition of voluntary bankruptcy under the Bankruptcy Code, (ii) has consented to the filing of any bankruptcy or reorganization petition against the Design-Builder or the Guarantor, or (iii) has filed a petition to reorganize the Design-Builder or the Guarantor pursuant to the Bankruptcy Code; or (3) a court of competent jurisdiction has issued an order appointing a receiver, liquidator, custodian or trustee of the Design-Builder or the Guarantor or of a major part of the Design-Builder’s or the Guarantor’s property, respectively, or a petition to reorganize the Design-Builder or the Guarantor pursuant to the Bankruptcy Code has been filed against the Design-Builder or the Guarantor, and such order has not been discharged or such filing has not been dismissed within 90 days after such issuance or filing. The proceeds of any such drawing shall be held by the Owner as cash collateral to secure the performance of the Design-Build Work and, if a material breach of this Design-Build Agreement following any such drawing, may be retained by the Owner as payment or partial payment of damages resulting therefrom.

(D) Drawings for Termination. The Owner shall have the unconditional right to immediately draw upon the Letter of Credit an amount estimated by the Owner as representing the damages it has suffered as a result of the termination of this Design-Build Agreement by the Owner pursuant to Section 8.6 (Owner Termination Options During the Design-Build Period).

(E) Drawings for Material Breach. The Owner shall have the right to draw upon the Letter of Credit in an amount estimated by the Owner as representing the damages it has suffered as a result of a material breach of this Design-Build Agreement by the Design-Builder. It shall be a condition to the right of the Owner to draw on the Letter of Credit under this subsection that: (1) the Owner has given the Design-Builder written notice of a material breach of this Design-Build Agreement, whether or not such breach constitutes an Event of Default, and attached a copy of his or her good faith assessment of the damages the Owner has suffered as a result of such breach; and (2) the Design-Builder has had an opportunity at a meeting scheduled by the Owner to be held not earlier than 15 days nor later than 30 days following delivery of such notice, to present to the Owner evidence disputing the Owner's assertion of breach or assessment of damages. Following any event of voluntary bankruptcy or involuntary bankruptcy by the Design-Builder as described in Section 8.2 (Events of Default by the Design-Builder) or a termination of this Design-Build Agreement pursuant to Section 8.6 (Owner Termination Options During the Design-Build Period), no such notice or meeting shall be required to be given to the Design-Builder, nor shall the giving of such notice or meeting be a condition to the Owner's drawing rights under the Letter of Credit pursuant to this subsection.

(F) Effect of Final Determination of Damages. If subsequent to any drawing on the Letter of Credit it is determined by any final dispute resolution that such drawing to any extent was not permitted hereunder, the Owner shall pay the amount wrongfully drawn to the Design-Builder together with interest thereon at the Base Rate calculated from the date of drawing to the date of payment to the Design-Builder.

SECTION 10.4. COSTS OF PROVIDING SECURITY FOR PERFORMANCE.

The cost and expense of obtaining and maintaining the Security Instruments required under this Article as security for the performance of the Design-Builder's obligations hereunder is included in the Fixed Design-Build Price, and shall be borne by the Design-Builder without further reimbursement from the Owner.

ARTICLE 11

MISCELLANEOUS PROVISIONS

SECTION 11.1. OWNERSHIP OF THE DESIGN-BUILD IMPROVEMENTS AND USE OF THE SITE.

The Design-Build Improvements shall be owned by the Owner at all times. The Design-Builder shall perform the Design-Build Work as an independent contractor and shall not have any legal, equitable, tax beneficial or other ownership or leasehold interest in the Design-Build Improvements. The execution of this Design-Build Agreement shall be deemed to constitute the granting of a license to the Design-Builder to access the Project Site for all purposes of this Design-Build Agreement in accordance with subsection 3.3(C) (Access to the Project Site).

SECTION 11.2. RELATIONSHIP OF THE PARTIES.

The Design-Builder is an independent contractor of the Owner and the relationship between the parties shall be limited to performance of this Design-Build Agreement in accordance with its terms. Neither party shall have any responsibility with respect to the services to be provided or contractual benefits assumed by the other party. Nothing in this Design-Build Agreement shall be deemed to constitute either party a partner, agent or legal representative of the other party. No liability or benefits, such as workers compensation, pension rights or liabilities, or other provisions or liabilities arising out of or related to a contract for hire or employer/employee relationship, shall arise or accrue to any party's agent or employee as a result of this Design-Build Agreement or the performance thereof.

SECTION 11.3. CONTRACT ADMINISTRATORS.

(A) Contract Administrators. The Owner and the Design-Builder each shall designate an individual or individuals to administer this Design-Build Agreement and act as their respective liaison's in connection with the Design-Build Work (each a "Contract Administrator"). The Design-Builder understands and agrees that the Owner's Contract Administrator has only limited authority with respect to the implementation of this Design-Build Agreement, and cannot bind the Owner with respect to any Design-Build Agreement Amendment or to incurring costs in excess of the amounts set forth herein. Within such limitations, the Design-Builder shall be entitled to rely on the written directions of the Owner's Contract Administrator. The Owner's Contract Administrator shall have the right at any time to issue the Design-Builder a written request for information relating to this Design-Build Agreement. Any written request designated as a "priority request" shall be responded to by the Design-Builder within three Business Days.

(B) Design-Builder's Senior Supervisors. The Design-Builder shall appoint and inform the Owner from time to time of the identity of the corporate officials of the Design-Builder and the Guarantor with senior supervisory responsibility for the Design-Build Improvements and the performance of this Design-Build Agreement (the "Senior Supervisors"). The Design-Builder shall inform the Owner of the telephone, fax, e-mail address and other means by which the Senior Supervisors may be contacted. The Design-Builder shall promptly

notify in writing to the Owner of the appointment of any successor Senior Supervisors. The Senior Supervisors shall cooperate with the Owner in any reviews of the performance of the Construction Superintendent which the Owner may undertake from time to time, and shall give full consideration to any issues raised by the Owner in conducting such performance reviews.

(C) Owner Approvals and Consents. When this Design-Build Agreement requires any approval or consent by the Owner to a Design-Builder submission, request or report, the approval or consent shall, within the limits of the authority of subsection (B) of this Section, be given by the Owner's Contract Administrator in writing and such writing shall be conclusive evidence of such approval or consent, subject only to compliance by the Owner with the Applicable Law that generally governs its affairs. Unless expressly stated otherwise in this Design-Build Agreement, and except for requests, reports and submittals made by the Design-Builder that do not, by their terms or the terms of this Design-Build Agreement, require a response or action, if the Owner does not find a request, report or submittal acceptable, it shall provide written response to the Design-Builder describing its objections and the reasons therefor within 30 days of the Owner's receipt thereof. If no response is received, the request, report or submittal shall be deemed rejected, and the Design-Builder may resubmit the same, with or without modification. Requests, reports and submittals that do not require a response or other action by the Owner pursuant to some specific term of this Design-Build Agreement shall be deemed acceptable to the Owner if the Owner shall not have objected thereto within 30 days of the receipt thereof.

SECTION 11.4. DESIGN-BUILD AGREEMENT ADMINISTRATION.

(A) Administrative Communications. The parties recognize that a variety of contract administrative matters will routinely arise throughout the Term. These matters will by their nature involve requests, notices, questions, assertions, responses, objections, reports, claims, and other communications made personally, in meetings, by phone, by mail and by electronic and computer communications. The purpose of this Section is to set forth a process by which the resolution of such matters, once resolution is reached, can be formally reflected in the common records of the parties so as to permit the orderly and effective administration of this Design-Build Agreement.

(B) Contract Administration Memoranda. The principal formal tool for the administration of routine matters arising under this Design-Build Agreement between the parties which do not require a Design-Build Agreement Amendment shall be a "Contract Administration Memorandum." A Contract Administration Memorandum shall be prepared, after all preliminary communications have been concluded, to evidence the resolution reached by the Owner and the Design-Builder as to matters of interpretation and application arising during the course of the performance of their obligations hereunder. Such matters may include, for example: (1) issues as to the meaning, interpretation or application of this Design-Build Agreement in particular circumstances or conditions; (2) calculations required to be made; (3) notices, waivers, releases, satisfactions, confirmations, further assurances, consents and approvals given hereunder; and (4) other similar routine contract administration matters.

(C) Procedure. Either party may request the execution of a Contract Administration Memorandum. When resolution of the matter is reached, a Contract

Administration Memorandum shall be prepared by or at the direction of the Owner reflecting the resolution. Contract Administration Memoranda shall be serially numbered, dated, signed by the Contract Administrator for each party and by an attorney in the Owner's legal department. The Owner and the Design-Builder each shall maintain a parallel, identical file of all Contract Administration Memoranda, separate and distinct from the Design-Build Agreement Amendments and all other documents relating to the administration and performance of this Design-Build Agreement.

(D) Effect. Executed Contract Administration Memoranda shall serve to guide the ongoing interpretation and application of the terms and conditions of this Design-Build Agreement.

SECTION 11.5. DESIGN-BUILD AGREEMENT AMENDMENTS.

(A) Amendments Generally. Notwithstanding the provisions of Section 11.4 (Design-Build Agreement Administration), no change, alteration, revision or modification of the terms and conditions of this Design-Build Agreement shall be made except through a written amendment to this Design-Build Agreement (a "Design-Build Agreement Amendment") duly authorized and executed by the Owner and the Design-Builder.

(B) Procedure. Design-Build Agreement Amendments shall be serially numbered, dated and signed by an authorized representative for each party. The Owner and the Design-Builder each shall maintain a parallel, identical file of all Design-Build Agreement Amendments, separate and distinct from the Contract Administration Memoranda and all other documents relating to the administration and performance of this Design-Build Agreement.

SECTION 11.6. PROPERTY RIGHTS.

(A) Protection from Infringement. The Design-Builder shall indemnify, defend and hold harmless the Owner Indemnitees in the manner provided in Section 9.5 (Indemnification by the Design-Builder) from and against any and all Loss-and-Expense arising out of or related to the infringement or unauthorized use of any patent, trademark, copyright or trade secret relating to, or for the Design-Build Work. At its option, the Design-Builder shall acquire the rights of use under infringed patents, or modify or replace infringing equipment with equipment equivalent in quality, performance, service life and technical characteristics and development so that such equipment does not so infringe. The provisions of this Section shall survive termination of this Design-Build Agreement.

(B) Intellectual Property Developed by the Design-Builder. All intellectual property developed by the Design-Builder at or through the performance of the Design-Build Work shall be owned by the Design-Builder subject to the terms and conditions of this Section and Section 3.16 (Deliverable Materials), and is hereby licensed to the Owner on a non-exclusive, cost free, perpetual basis for use by the Owner. Such intellectual property shall include technology, inventions, innovations, processes, know-how, formulas and software, whether protected as proprietary information, trade secrets, or patents. The Owner shall have an irrevocable, perpetual, royalty-free and unrestricted right to use, reuse, reproduce, publish, display, broadcast and distribute such intellectual property, and to prepare derivative and additional documents based on such intellectual property, for any Owner purpose, whether

before or following the Termination Date. Neither the Owner nor the Design-Builder shall license, transfer or otherwise make available such intellectual property to any third-party for remuneration except with the consent of the other, which consent may be conditioned upon mutual agreement as to the sharing of any such remuneration. The use by the Owner of any such intellectual property for purposes other than in connection with the Design-Build Improvements shall be at its own risk and the Design-Builder shall have no liability therefor.

SECTION 11.7. INTEREST ON OVERDUE OBLIGATIONS.

If payment of any amount due hereunder is not made when due, simple interest will be payable on such amount at the Overdue Rate and shall be calculated on the basis of a 365-day year from the date such payment is due under this Design-Build Agreement until paid.

SECTION 11.8. NEGOTIATED FIXED PRICE WORK.

This Design-Build Agreement obligates the Owner to pay for certain costs resulting from Uncontrollable Circumstances, Owner Fault and otherwise as more specifically provided herein. It is the expectation of the parties, in general, that the Owner will pay for such costs on a negotiated, lump sum basis, and that the lump sum price will be negotiated in advance of the Design-Builder's performance of the work. For example, if a Change in Law occurs, as required under Section 9.3 (Uncontrollable Circumstances - Entitlement to Relief), the parties will assess the impact of the Change in Law, take all appropriate mitigation steps, determine any necessary Design and Construction Requirement Changes, and agree upon lump sum pricing therefor. To facilitate such negotiations, the Design-Builder shall furnish the Owner with all information reasonably required by the Owner regarding the Design-Builder's expected costs of performing the work and its mark-up. Once the parties agree upon the lump sum price, the Design-Builder's actual costs of performance shall not be subject to Cost Substantiation unless after-the-fact Cost Substantiation with respect to all or a portion of the Design-Builder's actual costs was agreed to by the parties in establishing the lump sum price.

SECTION 11.9. COST SUBSTANTIATION.

(A) Cost Substantiation Generally. The Design-Builder shall provide Cost Substantiation for the costs for which the Owner is financially responsible hereunder, other than the Fixed Design-Build Price and the costs for which the parties have negotiated a lump sum price, all as and to the extent provided in Section 5.1 (Design-Build Price). In incurring costs which are or may be subject to Cost Substantiation, the Design-Builder shall utilize competitive practices to the maximum reasonable extent (including, where practicable and except with respect to costs of the Design-Builder to which the Fixed Design-Build Price applies, obtaining three competing quotes or estimates for costs expected to be in excess of \$50,000, and shall enter into subcontracts on reasonable terms and prices in light of the work to be performed and the Owner's potential obligation to pay for it.

(B) Costs Requiring Cost Substantiation. Cost Substantiation shall be provided as soon as reasonably practicable after the costs which require substantiation have been incurred by the Design-Builder. Examples of costs which require substantiation include (1) work done on an emergency basis to respond to an Uncontrollable Circumstance, where it is not reasonably practicable for the parties in advance to negotiate a lump sum price for the work; and

(2) work done by the Design-Builder under subsection 8.8(B) (Continuity of Service and Technical Support) upon the expiration or termination of this Design-Build Agreement, to the extent such costs are the responsibility of the Owner under subsection 8.8(D) (Owner Payment of Certain Costs). Cost Substantiation shall also be required where the parties agree that the Design-Builder shall perform work on a cost-plus basis, subject to the limitations set forth in subsection (F) of this Section.

(C) Cost Substantiation Certificate. Any certificate delivered hereunder to substantiate cost shall state the amount of such cost and the provisions of this Design-Build Agreement under which such cost is chargeable to the Owner, shall describe the competitive or other process utilized by the Design-Builder to obtain the reasonable price, and shall state that such services and materials are reasonably required pursuant to this Design-Build Agreement. The Cost Substantiation certificate shall be accompanied by copies of such documentation as shall be necessary to reasonably demonstrate that the cost as to which Cost Substantiation is required has been paid or incurred. Such documentation shall be in a format reasonably acceptable to the Owner and shall include reasonably detailed information concerning all Subcontracts and, with respect to self-performed work:

- (1) the amount and character of materials, equipment and services furnished or utilized, the persons from whom purchased, the amounts payable therefor and related delivery and transportation costs and any sales or personal property Taxes;
- (2) a statement of the equipment used and any rental payable therefor;
- (3) employee hours, duties, wages, salaries, benefits and assessments; and
- (4) profit, administration costs, bonds, insurance, taxes, premiums overhead, and other expenses.

(5) The Owner shall review any Cost Substantiation Certificate, and advise the Design-Builder of its determinations with respect thereto, within 20 days of receipt. The Design-Builder's entitlement to reimbursement of Cost Substantiated costs of the Design-Builder shall be subject to the limitations set forth in this Section.

(D) Technical Services. Design-Builder personnel and personnel of Subcontractors providing technical services shall be billed at their then currently applicable rates for similar services on projects of similar size and scope to the Design-Build Work. The Design-Builder shall use reasonable efforts to use available Design-Builder personnel for additional work hereunder before using Subcontractors.

(E) Mark-Up. On all costs incurred by the Design-Builder for work performed directly by the Design-Builder or any of its Affiliates which are subject to Cost Substantiation, the Design-Builder (or its Affiliates, as applicable) shall be entitled to a mark-up of 10% on its unburdened labor rates, and the Design-Builder shall not be entitled to any other additional compensation. On all costs incurred by the Design-Builder for work performed by Subcontractors, the Design-Builder shall be entitled to a mark-up of 5% for risk, profit, administration, and all other overhead. The mark-up for all Subcontractors that are not Affiliates of the Design-Builder that self-perform work subject to Cost Substantiation, including

Subcontractor overhead and mark-ups for risk and profit, shall be equal to ten percent (10%) of its unburdened labor rates. Notwithstanding any of the foregoing, in no event shall the Design-Builder be entitled to any mark-up for work performed by Subcontractors in connection with an Uncontrollable Circumstance. The only mark-up the Design-Builder shall be entitled to with respect to work performed in connection with an Uncontrollable Circumstance is the Design-Builder's 10% mark-up applied solely to the unburdened direct labor costs of the Design-Builder associated with the Uncontrollable Circumstance. No mark-up will be added to the Design-Builder's costs for lodging, meals or travel. Construction Subcontractors similarly will have no mark-ups for costs for their subcontractors' lodging, meals or travel.

(F) Allowable Design-Build Work Costs. All Design-Build Work costs which are subject to Cost Substantiation shall be further subject to the terms, conditions and limitations set forth in Article 5 (Payment of the Design-Build Price).

(G) Evidence of Costs Incurred. To the extent reasonably necessary to confirm direct costs required to be Cost Substantiated, copies of timesheets, invoices, canceled checks, expense reports, receipts and other documents, as appropriate, shall be delivered to the Owner, with the request for reimbursement of such costs.

SECTION 11.10. USE OF SUBCONTRACTORS.

(A) Use Restricted. Subcontractors may be used to perform the Design-Build Work, subject to the Owner's right of review and approval under Section 3.17 (Personnel) and under the Owner's further right of rejection set forth in subsection (B) of this Section.

(B) Owner Review and Rejection of Permitted Subcontractors. Except as provided in the next sentence, the Owner shall have the right, based on the criteria provided below in this Section, to reject any Subcontractors which (1) the Design-Builder is permitted to engage under subsection (A) of this Section for Design-Build Work valued in excess of \$500,000, and (2) any substitute for an approved Subcontractor listed in Appendix 10 (Key Personnel and Approved Subcontractors). Owner rejection of Subcontractors as provided in the preceding sentence shall not be applicable to:

- (1) Affiliates of the Design-Builder;
- (2) Governmental Bodies; and
- (3) approved Subcontractors listed in Appendix 10 (Key Personnel and Approved Subcontractors).

(4) The Design-Builder shall furnish the Owner written notice of its intention to engage such Subcontractors, together with all information reasonably requested by the Owner pertaining to the demonstrated responsibility of the proposed Subcontractor in the following areas:

- (5) qualifications and experience;
- (6) any conflicts of interest;

(7) any record of felony criminal convictions or pending felony criminal investigations;

(8) any final judicial or administrative finding or adjudication of illegal employment discrimination;

(9) any unpaid federal, State or local Taxes; and

(10) any final judicial or administrative findings or adjudication of non-performance in contracts with the Owner or the State.

(11) The rejection by the Owner of any proposed Subcontractor shall not create any liability of the Owner to the Design-Builder, to third parties or otherwise. In no event shall any Subcontract be awarded to any person debarred, suspended or disqualified from State contracting for any services similar in scope to the Design-Build Work.

(C) Restricted Persons. In providing the Design-Build Work, the Design-Builder shall not contract with, or allow any of the Subcontractors to contract with, any person that, in the reasonable opinion of the Owner, is a Restricted Person.

(D) Subcontract Terms and Subcontractor Actions. The Design-Builder shall retain full responsibility to the Owner under this Design-Build Agreement for all matters related to the Design-Build Work notwithstanding the execution or terms and conditions of any Subcontract. No failure of any Subcontractor used by the Design-Builder in connection with the provision of the Design-Build Work shall relieve the Design-Builder from its obligations hereunder to perform the Design-Build Work. The Design-Builder shall be responsible for settling and resolving with all Subcontractors all claims arising out of delay, disruption, interference, hindrance, or schedule extension caused by the Design-Builder or inflicted on the Design-Builder or a Subcontractor by the actions of another Subcontractor.

(E) Indemnity for Subcontractor Claims. The Design-Builder shall pay or cause to be paid to all Subcontractors all amounts due in accordance with their respective Subcontracts. No Subcontractor shall have any right against the Owner for labor, services, materials or equipment furnished for the Design-Build Work. The Design-Builder acknowledges that its indemnity obligations under Section 9.5 (Indemnification by the Design-Builder) shall include all claims for payment or damages by any Subcontractor who furnishes or claims to have furnished any labor, services, materials or equipment in connection with the Design-Build Work to the extent that those claims fall within the scope of the indemnity in Section 9.5 (Indemnification by the Design-Builder).

(F) Assignability. All Subcontracts entered into by the Design-Builder with respect to the Design-Build Work shall be assignable to the Owner, solely at the Owner's election and without cost or penalty, upon the termination of this Design-Build Agreement.

SECTION 11.11. LABOR RELATIONS DISPUTES.

(A) Labor Relations. The Design-Builder shall furnish labor that can work in harmony with all other elements of labor employed for the performance of the Design-Build

Work. The Design-Builder shall have exclusive responsibility for disputes or jurisdictional issues among unions or trade organizations representing employees of the Design-Builder and Subcontractors. The Owner shall have no responsibility whatsoever for any such disputes or issues and the Design-Builder shall indemnify, defend and hold harmless the Owner Indemnitees in accordance with Section 9.5 (Indemnification by the Design-Builder) from any and all Loss-and Expense resulting from any such labor dispute.

(B) Labor Disputes. If the Design-Builder has knowledge of an actual or potential labor dispute that may affect any of the Design-Build Work, the Design-Builder shall promptly:

(a) Give notice thereof to the Owner, including all relevant information related to the dispute of which the Design-Builder has knowledge; and

(b) Take all reasonable steps to ensure that such labor dispute does not affect the performance of any of the Design-Build Work including by applying for relief to appropriate tribunals or courts.

The Design-Builder acknowledges that if the labor dispute involves workers of a Subcontractor, or of anyone employed by or through them, the Owner will not be required to provide any facilities, space or assistance in the Design-Build Improvements or on the Project Site for the purposes of such workers or any applicable union.

SECTION 11.12. FAIR EMPLOYMENT AND CONTRACTING POLICY.

(A) Compliance with Owner Non-Discrimination Policy. During the Term, the Design-Builder agrees as follows:

(1) The Design-Builder will not discriminate against any employee, applicant for employment, Subcontractor, guest, visitor or invitee, because of race, religion, creed, color, sex, age (over 40), marital status, sexual orientation, political ideology, ancestry, national origin, or the presence of any sensory, mental or physical disability, unless allowed by Applicable Law as a bona fide occupational qualification. The Design-Builder shall post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.

(2) Subsection (1) of this Section shall be interpreted in a manner that is consistent with the United States Constitution, the State Constitution and applicable State and federal statutes governing workplace discrimination. The terms used in this Section shall have the same meaning as defined in State statutes governing the same subject matter.

(3) Nothing in this Section shall be interpreted as prohibiting bona fide occupational qualifications consistent with applicable State and federal law and reasonably necessary to the normal operation of Owner employment or contracting. Nothing in this Section shall be interpreted as prohibiting regulations and policies to prevent nepotism or conflicts of interest.

(4) Nothing in this Section shall be interpreted as prohibiting action taken to establish or maintain eligibility for any federal program, where ineligibility would result in a loss of federal funds to the Owner.

(B) Compliance with Statutes. The Design-Builder agrees to comply with Title VII of the Civil Rights Act of 1964, as amended, the California Fair Employment and Housing Act, and the Americans with Disabilities Act of 1990, and any State or local laws pertaining to fair employment practices.

(C) Indemnification. The Design-Builder shall indemnify, defend and hold harmless the Owner Indemnitees in the manner provided in Section 9.5 (Indemnification by the Design-Builder) from and against all Loss-and-Expense which any of them may incur arising from any claim of discrimination or harassment, including but not limited to sexual harassment, arising from the conduct of the Design-Builder or any of the Design-Builder's officers, employees, agents or Subcontractors. If a discrimination or harassment complaint against the Design-Builder or any of the Design-Builder's officers, employees, agents, or Subcontractors, the Design-Builder shall take immediate and appropriate action in response to such complaint, including, but not limited to termination or appropriate discipline of an officer, employee, agent or Subcontractor.

(D) WMDVBE Utilization Plan. The Owner has established a combined women, minority and disabled veteran owned business enterprises ("WMDVBE") non-mandatory participation goal for the Design-Build Work of twenty-one and one-half percent (21.5%) of the Design-Build Price in accordance with CPUC General Order 156. To satisfy the this goal, the Design-Builder submitted as part of its proposal a WMDVBE utilization plan which is included in Appendix 16 (WMDVBE Utilization Plan). The WMDVBE utilization plan fully outlines the Design-Builder's commitment to promote and facilitate full participation of certified WMDVBEs. The Design-Builder must monitor and report to the Owner the continued implementation of the WMDVBE Utilization Plan throughout performance of this Design-Build Agreement.

(E) Local Resources Utilization Plan. The Owner acknowledges the benefit that the local community receives through utilization of local contractors, laborers, and suppliers. The Design-Builder has submitted a local resources utilization plan which is included in Appendix 17 (Local Resources Utilization Plan). The Design-Builder will make a good faith effort to employ qualified individuals who are, and have been for at least one year out of the three years prior to the opening of Proposals, residents of Monterey County, San Benito County, or Santa Cruz County in sufficient numbers so that no less than ____ percent [**Note: percent to be proposed by Design-Builder and shall not be less than 50%**] of the Design-Builder's total construction work force, including any Subcontractor work force (with exception of specialty subcontractor items), measured in labor work hours, is comprised of residents of such counties. The Design-Builder must monitor and report the continued implementation of the local resources utilization plan throughout the performance of this Design-Build Agreement.

SECTION 11.13. ASSIGNMENT.

(A) By the Design-Builder. The Design-Builder shall not assign, transfer, convey, lease, encumber or otherwise dispose of this Design-Build Agreement, its right to

execute the same, or its right, title or interest in all or any part of this Design-Build Agreement or any monies due hereunder whatsoever prior to their payment to the Design-Builder, whether legally or equitably, by power of attorney or otherwise, without the prior written consent of the Owner. Any such consent given in one instance shall not relieve the Design-Builder of its obligation to obtain the prior written approval of the Owner to any further assignment. Any such assignment of this Design-Build Agreement which is approved by the Owner shall require the assignee of the Design-Builder to assume the performance of and observe all obligations, representations and warranties of the Design-Builder under this Design-Build Agreement, and no such assignment shall relieve the Guarantor of any of its obligations under the Guaranty Agreement, which shall remain in full force and effect during the Term hereof. The approval of any assignment, transfer or conveyance shall not operate to release the Design-Builder in any way from any of its obligations under this Design-Build Agreement unless such approval specifically provides otherwise.

(B) By the Owner. The Owner shall have the right to assign its rights or obligations under this Design-Build Agreement without the consent of the Design-Builder.

SECTION 11.14. CONFIDENTIALITY.

(A) Confidential Nature of Information. The Design-Builder shall treat all information obtained from the Owner in the performance of this Design-Build Agreement as confidential and proprietary to the Owner.

(B) Limitation on Use and Disclosure. The Design-Builder shall not use any information obtained as a consequence of the performance of the Design-Build Work for any purpose other than fulfillment of the Design-Builder's scope of work. The Design-Builder shall not disclose any information obtained from the Owner or obtained as a consequence of the performance of the Design-Build Work to any person other than its own employees, agents or Subcontractors who have a need for the information for the performance of work under this Design-Build Agreement, unless such disclosure is specifically authorized in writing by the Owner.

(C) Security Plan. If requested by the Owner, the Design-Builder shall prepare a security plan to assure that information obtained from the Owner or as a consequence of the performance of the Design-Build Work is not used for any unauthorized purpose or disclosed to unauthorized persons. The Design-Builder shall advise the Owner of any request for disclosure of information or of any actual or potential disclosure of information.

SECTION 11.15. BINDING EFFECT.

This Design-Build Agreement shall inure to the benefit of and shall be binding upon the Owner and the Design-Builder and any assignee acquiring an interest hereunder consistent with Section 11.13 (Assignment).

SECTION 11.16. NOTICES.

(A) Procedure. All notices, consents, approvals or written communications given pursuant to the terms of this Design-Build Agreement shall be signed by the notifying

party's Contract Administrator, and shall be: (1) in writing and delivered in person; (2) transmitted by certified mail, return, receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally-recognized overnight courier service with signed verification of delivery; or (3) given by email or facsimile transmission, if a signed original is deposited in the United States Mail within two days after transmission. Notices shall be deemed given only when actually received at the address first given below with respect to each party. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

(B) Owner Notice Address. Notices required to be given to the Owner shall be addressed as follows:

California American Water
511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950
Attn: Corporate Counsel

with a copy to:

California American Water
1033 B Avenue
Suite 200
Coronado, CA 92118
Attn: Vice President, Legal-Operations

(C) Owner's Representative Notice Address. Notices required to be given to the Owner's Representative shall be sent to the Owner's Representative address provided from time to time by the Owner to the Design-Builder, with a copy to the Owner at the address provided in subsection (B) of this Section.

(D) Design-Builder Notice Address. Notices required to be given to the Design-Builder shall be addressed as follows:

[DESIGN-BUILDER NAME AND
ADDRESS]
Attn: _____
Telephone No.: _____
Facsimile No.: _____
E-mail Address: _____

with a copy to:

[DESIGN-BUILDER GENERAL COUNSEL
NAME AND ADDRESS]

Attn: _____

Telephone No.: _____

Facsimile No.: _____

E-mail Address: _____

SECTION 11.17. NOTICE OF LITIGATION.

If the Design-Builder or Owner receives notice of or undertakes the defense or the prosecution of any Legal Proceedings, claims, or investigations in connection with the Design-Build Work or the Design-Build Improvements, the party receiving such notice or undertaking such defense or prosecution shall give the other party timely notice of such proceedings and shall inform the other party in advance of all hearings regarding such proceedings. For purposes of this Section only, "timely notice" shall be deemed given if the receiving party has a reasonable opportunity to provide objections or comments or to proffer to assume the defense or prosecution of the matter in question, given the deadlines for response established by the relevant rules of procedure.

SECTION 11.18. FURTHER ASSURANCES.

The Owner and Design-Builder each agree to execute and deliver such further instruments and to perform any acts that may be necessary or reasonably requested in order to give full effect to this Design-Build Agreement. The Owner and the Design-Builder, in order to carry out this Design-Build Agreement, each shall use all reasonable efforts to provide such information, execute such further instruments and documents and take such actions as may be reasonably requested by the other and not inconsistent with the provisions of this Design-Build Agreement and not involving the assumption of obligations or liabilities different from or in excess of or in addition to those expressly provided for herein.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties have caused this Design-Build Agreement to be executed by their duly authorized representatives as of the day and year first above written.

CALIFORNIA-AMERICAN WATER
COMPANY

[DESIGN-BUILDER]

By: _____

By: _____

Name: _____
Printed

Name: _____
Printed

Title: _____

Title: _____

[Design-Builder Seal]

ATTEST:

ATTEST:

[Owner Secretary]

Printed Name: _____

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TRANSACTION FORMS
TO THE
DESIGN-BUILD AGREEMENT
FOR THE
MONTEREY PENINSULA WATER SUPPLY PROJECT
DESALINATION INFRASTRUCTURE

between

CALIFORNIA-AMERICAN WATER COMPANY

and

[DESIGN-BUILDER]

Dated as of

_____, 2013

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TRANSACTION FORM A
FORM OF GUARANTY AGREEMENT

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GUARANTY AGREEMENT

from

[GUARANTOR]

to

CALIFORNIA-AMERICAN WATER COMPANY

Dated as of

_____, 2013

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TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1.	DEFINITIONS.....	A-2
SECTION 1.2.	INTERPRETATION.....	A-2

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1.	REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR....	A-4
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ARTICLE III

GUARANTY COVENANTS

SECTION 3.1.	GUARANTY TO THE OWNER	A-6
SECTION 3.2.	RIGHT OF OWNER TO PROCEED AGAINST GUARANTOR	A-6
SECTION 3.3.	GUARANTY ABSOLUTE AND UNCONDITIONAL	A-6
SECTION 3.4.	DEFENSES, SET-OFFS AND COUNTERCLAIMS	A-8
SECTION 3.5.	WAIVERS BY THE GUARANTOR.....	A-8
SECTION 3.6.	PAYMENT OF COSTS AND EXPENSES	A-9
SECTION 3.7.	SUBORDINATION OF RIGHTS	A-9
SECTION 3.8.	SEPARATE OBLIGATIONS; REINSTATEMENT	A-10
SECTION 3.9.	TERM	A-10

ARTICLE IV

GENERAL COVENANTS

SECTION 4.1.	MAINTENANCE OF CORPORATE EXISTENCE.....	A-11
SECTION 4.2.	ASSIGNMENT.....	A-11
SECTION 4.3.	QUALIFICATION IN CALIFORNIA.....	A-11
SECTION 4.4.	CONSENT TO JURISDICTION.....	A-11
SECTION 4.5.	BINDING EFFECT	A-11
SECTION 4.6.	AMENDMENTS, CHANGES AND MODIFICATIONS	A-12
SECTION 4.7.	LIABILITY.....	A-12
SECTION 4.8.	NOTICES.....	A-13

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GUARANTY AGREEMENT

THIS GUARANTY AGREEMENT is made and dated as of _____, 2012, between [_____] a [_____] organized and existing under the laws of the State of [_____] (together with any permitted successors and assigns hereunder, the “Guarantor”), and California-American Water Company, a corporation organized and existing under and by virtue of the laws of the State of California (the “Owner”).

RECITALS

The Owner and [_____] a [_____] organized and existing under the laws of the State of [_____] (the “Design-Builder”), have entered into a Design-Build Agreement for the Monterey Peninsula Water Supply Project Desalination Infrastructure Project, dated as of _____, 2013, as amended from time to time (the “Design-Build Agreement”), whereby the Design-Builder has agreed to obtain governmental approvals for, design, construct, start up, commission, and acceptance test certain desalination infrastructure improvements, all as more particularly described therein.

The Design-Builder is [an indirect subsidiary] of the Guarantor.

Performance by the Owner and the Design-Builder of their obligations under the Design-Build Agreement will result in a direct and substantial benefit to the Guarantor.

The Owner will enter into the Design-Build Agreement only if, concurrently with its execution and delivery by the Design-Builder, the Guarantor guarantees the performance by the Design-Builder of all of the Design-Builder’s Obligations under the Design-Build Agreement as set forth in this Guaranty Agreement.

In order to induce the execution and delivery of the Design-Build Agreement by the Owner and in consideration thereof, the Guarantor agrees as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

SECTION 1.1. DEFINITIONS. For the purposes of this Guaranty, the following words and terms shall have the respective meanings set forth as follows. Any other capitalized word or term used but not defined herein is used as defined in the Design-Build Agreement.

“Obligations” means the amounts payable by, and the covenants and agreements of, the Design-Builder pursuant to the terms of the Design-Build Agreement.

“Transaction Agreement” means any agreement entered into by the Design-Builder or the Owner in connection with the transactions contemplated by the Design-Build Agreement, including the Design-Build Agreement, and any supplements thereto.

SECTION 1.2. INTERPRETATION. In this Guaranty, unless the context otherwise requires:

(A) References Hereto. The terms “hereby”, “hereof”, “herein”, “hereunder” and any similar terms refer to this Guaranty, and the term “hereafter” means after, and the term “heretofore” means before, the date of execution and delivery of this Guaranty.

(B) Plurality. Words importing the singular number mean and include the plural number and vice versa.

(C) Persons. Words importing persons include firms, companies, associations, general partnerships, limited partnerships, trusts, business trusts, corporations and other legal entities, including public bodies, as well as individuals.

(D) Headings. The table of contents and any headings preceding the text of the Articles, Sections and subsections of this Guaranty shall be solely for convenience of reference and shall not constitute a part of this Guaranty, nor shall they affect its meaning, construction or effect.

(E) Entire Agreement. This Guaranty constitutes the entire agreement between the parties hereto with respect to the transactions contemplated by this Guaranty. Nothing in this Guaranty is intended to confer on any person other than the Guarantor, the Owner and their permitted successors and assigns hereunder any rights or remedies under or by reason of this Guaranty.

(F) Counterparts. This Guaranty may be executed in any number of original counterparts. All such counterparts shall constitute but one and the same Guaranty.

(G) Applicable Law. This Guaranty shall be governed by and construed in accordance with the applicable laws of the State of California.

(H) Severability. If any clause, provision, subsection, Section or Article of this Guaranty shall be ruled invalid by any court of competent jurisdiction, the invalidity of any such clause, provision, subsection, Section or Article shall not affect any of the remaining provisions hereof, and this Guaranty shall be construed and enforced as if such invalid portion did not exist provided that such construction and enforcement shall not increase the Guarantor's liability beyond that expressly set forth herein.

(I) Approvals. All approvals, consents and acceptances required to be given or made by any party hereto shall be at the sole discretion of the party whose approval, consent or acceptance is required.

(J) Payments. All payments required to be made by the Guarantor hereunder shall be made in lawful money of the United States of America.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR

SECTION 2.1. REPRESENTATIONS AND WARRANTIES OF THE GUARANTOR. The Guarantor hereby represents and warrants that:

(1) Existence and Powers. The Guarantor is a corporation duly organized, validly existing and in good standing under the laws of the State of [_____], with the full legal right, power and authority to enter into and perform its obligations under this Guaranty.

(2) Due Authorization and Binding Obligation. This Guaranty has been duly authorized, executed and delivered by all necessary corporate action of the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor, enforceable against the Guarantor in accordance with its terms, except to the extent that its enforceability may be limited by bankruptcy, insolvency or other similar laws affecting creditors' rights from time to time in effect and equitable principles of general application.

(3) No Conflict. To the best of its knowledge, neither the execution nor delivery by the Guarantor of this Guaranty nor the performance by the Guarantor of its obligations in connection with the transaction contemplated hereby or the fulfillment by the Guarantor of the terms and conditions hereof: (a) conflicts with, violates or results in a breach of any law or governmental regulation applicable to the Guarantor; (b) conflicts with, violates or results in a breach of any term or condition of the Guarantor's corporate charter or by-laws or any order, judgment or decree, or any contract, agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its properties or assets are bound, or constitutes a default under any of the foregoing; or (c) will result in the creation or imposition of any material encumbrance of any nature whatsoever upon any of the properties or assets of the Guarantor except as permitted hereby.

(4) No Approvals Required. No approval, authorization, order or consent of, or declaration, registration or filing with, any Governmental Body is required for the valid execution and delivery of this Guaranty by the Guarantor or the performance of its payment or other obligations hereunder, except as such shall have been duly obtained or made.

(5) No Litigation. Except as disclosed in writing to the Owner, there is no Legal Proceeding, at law or in equity, before or by any Governmental Body pending or, to the best of the Guarantor's knowledge, overtly threatened or publicly announced against the Guarantor, in which an unfavorable decision, ruling or finding could reasonably be expected to have a material and adverse effect on the validity, legality or enforceability of this Guaranty against the Guarantor, or on the ability of the Guarantor to perform its obligations hereunder.

(6) No Legal Prohibition. The Guarantor has no knowledge of any Applicable Law in effect on the date as of which this representation is being made which would prohibit the performance by the Guarantor of this Guaranty and the transactions contemplated by this Guaranty.

(7) Consent to Agreements. The Guarantor is fully aware of and consents to the terms and conditions of the Design-Build Agreement.

(8) Consideration. This Guaranty is made in furtherance of the purposes for which the Guarantor has been organized, and the assumption by the Guarantor of its obligations hereunder will result in a material benefit to the Guarantor.

ARTICLE III

GUARANTY COVENANTS

SECTION 3.1. GUARANTY TO THE OWNER. The Guarantor hereby absolutely, presently, irrevocably and unconditionally guarantees to the Owner for the benefit of the Owner (1) the full and prompt payment when due of each and all of the payments required to be credited or made by the Design-Builder under the Design-Build Agreement (including all amendments and supplements thereto) to, or for the account of, the Owner, when the same shall become due and payable pursuant to this Guaranty, and (2) the full and prompt performance and observance of each and all of the Obligations. Notwithstanding the unconditional nature of the Guarantor's obligations as set forth herein, the Guarantor shall have the right to assert the defenses provided in Section 3.4 hereof against claims made under this Guaranty.

SECTION 3.2. RIGHT OF OWNER TO PROCEED AGAINST GUARANTOR. This Guaranty shall constitute a guaranty of payment and of performance and not of collection, and the Guarantor specifically agrees that if a failure by the Design-Builder to pay or perform any Obligation guaranteed hereunder, the Owner shall have the right to proceed first and directly against the Guarantor under this Guaranty and without proceeding against the Design-Builder or exhausting any other remedies against the Design-Builder which the Owner may have. Without limiting the foregoing, the Guarantor agrees that it shall not be necessary, and that the Guarantor shall not be entitled to require, as a condition of enforcing the liability of the Guarantor hereunder, that the Owner: (1) file suit or proceed to obtain a personal judgment against the Design-Builder or any other person that may be liable for the Obligations or any part of the Obligations; (2) make any other effort to obtain payment or performance of the Obligations from the Design-Builder other than providing the Design-Builder with any notice of such payment or performance as may be required by the terms of the Design-Build Agreement or required to be given to the Design-Builder under Applicable Law; (3) foreclose against or seek to realize upon any security for the Obligations; or (4) exercise any other right or remedy to which the Owner is or may be entitled in connection with the Obligations or any security therefor or any other guarantee thereof, except to the extent that any such exercise of such other right or remedy may be a condition to the Obligations of the Design-Builder or to the enforcement of remedies under the Design-Build Agreement. Upon any unexcused failure by the Design-Builder in the payment or performance of any Obligation and the giving of such notice or demand, if any, to the Design-Builder and the Guarantor as may be required in connection with such Obligation and this Guaranty, the liability of the Guarantor shall be effective and shall immediately be paid or performed. Notwithstanding the Owner's right to proceed directly against the Guarantor, the Owner (or any successor) shall not be entitled to more than a single full performance of the Obligations in regard to any breach or non-performance thereof.

SECTION 3.3. GUARANTY ABSOLUTE AND UNCONDITIONAL. The obligations of the Guarantor hereunder are absolute, present, irrevocable and unconditional and shall remain in full force and effect until the Design-Builder shall have fully discharged the Obligations in accordance with their respective terms and conditions, and, except as provided in Section 3.4, shall not be subject to any counterclaim, set-off, deduction or defense (other than full and strict compliance with, or release, discharge or satisfaction of, such Obligations) based on any

claim that the Guarantor may have against the Design-Builder, the Owner or any other person. Without limiting the foregoing, the obligations of the Guarantor hereunder shall not be released, discharged or in any way modified by reason of any of the following (whether with or without notice to, knowledge by, or further consent, of the Guarantor):

(1) the extension or renewal of this Guaranty or the Design-Build Agreement up to the specified Terms of each agreement;

(2) any exercise or failure, omission or delay by the Owner in the exercise of any right, power or remedy conferred on the Owner with respect to this Guaranty or the Design-Build Agreement except to the extent such failure, omission or delay gives rise to an applicable statute of limitations defense with respect to a specific claim;

(3) any permitted transfer or assignment of rights or obligations under the Design-Build Agreement or under any other Transaction Agreement by any party thereto, or any permitted assignment, conveyance or other transfer of any of their respective interests in the Design-Build Improvements or in, to or under any of the Transaction Agreements;

(4) any permitted assignment for the purpose of creating a security interest or mortgage of all or any part of the respective interests of the Owner or any other person in any Transaction Agreement or in the Design-Build Improvements;

(5) any renewal, amendment, change or modification in respect of any of the Obligations or terms or conditions of any Transaction Agreement;

(6) any failure of title with respect to all or any part of the respective interests of any person in the Project Site or the Design-Build Improvements;

(7) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, moratorium, arrangement, composition with creditors or readjustment of, or other similar proceedings against the Design-Builder or the Guarantor, or any of the property of either of them, or any allegation or contest of the validity of this Guaranty or any other Transaction Agreement in any such proceeding (it is specifically understood, consented and agreed to that, to the extent permitted by law, this Guaranty shall remain and continue in full force and effect and shall be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted and as if no rejection, stay, termination, assumption or modification has occurred as a result thereof, it being the intent and purpose of this Guaranty that the Guarantor shall and does hereby waive all rights and benefits which might accrue to it by reason of any such proceeding);

(8) except as permitted by Section 4.1 or 4.2 hereof, any sale or other transfer by the Guarantor or any Affiliate of any of the capital stock or other interest of the Guarantor or any Affiliate in the Design-Builder now or hereafter owned, directly or indirectly, by the Guarantor or any Affiliate, or any change in composition of the interests in the Design-Builder;

(9) any failure on the part of the Design-Builder for any reason to perform or comply with any agreement with the Guarantor;

(10) the failure on the part of the Owner to provide any notice to the Guarantor which is not required to be given to the Guarantor pursuant to this Guaranty and to the Design-Builder as a condition to the enforcement of Obligations pursuant to the Design-Build Agreement;

(11) any failure of any party to the Transaction Agreements to mitigate damages resulting from any default by the Design-Builder or the Guarantor under any Transaction Agreement;

(12) the merger or consolidation of any party to the Transaction Agreements into or with any other person, or any sale, lease, transfer, abandonment or other disposition of any or all of the property of any of the foregoing to any person;

(13) any legal disability or incapacity of any party to the Transaction Agreements; or

(14) the fact that entering into any Transaction Agreement by the Design-Builder or the Guarantor was invalid or in excess of the powers of such party.

Should any money due or owing under this Guaranty not be recoverable from the Guarantor due to any of the matters specified in subparagraphs (1) through (14) above, then, in any such case, such money, together with all additional sums due hereunder, shall nevertheless be recoverable from the Guarantor as though the Guarantor were principal obligor in place of the Design-Builder pursuant to the terms of the Design-Build Agreement and not merely a guarantor and shall be paid by the Guarantor forthwith subject to the terms of this Guaranty. Notwithstanding anything to the contrary expressed in this Guaranty, nothing in this Guaranty shall be deemed to amend, modify, clarify, expand or reduce the Design-Builder's rights, benefits, duties or obligations under the Design-Build Agreement. To the extent that any of the matters specified in subparagraphs (1) through (6) and (8) through (14) would provide a defense to, release, discharge or otherwise affect the Design-Builder's Obligations, the Guarantor's obligations under this Guaranty shall be treated the same.

SECTION 3.4. DEFENSES, SET-OFFS AND COUNTERCLAIMS.

Notwithstanding any provision contained herein to the contrary, the Guarantor shall be entitled to exercise or assert any and all legal or equitable rights or defenses which the Design-Builder may have under the Design-Build Agreement or under Applicable Law (other than bankruptcy or insolvency of the Design-Builder and other than any defense which the Design-Builder has expressly waived in the Design-Build Agreement or the Guarantor has expressly waived in

Section 3.5 hereof or elsewhere hereunder), and the obligations of the Guarantor hereunder are subject to such counterclaims, set-offs or deductions which the Design-Builder is permitted to assert pursuant to the Design-Build Agreement, if any.

SECTION 3.5. WAIVERS BY THE GUARANTOR. The Guarantor hereby unconditionally and irrevocably waives:

- (1) notice from the Owner of its acceptance of this Guaranty;
- (2) notice of any of the events referred to in Section 3.3 hereof, except to the extent that notice is required to be given as a condition to the enforcement of the Obligations;
- (3) to the fullest extent lawfully possible, all notices which may be required by statute, rule of law or otherwise to preserve intact any rights against the Guarantor, except any notice to the Design-Builder required pursuant to the Design-Build Agreement or Applicable Law as a condition to the performance of any Obligation;
- (4) to the fullest extent lawfully possible, any statute of limitations defense based on a statute of limitations period which may be applicable to guarantors (or parties in similar relationships) which would be shorter than the applicable statute of limitations period for the underlying claim;
- (5) any right to require a proceeding first against the Design-Builder;
- (6) any right to require a proceeding first against any person or the security provided by or under any Transaction Agreement except to the extent such Transaction Agreement specifically requires a proceeding first against any person (except the Design-Builder) or security;
- (7) any requirement that the Design-Builder be joined as a party to any proceeding for the enforcement of any term of any Transaction Agreement;
- (8) the requirement of, or the notice of, the filing of claims by the Owner if the receivership or bankruptcy of the Design-Builder; and
- (9) all demands upon the Design-Builder or any other person and all other formalities the omission of any of which, or delay in performance of which, might, but for the provisions of this Section 3.5, by rule of law or otherwise, constitute grounds for relieving or discharging the Guarantor in whole or in part from its absolute, present, irrevocable, unconditional and continuing obligations hereunder.

SECTION 3.6. PAYMENT OF COSTS AND EXPENSES. The Guarantor agrees to pay the Owner on demand all Fees and Costs, incurred by or on behalf of the Owner in successfully enforcing by Legal Proceeding observance of the covenants, agreements and obligations contained in this Guaranty against the Guarantor, other than the Fees and Costs that the Owner incurs in performing any of its obligations under the Design-Build Agreement, or other

applicable Transaction Agreement where such obligations are a condition to performance by the Design-Builder of its Obligations.

SECTION 3.7. SUBORDINATION OF RIGHTS. The Guarantor agrees that any right of subrogation or contribution which it may have against the Design-Builder as a result of any payment or performance hereunder is hereby fully subordinated to the rights of the Owner hereunder and under the Transaction Agreements and that the Guarantor shall not recover or seek to recover any payment made by it hereunder from the Design-Builder until the Design-Builder and the Guarantor shall have fully and satisfactorily paid or performed and discharged the Obligations giving rise to a claim under this Guaranty.

SECTION 3.8. SEPARATE OBLIGATIONS; REINSTATEMENT. The obligations of the Guarantor to make any payment or to perform and discharge any other duties, agreements, covenants, undertakings or obligations hereunder shall: (1) to the extent permitted by applicable law, constitute separate and independent obligations of the Guarantor from its other obligations under this Guaranty; (2) give rise to separate and independent causes of action against the Guarantor; and (3) apply irrespective of any indulgence granted from time to time by the Owner. The Guarantor agrees that this Guaranty shall be automatically reinstated if and to the extent that for any reason any payment or performance by or on behalf of the Design-Builder is rescinded or must be otherwise restored by the Owner, whether as a result of any proceedings in bankruptcy, reorganization or similar proceeding, unless such rescission or restoration is pursuant to the terms of the Design-Build Agreement, or any applicable Transaction Agreement or the Design-Builder's enforcement of such terms under Applicable Law.

SECTION 3.9. TERM. This Guaranty shall remain in full force and effect from the date of execution and delivery hereof until all of the Obligations of the Design-Builder have been fully paid and performed.

ARTICLE IV

GENERAL COVENANTS

SECTION 4.1. MAINTENANCE OF CORPORATE EXISTENCE.

(A) Consolidation, Merger, Sale or Transfer. The Guarantor covenants that during the term of this Guaranty it will maintain its corporate existence, will not dissolve or otherwise dispose of all or substantially all of its assets and will not consolidate with or merge into another entity or permit one or more other entities to consolidate with or merge into it unless the successor is the Guarantor; provided, however, that the Guarantor may consolidate with or merge into another entity, or permit one or more other entities to consolidate with or merge into it, or sell or otherwise transfer to another entity all or substantially all of its assets as an entirety and thereafter dissolve if the successor entity (if other than the Guarantor) (a) assumes in writing all the obligations of the Guarantor hereunder and, if required by law, is duly qualified to do business in the State of California, and (b) delivers to the Owner an opinion of counsel to the effect that its obligations under this Guaranty are legal, valid, binding and enforceable subject to applicable bankruptcy and similar insolvency or moratorium laws.

(B) Continuance of Obligations. If a consolidation, merger or sale or other transfer is made as permitted by this Section, the provisions of this Section shall continue in full force and effect and no further consolidation, merger or sale or other transfer shall be made except in compliance with the provisions of this Section. No such consolidation, merger or sale or other transfer shall have the effect of releasing the initial Guarantor from its liability hereunder unless a successor entity has assumed responsibility for this Guaranty as provided in this Section.

SECTION 4.2. ASSIGNMENT.

Except as provided in Section 4.1, this Guaranty may not be assigned by the Guarantor without the prior written consent of the Owner.

SECTION 4.3. QUALIFICATION IN CALIFORNIA.

The Guarantor agrees that, so long as this Guaranty is in effect, if required by law, the Guarantor will be duly qualified to do business in the State of California.

SECTION 4.4. CONSENT TO JURISDICTION.

The Guarantor irrevocably: (1) agrees that any Legal Proceeding related to this Guaranty or to any rights or relationship between the parties arising therefrom shall be solely and exclusively initiated and maintained in State courts located in Monterey County, California or in

federal courts located in the Northern District of California, having appropriate jurisdiction therefor; (2) consents to the jurisdiction of such courts in any such Legal Proceeding; and (3) waives any objection which it may have to the laying of the jurisdiction of any such Legal Proceeding in any such court.

SECTION 4.5. BINDING EFFECT.

This Guaranty shall inure to the benefit of the Owner and its permitted successors and assigns and shall be binding upon the Guarantor and its successors and assigns.

SECTION 4.6. AMENDMENTS, CHANGES AND MODIFICATIONS.

This Guaranty may not be amended, changed or modified or terminated and none of its provisions may be waived, except with the prior written consent of the Owner and the Guarantor.

SECTION 4.7. LIABILITY.

It is understood and agreed to by the Owner that nothing contained herein shall create any obligation of, or right to look, to any director, officer, employee or stockholder of the Guarantor (or any Affiliate of the Guarantor) for the satisfaction of any obligations hereunder, and no judgment, order or execution with respect to or in connection with this Guaranty shall be taken against any such director, officer, employee or stockholder.

SECTION 4.8. NOTICES.

(A) Procedure. All notices, demands or written communications given pursuant to the terms of this Guaranty shall be: (1) in writing and delivered in person; (2) transmitted by certified mail, return, receipt requested, postage prepaid or by overnight courier utilizing the services of a nationally-recognized overnight courier service with signed verification of delivery; or (3) given by facsimile transmission, if a signed original is deposited in the United States mail within two days after transmission. Notices shall be deemed given only when actually received at the address first given below with respect to each party. Either party may, by like notice, designate further or different addresses to which subsequent notices shall be sent.

(B) Owner Notice Address. Notices required to be given to the Owner shall be addressed as follows:

California American Water
511 Forest Lodge Road
Suite 100
Pacific Grove, CA 93950
Attn: Corporate Counsel

with a copy to:

California American Water
1033 B Avenue
Suite 200
Coronado, CA 92118
Attn: Vice President, Legal-Operations

(C) Guarantor Notice Address. Notices required to be given to the Guarantor shall be addressed as follows:

[GUARANTOR]
[ADDRESS]
Attn: _____
Telephone No.: _____
Facsimile No.: _____

with a copy to:

[GUARANTOR]
[ADDRESS]
Attn: _____
Telephone No.: _____
Facsimile No.: _____

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be executed in its name and on its behalf by its duly authorized officer as of the date first above written.

[GUARANTOR], as Guarantor

By: _____

Name: _____
Printed

Title: _____

ACCEPTED AND AGREED TO BY:

[Guarantor Seal]

CALIFORNIA-AMERICAN WATER
COMPANY

By: _____

Name: _____
Printed

Title: _____

ATTEST:

Secretary

APPROVED AS TO FORM:

Vice President, Legal-Operations

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TRANSACTION FORM B

FORM OF LABOR AND MATERIALS PAYMENT BOND

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FORM OF PAYMENT BOND FOR MATERIALS AND LABOR

KNOW ALL PERSONS BY THESE PRESENTS:

That we, _____, hereinafter referred to as “Design-Builder”, as principal, and _____ as surety, are held and firmly bound unto California-American Water Company (the “Owner”), in the sum of _____ dollars (\$_____) lawful money of United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such that,

WHEREAS, the Design-Builder has been awarded and is about to enter into the annexed Design-Build Agreement with the Owner for the Monterey Peninsula Water Supply Project Desalination Infrastructure Project, dated as of _____, 2013, as amended from time to time (the “Design-Build Agreement”), whereby the Design-Builder has agreed to obtain governmental approvals for, design, construct, start up, commission, and acceptance test certain desalination infrastructure improvements, all as more particularly described therein, and is required by the Owner to give this bond in connection with the execution of said Design-Build Agreement;

NOW, THEREFORE, if Design-Builder, or its subcontractors, fails to pay any of the persons referred to in Section 3181 of the Civil Code of the State of California for any materials, provisions, provender, equipment, or other supplies, used in, upon, for or about the performance of the work contracted to be done, or for any work or labor thereon of any kind, or for amounts due under the Unemployment Insurance Code or for any amounts required to be deducted, withheld and paid over to the Employment Development Department from the wages of employees of the principal and his subcontractors pursuant to Section 13020 of the Unemployment Insurance Code with respect to such work and labor, the surety will pay for the same, in an amount not exceeding the sum specified above, and also, in case suit is brought upon this bond, reasonable attorneys’ fees, to be fixed by the court. This bond shall inure to the benefit of any and all persons entitled to file claims under Section 3181 of the Civil Code of the State of California so as to give a right action to them or their assigns in any suit brought upon this bond.

Any alterations in the work to be done, or the materials to be furnished, which may be made pursuant to the terms of the Design-Build Agreement, shall not in any way release either the Design-Builder or the surety, nor shall any extensions of time granted under the provisions of the Design-Build Agreement release either Design-Builder or the surety, and notice of such alterations or extensions of the Design-Build Agreement is hereby waived by the surety.

The surety hereby waives the provisions of California Civil Code Sections 2819 (regarding exoneration of sureties in certain circumstances), 2845 (regarding certain limitations on remedies against sureties) and 2849 (regarding a surety’s rights as to other security held by the creditor).

The address or addresses at which the principal and surety may be served with notices, papers and other documents under the California Bond and Undertaking Law (California Code of Civil Procedure Section 995.010 et seq.) is the following:

WITNESS our hands this _____ day of _____, 2013.

(Seal)

Design-Builder

By _____

Title

(Surety's Corporate Seal)

Surety

By _____

Title

Address of Surety

Approved:

[Title]

California-American Water Company

Approved as to form and execution:

Vice President, Legal-Operations

California-American Water Company

Notice: No substitution or revision to this bond form will be accepted.

ACKNOWLEDGMENT BY NOTARY PUBLIC
[Cal. Civ. Code, § 1189]

State of California)
County of)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[Any acknowledgement taken in another state shall be sufficient if it is taken in accordance with the laws of the state where the acknowledgement is made.]

(Attach proof of authority of attorney in fact of surety.)

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TRANSACTION FORM C
FORM OF PERFORMANCE BOND

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FORM OF PERFORMANCE BOND

KNOW ALL PERSONS BY THESE PRESENTS:

That we, _____, hereinafter referred to as “Design-Builder”, as principal, and _____ as surety, are held and firmly bound unto California-American Water Company (the “Owner”), in the sum of _____ dollars (\$_____) lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such that,

WHEREAS, the Design-Builder has been awarded and is about to enter into the annexed Design-Build Agreement with the Owner for the Monterey Peninsula Water Supply Project Desalination Infrastructure Project, dated as of _____, 2013, as amended from time to time (the “Design-Build Agreement”), whereby the Design-Builder has agreed to obtain governmental approvals for, design, construct, start up, commission, and acceptance test, certain desalination infrastructure improvements, all as more particularly described therein, and is required by the Owner to give this bond in connection with the execution of said Design-Build Agreement

NOW, THEREFORE, if the Design-Builder, its heirs, executors, administrators, successors, and assigns shall well and truly do and perform all of the covenants and obligations of the Design-Build Agreement and any alteration thereof made as therein provided, on its part to be done and performed at the times and in the manner specified therein, then this obligation shall be null and void, otherwise it shall be and remain in full force and effect inclusive of any period of any guarantees or warranties required under the Design-Build Agreement.

Any alterations in the work to be done or the material to be furnished, which may be made pursuant to the terms of the Design-Build Agreement, shall not in any way release either the Design-Builder or the surety, nor shall any extensions of time granted under the provisions of the Design-Build Agreement release either the Design-Builder or the surety, and notice of such alterations or extensions of the Design-Build Agreement is hereby waived by the surety.

The surety hereby waives the provisions of California Civil Code Sections 2819 (regarding exoneration of sureties in certain circumstances), 2845 (regarding certain limitations on remedies against sureties) and 2849 (regarding a surety’s rights as to other security held by the creditor).

If suit is brought upon this bond by the Owner and judgment is recovered, the surety shall pay all costs incurred by the Owner in such suit, including, but not limited to, reasonable attorneys’ fees and administrative and consultant costs to be fixed by the court.

The address or addresses at which the principal and surety may be served with notices, papers and other documents under the California Bond and Undertaking Law (California

Code of Civil Procedure Section 995.010 et seq.) is the following:

WITNESS our hands this _____ day of _____, 2013.

(Seal)

Design-Builder

By _____

Title

(Surety's Corporate Seal)

Surety

By _____

Title

Address of Surety

Approved:

[Title]
California-American Water Company

Approved as to form and execution:

Vice President, Legal-Operations
California-American Water Company

Notice: No substitution or revision to this bond form will be accepted.

ACKNOWLEDGMENT BY NOTARY PUBLIC
Cal. Civ. Code, § 1189

State of California)
County of)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[Any acknowledgement taken in another state shall be sufficient if it is taken in accordance with the laws of the state where the acknowledgement is made.]

(Attach proof of authority of attorney in fact of surety.)

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TRANSACTION AGREEMENT FORM D

FORM OF LETTER OF CREDIT

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TRANSACTION AGREEMENT FORM D

FORM OF LETTER OF CREDIT

_____, 2013

[Address]

Ladies and Gentlemen:

1. At the request and for the account of _____, a _____ [corporation] (the "Company"), [Name of Bank] (the "Bank") hereby establishes in your favor our direct-pay irrevocable Letter of Credit No. ____ (the "Letter of Credit"), in the amount of [\$____,000,000.00] (the "Stated Amount"), effective immediately.

2. We hereby irrevocably authorize you to draw drafts on us at sight in accordance with the terms and conditions hereinafter set forth. The aggregate amount drawn hereunder shall not exceed the Stated Amount.

3. Unless extended by the Bank, this Letter of Credit will expire on _____, __ (the "Stated Termination Date").

4. Subject to the foregoing and the further provisions of this Letter of Credit, a demand for payment may be made by you by presentation to us of your sight draft, accompanied by: (i) your written and completed certificate, signed by you, in substantially the form of Annex A hereto (such certificate being your "Agreement Certificate"), in an amount not exceeding the Stated Amount, representing amounts payable to you by the Company under and pursuant to the Design-Build Agreement for the Monterey Peninsula Water Supply Project Desalination Infrastructure, dated _____, __, between the Company and you (the "Design-Build Agreement"); or (ii) your written and completed certificate, signed by you in substantially the form of Annex B hereto (such certificate being your "Final Certificate"), in an amount not exceeding the Stated Amount representing the maximum amount available to be drawn hereunder upon the termination of this Letter of Credit.

5. Each sight draft drawn under this Letter of Credit must bear on its face the clause "Drawn under Irrevocable Letter of Credit No. ____."

6. Demand for payment may be made by you under this Letter of Credit prior to the expiration hereof at any time during the Bank's business hours at its address at [Bank's Address] Attention: _____, on a Business Day (as hereinafter defined). As used herein the term "Business Day" means a day on which the Bank at our aforesaid office is opened for the purpose of conducting commercial banking business. We hereby agree that all sight drafts drawn under and in strict conformity with the terms of this Letter of Credit will be duly honored by us upon delivery of the sight drafts and certificates. If we receive any of your sight drafts and certificates, all in strict conformity to the terms of this Letter of Credit, at our aforesaid office not later than 11:00 A.M. (local time) on a Business Day on or before the Stated Termination Date hereof, we will honor the same by 3:00 P.M. (local time) on the same day in accordance with

your payment instructions. If we receive any of your sight drafts and certificates, all in strict conformity to the terms of this Letter of Credit at such office after 11:00 A.M. (local time) on a Business Day, on or before the Stated Termination Date hereof, we will honor the same not later than 1:00 P.M. (local time) on the next succeeding Business Day in accordance with your payment instructions. If requested by you, payment under this Letter of Credit may be made by Federal Reserve Wire Transfer of funds to your account in a bank on the Federal Reserve Wire Facility or by deposit of same day funds into a designated account that you maintain with us.

7. The Stated Amount shall be reduced automatically by the amount of each drawing hereunder.

8. This Letter of Credit is transferable in its entirety (but not in part) to your successor which you certify to us has succeeded you as beneficiary and may be successively so transferred. Transfer of this Letter of Credit to such transferee shall be effected upon the presentation to us of this Letter of Credit accompanied by a certificate in the form of Annex C attached hereto.

9. This Letter of Credit sets forth in full the terms of our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Design-Build Contract) or to which this Letter of Credit relates, except for the certificates and sight drafts referred to herein which are incorporated herein by reference; and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such sight drafts.

10. Only you (or a transferee as provided in paragraph 8 hereof) may make a drawing under this Letter of Credit. Upon the payment to you or your account of the amount specified in a sight draft drawn hereunder, we shall be fully discharged of our obligation under this Letter of Credit with regard to that payment, and we shall not thereafter be obligated to make further payments under this Letter of Credit with regard to that payment to you.

11. This Letter of Credit shall be governed by the Uniform Customs and Practices for Documentary Credits (1993 Revision), International Chamber of Commerce Publication 500 (the "UCP") and, to the extent not inconsistent with the UCP, the Uniform Commercial Code in effect in the State of California. Communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at our address at [Bank Address] Attention: _____, specifically referring to the number of this Letter of Credit.

Very truly yours,

[Name of Bank]

By: _____

Authorized Officer

ANNEX A TO LETTER OF CREDIT

CERTIFICATE FOR DRAWING
IN CONNECTION WITH
PAYMENT OF AMOUNTS
UNDER THE SERVICE CONTRACT

Irrevocable Letter of Credit No. __

The undersigned, a duly authorized representative of California-American Water Company (the “Beneficiary”), hereby certifies to [Name of Bank] (the “Bank”), with reference to Irrevocable Letter of Credit No. ____ (the “Letter of Credit”; terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The Beneficiary is a party to the Design-Build Agreement for the Monterey Peninsula Water Supply Project Desalination Infrastructure, dated _____, ____ (the “Design-Build Agreement”) by and between the Beneficiary and _____ (the “Company”) regarding the design, construction, starting up, acceptance testing and obtaining governmental approvals for the Project in the City of Monterey, California.

2. The Commencement Date has occurred.

3. The Beneficiary is making a demand for payment under the Letter of Credit in the amount of \$_____ and such amount does not exceed the Stated Amount.

4. The Beneficiary hereby certifies as follows (insert those which are applicable):

(a) The Company has materially breached the Design-Build Agreement and the Beneficiary has determined that the amount set forth above represents the estimated damages suffered by the Beneficiary, not to exceed the Stated Amount.

(b) The Beneficiary has terminated the Design-Build Agreement pursuant to Section 10.3 of the Design-Build Agreement in accordance with the procedures and requirements of such Section, Section 10.3 and the other applicable provisions of the Design-Build Agreement. The Beneficiary has determined that the amount set forth above represents the estimated damages suffered by the Beneficiary, not to exceed the Stated Amount.

(c) The Letter of Credit will expire within 30 days, and the Letter of Credit has not been extended, renewed or replaced in accordance with Section 10.3 of the Design-Build Agreement.

(d) The Company or any Guarantor has filed a petition of voluntary bankruptcy under the Bankruptcy Code, the Company or any Guarantor has consented to the filing of any bankruptcy or reorganization petition against the Company or any Guarantor, or the Company or any Guarantor has filed a petition to reorganize the Company or any Guarantor

pursuant to the Bankruptcy Code, and the Beneficiary has determined that the amount set forth above represents the estimated damages suffered by the Beneficiary, not to exceed the Stated Amount.

(e) A court of competent jurisdiction has issued an order appointing a receiver, liquidator, custodian or trustee of the Company or any Guarantor or of a major part of the Company's or any Guarantor's property, respectively, or a petition to reorganize the Company of any Guarantor pursuant to the Bankruptcy Code has been filed against the Company or any Guarantor, and such order has not been discharged or such filing has not been dismissed within 90 days after such issuance or filing, and the Beneficiary has determined that the amount set forth above represents the estimated damages suffered by the Beneficiary, not to exceed the Stated Amount.

5. Payment of the amount described hereby shall be made by wire transfer to the following account: [wire transfer instructions].

IN WITNESS WHEREOF, the Beneficiary has caused this certificate to be executed and delivered by its duly authorized representative as of this __ day of _____, 20__.

CALIFORNIA-AMERICAN WATER
COMPANY

By:_____

Title:_____

ANNEX B TO LETTER OF CREDIT

CERTIFICATE FOR DRAWING
IN CONNECTION WITH
THE TERMINATION OF
THE LETTER OF CREDIT

Irrevocable Letter of Credit No. __

The undersigned, a duly authorized representative of California-American Water Company (the "Beneficiary"), hereby certifies to [Name of Bank] (the "Bank"), with reference to Irrevocable Letter of Credit No. ____ (the "Letter of Credit"; terms defined therein and not otherwise defined herein being used herein as therein defined) issued by the Bank in favor of the Beneficiary, as follows:

1. The Letter of Credit expires at the close of business on _____, _____ (the "Stated Termination Date"), which date is not more than 30 days after the date on which this certificate and accompanying sight draft are being presented.
2. The Beneficiary has not received written notice of an extension of the Stated Termination Date.
3. The amount of the sight draft accompanying this certificate does not exceed the Stated Amount of the Letter of Credit.

IN WITNESS WHEREOF, the Beneficiary has caused this certificate to be executed and delivered by its duly authorized representative as of this __ day of _____, __.

CALIFORNIA-AMERICAN WATER
COMPANY

By: _____

Title: _____

REFERENCE DOCUMENT 1
ENVIRONMENTAL MITIGATION MEASURES

[NOTE: to be provided as an Addendum.]

REFERENCE DOCUMENT 2
FORM OF CWSRF LOAN AGREEMENT

REFERENCE DOCUMENT 3
FORM OF WARRANTY BOND

FORM OF WARRANTY BOND

KNOW ALL PERSONS BY THESE PRESENTS:

That we, _____, hereinafter referred to as “Design-Builder”, as principal, and _____ as surety, are held and firmly bound unto California-American Water Company (the “Owner”), in the sum of _____ dollars (\$_____) [NOTE: amount to be equal to twenty percent of the Design-Build Price] lawful money of the United States of America, for the payment of which sum, well and truly to be made, we bind ourselves, heirs, executors, administrators, successors, and assigns jointly and severally, firmly by these presents.

The condition of the foregoing obligation is such that,

WHEREAS, the Design-Builder has been awarded and is about to enter into the annexed Design-Build Agreement with the Owner for the Monterey Peninsula Water Supply Project Desalination Infrastructure Project, dated as of _____, 2013, as amended from time to time (the “Design-Build Agreement”), whereby the Design-Builder has agreed to obtain governmental approvals for, design, construct, start up, commission, acceptance test, and warranty certain desalination infrastructure improvements, all as more particularly described therein, and is required by the Owner to give this bond in connection with the execution of said Design-Build Agreement

NOW, THEREFORE, if the Design-Builder, its heirs, executors, administrators, successors, and assigns shall well and truly do and perform all of the warranty covenants and obligations of the Design-Build Agreement and any alteration thereof made as therein provided, on its part to be done and performed at the times and in the manner specified therein, then this obligation shall be null and void, otherwise it shall be and remain in full force and effect inclusive of any period of any guarantees or warranties required under the Design-Build Agreement.

Any alterations in the work to be done or the material to be furnished, which may be made pursuant to the terms of the Design-Build Agreement, shall not in any way release either the Design-Builder or the surety, nor shall any extensions of time granted under the provisions of the Design-Build Agreement release either the Design-Builder or the surety, and notice of such alterations or extensions of the Design-Build Agreement is hereby waived by the surety.

The surety hereby waives the provisions of California Civil Code Sections 2819 (regarding exoneration of sureties in certain circumstances), 2845 (regarding certain limitations on remedies against sureties) and 2849 (regarding a surety’s rights as to other security held by the creditor).

If suit is brought upon this bond by the Owner and judgment is recovered, the surety shall pay all costs incurred by the Owner in such suit, including, but not limited to, reasonable attorneys’ fees and administrative and consultant costs to be fixed by the court.

The address or addresses at which the principal and surety may be served with notices, papers and other documents under the California Bond and Undertaking Law (California Code of Civil Procedure Section 995.010 et seq.) is the following:

WITNESS our hands this _____ day of _____, 2013.

(Seal)

Design-Builder

By _____

Title

(Surety's Corporate Seal)

Surety

By _____

Title

Address of Surety

Approved:

[Title]
California-American Water Company

Approved as to form and execution:

Vice President, Legal-Operations
California-American Water Company

Notice: No substitution or revision to this bond form will be accepted.

ACKNOWLEDGMENT BY NOTARY PUBLIC
Cal. Civ. Code, § 1189

State of California)
County of)

On _____ before me, _____, a notary public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ (Seal)

[Any acknowledgement taken in another state shall be sufficient if it is taken in accordance with the laws of the state where the acknowledgement is made.]

(Attach proof of authority of attorney in fact of surety.)

APPENDICES

1. Description of the Project Site
2. Design and Construction Requirements
3. Governmental Approvals
4. General Design-Build Work Requirements
5. Design-Build Quality Management Plan and Quality Control Requirements
6. Design-Build Work Review Procedures
7. Acceptance Test Procedures and Requirements
8. [Reserved]
9. Operation and Maintenance-Related Deliverables
10. Key Personnel and Approved Subcontractors
11. Insurance Requirements
12. Allowances
13. Payment Procedures and Drawdown Schedule
14. Minimum Financial Criteria
15. Restricted Persons
16. WMDVBE Utilization Plan
17. Local Resources Utilization Plan

Appendix 1

Description of the Project Site

Appendix 1

Description of the Project Site

1.1 Purpose

The purpose of this Appendix is to identify the Project Site.

1.2 Project Site

California American Water purchased an approximate 46-acre property in Marina, California for the purpose of locating a desalination facility. Figure 1-1 shows the location of the property in relation to surrounding cities. The Project Site is generally located to the north of Charles Benson Road, south of the Salinas River, east of State Route 1 and Del Monte Boulevard and west of Nashau Road, near the City of Marina, unincorporated County of Monterey, California. The Project Site consists of a portion of Assessor's Parcel Number (APN) 229-011-021. The property contains an approximate 40-foot wide easement that runs east-west and bisects the site. **Attachment 1** to this Appendix 1 contains the Grant Deed and Record of Survey for the Project Site.

Figure 1-1: Regional Location Map

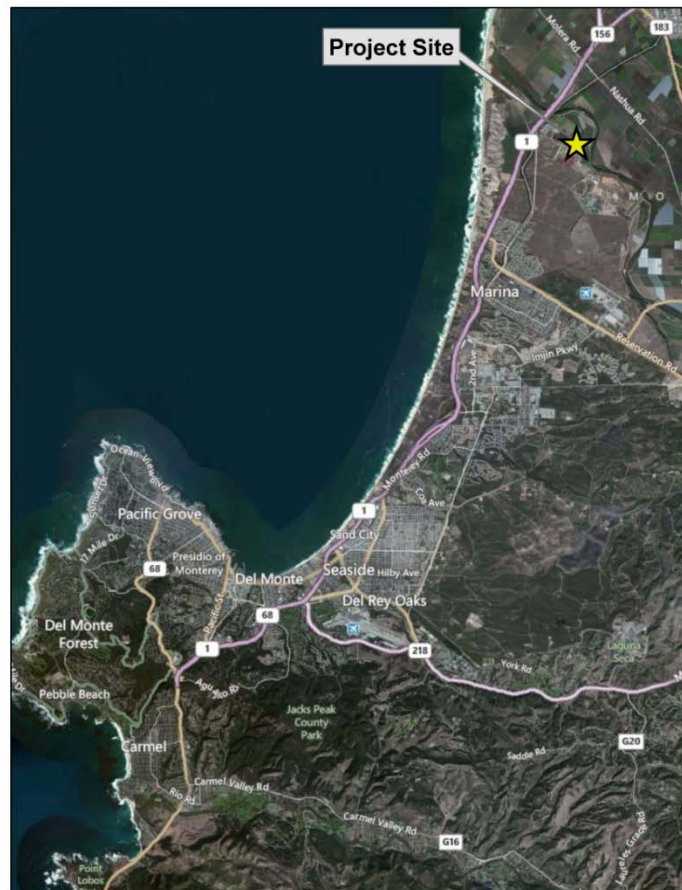


Figure 1-2 depicts the Project Site.

Figure 1-2: Project Site



Appendix 1 - Attachment 1
Grant Deed and Record of Survey

FASTWeb

Search by: FASTWeb #

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Calculate Fees

Recent 300 Orders

New Order

Property Profile

Property Profile

New Search Open New Order Customer Service Request Order Recorded Docs
 Comparable Sales | Neighbors | Tax Map

CA

[Combined Report](#) [Printable Version](#)

Property Information

Owner(s)	Bud Antle Inc	Parcel #	228-011-021-000
Property	. CA	Map Coord	
Mailing Addr	Po Box 2018 Monterey, CA 93942	Census Tract	0143.02
		County	Monterey
		Owner Phone	
Legal	VOL 18 SUR MAPS PG 10 45.96 AC PAR		
Lot Number		Tract Number	
Block		Subdivision	Rincort De Las Salinas Rho

Characteristics

Use	Industrial Acreage	Year Built		Sq. Feet	
Zoning		Lot Size Ac/Sq Ft	45.96 / 2002017 6	# of units	
Bedrooms		Bathrooms		Fireplace	
#Rooms		Quality		Heating	
Pool/Spa	N	Air		Style	
Stories		Improvements		Parking	
Flood		Gross Area		Garage Area	
Basement Area					

Attributes

Other

Property Sale Information

Sale Date		\$/Sq. Ft.		2nd Mtg.	
Sale Price		1st Loan		Prior Sale Amt.	
Doc No.		Loan Type		Prior Sale Dt.	
Doc Type		Xfer Date		Prior Doc No.	
Seller		Lender		Prior Doc Type	

*\$/Sq. Ft. is a calculation of Sales Price divided by Sq. Feet

Tax Information

Imp Value		Exemption	
Land Value	\$778,897.00	Tax Year/Area	2011/099039
Total Value	\$778,897.00	Tax Value	\$778,897.00
Tax Amount	\$8,514.88	Improved	

Information compiled from various sources and is deemed reliable but not guaranteed.

Property Services
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Mortgage Loans
TRV Reports

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News & Releases
User Office Search
Customer Service
FASTWeb Admin

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G 05085

RECORDING REQUESTED BY
Western Title Insurance Company

RECORDED AT REQUEST OF

WESTERN TITLE INSURANCE COMPANY

FEB 8 9 35 AM '88

OFFICE OF RECORDER
COUNTY OF MONTEREY
SALINAS, CALIFORNIA

AND WHEN RECORDED MAIL TO

NAME: BUD ANTE INC.
ADDRESS: P.O. Box 17159
CITY & STATE: Salinas, Calif, 93902
Title Order No 118728/23 Escrow No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

Documentary transfer tax \$ 213.40
 Computed on full value of property conveyed, or
 Computed on full value less liens and encumbrances
remaining thereon at time of sale.

Signature of Acknowledger of - grant determining tax - true name

MAIL TAX STATEMENTS TO

SAME AS ABOVE

NAME

ADDRESS

CITY & STATE

Individual Grant Deed

WESTERN TITLE FORM NO. 104

FOR VALUE RECEIVED, RICHARD NIELSEN and JANET NIELSEN SMITH, each dealing with their separate property,

GRANT to BUD ANTE INC.,

all that real property situate in the

County of Monterey

213.40
TRANSFER TAX PAID
MONTEREY COUNTY

State of California, described as follows:

S&E EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

A.P. No: 229-011-10

Dated November 12, 1979
Janet Nielsen Smith
Janet Nielsen Smith

Richard Nielsen
RICHARD NIELSEN

STATE OF WASHINGTON }
CALIFORNIA }
County of SACRAMENTO }
On NOV 19, 1979, before me, the undersigned,

a Notary Public, in and for said State, personally appeared
Richard Nielsen and Janet Nielsen Smith
known to me to be the persons whose names are subscribed to the within instrument, and acknowledged to me that they executed the same.

Notary Public



MAIL TAX STATEMENTS AS DIRECTED ABOVE

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REEL 1389 PAGE 169

Oregon
STATE OF CALIFORNIA
County of *Maricopa*

On *January 7, 1986* before me, the undersigned
a Notary Public, in and for said State, personally appeared *Janet Nielsen*
Smith

known to me to be the person whose name *is* subscribed
to the within instrument, and acknowledged to me that *she* executed the same

My Commission Expires *July 17, 1986*
Notary Public



REEL 1389 PAGE 169

EXHIBIT "A"

REEL 1389 PAGE 170

Situate in the County of Monterey, State of California, described as follows:

Certain real property situate in the Rancho Rincon de las Salinas Monterey County, California, being a part of that certain 133.225 acre tract of land designated "PARCE. I" in the Decree in Action No. 15746 in the Superior Court of the State of California in and for the County of Monterey, a copy of which dated December 30, 1959 is recorded in Volume 2019 of Official Records, at page 20, records of said county, said part being particularly described as follows:

BEGINNING in the southeasterly boundary of said 133.225 acre tract of land at the easterly corner of that certain 4.671 acre strip of land (100 feet wide) described in deed from Opal Nielsen to Monterey Peninsula Garbage and Refuse Disposal District dated August 14, 1964 and recorded in Reel 370 of Official Records, at Page 136, records of said county and running thence along the northeasterly boundary of said strip of land

(1) N. 61° 50' W., 2069.55 feet to the northerly corner thereof in the northwesterly boundary of said 133.225 acre tract of land; thence along last mentioned boundary

(2) N. 14° 42' 30" E., 1594.69 feet to angle point in said boundary at the locus of post marked "125" at angle point in the southwesterly boundary of Zone 2 of Monterey County Flood Control and Water Conservation District; thence along said Southwesterly boundary

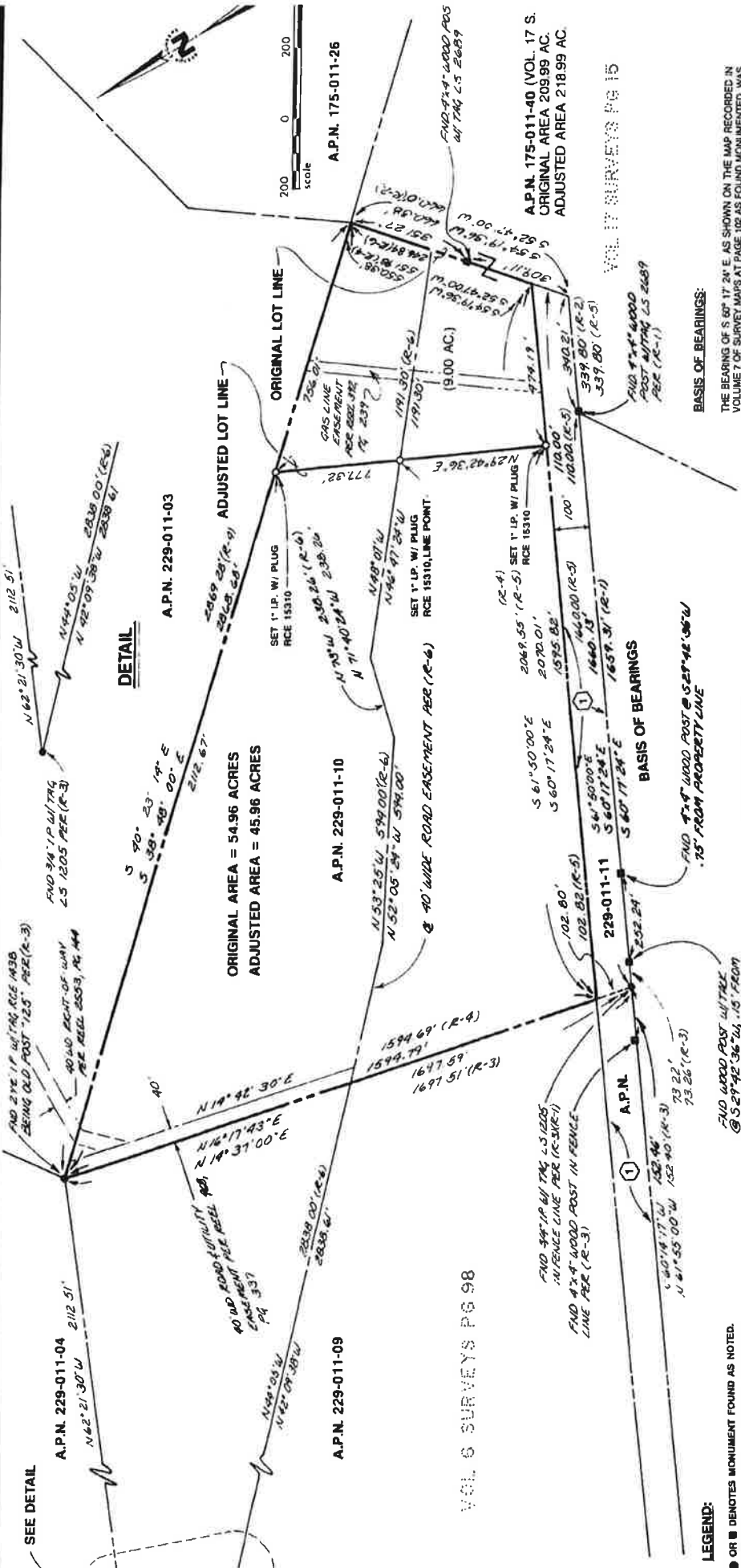
(3) S. 40° 23' 14" E., 2869.28 feet (course numbered "717" and designated "N. 40° 29' W., 2873.0 feet" in the description of said boundary) to an angle point in the southeasterly boundary of said 133.225 acre tract of land; thence along last mentioned boundary

(4) S. 52° 47' W., 551.98 feet to the place of beginning.

COURSES ALL TRUE.

END OF DOCUMENT.

Vol. 18 Surv Pg. 10



A.P.N. 175-011-40 (VOL. 17 S. ORIGINAL AREA 209.99 AC. ADJUSTED AREA 218.99 AC.

VOL. 17 SURVEYS PG 15

VOL. 6 SURVEYS PG 98

LEGEND:

- OR ■ DENOTES MONUMENT FOUND AS NOTED.
- R-1 DENOTES RECORD DATA PER VOLUME 7 SURVEYS PAGE 102
- R-2 DENOTES RECORD DATA PER VOLUME 17 SURVEYS PAGE 15.
- R-3 DENOTES RECORD DATA PER VOLUME 6 SURVEYS PAGE 98.
- R-4 DENOTES RECORD DATA PER DEED RECORDED AT REEL 1389 O.R. 168.
- R-5 DENOTES RECORD DATA PER DEED RECORDED AT REEL 370, O.R. PAGE 198.
- R-6 DENOTES RECORD DATA PER DEED RECORDED AT VOLUME 30 OF DEEDS AT PAGE 51.
- ① DENOTES 100' ACCESS STRIP TO STATE HIGHWAY NO. 1 ACQUISITION DEEDS 370-ROR-134, 371-ROR-448, AND 370-ROR-133.

COUNTY RECORDER'S STATEMENT

FILED THIS DAY OF MARCH, 1993 AT 10:01 AM IN VOLUME 18 OF SURVEY MAPS, AT PAGE 10, AT THE REQUEST OF BESTOR ENGINEERS, INC.

ERNEST A. MASCOIN COUNTY RECORDER
 DEPUTY
 JOHN M. VAN ZANDER REGISTERED CIVIL ENGINEER #18310 STATE OF CALIFORNIA EXPIRES: 31 MARCH 1995

SERIAL NO. 1657 FEE \$ 6.00

ENGINEER'S STATEMENT

THIS MAP REPRESENTS A SURVEY MADE BY ME OR UNDER MY DIRECTION IN CONFORMANCE WITH THE REQUIREMENTS OF THE LAND SURVEYORS ACT AT THE REQUEST OF BUD ANGLE, INC.

John M. Van Zander
 JOHN M. VAN ZANDER REGISTERED CIVIL ENGINEER #18310 STATE OF CALIFORNIA EXPIRES: 31 MARCH 1995



John M. Van Zander
 JOHN M. VAN ZANDER REGISTERED CIVIL ENGINEER #18310 MONTEREY COUNTY SURVEYOR

COUNTY SURVEYOR'S STATEMENT

THIS MAP HAS BEEN EXAMINED IN ACCORDANCE WITH SECTION 8766 OF THE LAND SURVEYORS ACT THIS 4 DAY MARCH 1993.

NOTES:

- 1. DIMENSIONS SHOWN ARE IN FEET AND DECIMALS THEREOF.
- 2. FOUND OR SET POINTS ARE SO NOTED. ALL OTHER POINTS FOR REFERENCE ONLY.

**RESOLUTION NO. 92-33 (LL 92-03)
 RECORD OF SURVEY
 SHOWING A LOT LINE ADJUSTMENT**

BETWEEN A.P.N. 229-011-10 AND A.P.N. 175-011-40 IN AND ADJOINING RANCHO RINCON DE LAS SALINAS, MONTEREY COUNTY, CALIFORNIA FOR

BUD OF CALIFORNIA

BY



BESTOR ENGINEERS, INC.
 CIVIL ENGINEERING - SURVEYING - LAND PLANNING
 1700 RIVER STREET, MONTEREY, CALIFORNIA 93940
 1-200-521-8000 FAX 1-200-521-8001

05 5648

TAX CODE AREA

BOLIA DEL POTEREO
BOUNDARY

MONTEREY CITY LANDS
BOUNDARY

Salinas

River

BOLSA DEL POTEREO

135-10

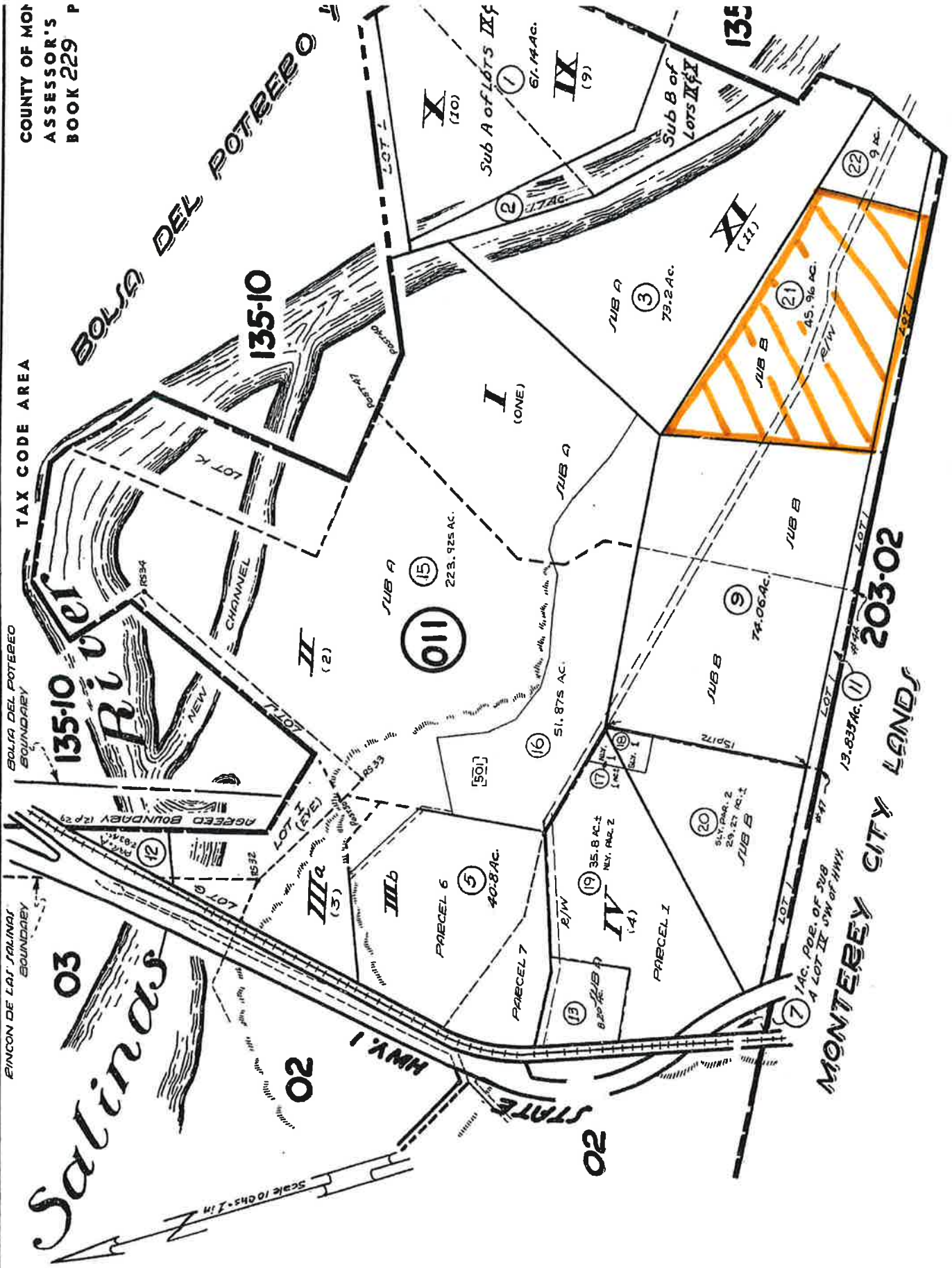
203-02

MONTEREY CITY LANDS

RISE'S MAP NO. 1 LOTS I THRU XI & XII XI
FINCON DE LAS SALINAS.

(Pg. 60)

Scale 100ft. = 1 in



Appendix 2

Design and Construction Requirements

[NOTE: This Appendix will be revised following selection of the most advantageous Proposer to incorporate technical elements of its Proposal.]

Appendix 2

Design and Construction Requirements

TABLE OF CONTENTS

1.	INTRODUCTION.....	2-3
2.	GENERAL PROJECT DESIGN CRITERIA	2-5
3.	RAW WATER QUALITY	2-10
4.	FINISHED WATER QUALITY	2-10
5.	RAW WATER PUMPING	2-10
6.	PRE-TREATMENT SYSTEM WITH GRANULAR MEDIA FILTRATION.....	2-10
7.	FILTERED FEEDWATER RECEIVING TANKS	2-14
8.	FILTERED WATER PUMP STATION	2-15
9.	REVERSE OSMOSIS SYSTEM	2-15
10.	HANDLING OF TREATMENT RESIDUALS	2-30
11.	PRODUCT WATER STABILIZATION	2-32
12.	DISINFECTION REQUIREMENTS	2-36
13.	UV DISINFECTION	2-37
14.	FINISHED WATER STORAGE	2-39
15.	SALINAS VALLEY DESALINATED WATER RETURN PUMPING AND CONVEYANCE	2-40
16.	FINISHED WATER PUMPING AND PRESSURE TRANSIENT CONTROL	2-41
17.	YARD PIPING AND VALVES.....	2-42
18.	PROCESS PIPING AND VALVES	2-43
19.	GENERAL PUMPING EQUIPMENT REQUIREMENTS.....	2-44
20.	ROTATING EQUIPMENT MONITORING	2-46
21.	CHEMICAL SYSTEMS	2-48
22.	ARCHITECTURE.....	2-56
23.	GEOTECHNICAL AND STRUCTURAL DESIGN	2-63
24.	HVAC SYSTEM	2-65
25.	PLUMBING.....	2-66
26.	ELECTRICAL SYSTEM.....	2-69
27.	STANDBY POWER	2-71
28.	CONTROL STRATEGY OVERVIEW.....	2-72

29. PROCESS CONTROL.....	2-72
30. INSTRUMENTATION AND CONTROL.....	2-73
31. PHYSICAL SECURITY, ELECTRONIC SECURITY AND SPECIAL SYSTEMS.....	2-78
32. LANDSCAPING AND IRRIGATION	2-80
33. SITE DEVELOPMENT.....	2-80

ATTACHMENTS TO APPENDIX 2

ATTACHMENT	TITLE
1	AMERICAN WATER ENGINEERING STANDARD T2: LIQUID CHEMICAL STORAGE, FEED, AND CONTAINMENT
2	RAW WATER QUALITY CONDITIONS FOR BASIS OF DESIGN
3	FINISHED WATER QUALITY BASIS OF DESIGN STANDARDS AND WATER QUALITY ACCEPTANCE STANDARDS AND REQUIREMENTS
4	TYPICAL EQUIPMENT MANUFACTURERS (EXCEPT ELECTRICAL)
5	RESERVED
6	TYPICAL ELECTRICAL EQUIPMENT MANUFACTURERS
7	GENERAL ELECTRICAL DESIGN CRITERIA
8	POWER SYSTEM STUDY REQUIREMENTS
9	RESERVED
10	CHEMICAL STORAGE ANALYSIS
11	CAD STANDARDS

EXHIBITS TO APPENDIX 2

EXHIBIT	TITLE
1	PRELIMINARY PROCESS FLOW DIAGRAM
2	CONCEPTUAL DESIGN OF POWER SYSTEM RISER DIAGRAM

The purpose of this document is to communicate expectations for the processes and facilities, in terms of features and performance, in a comprehensive and timely manner to Proposers. When the terms “shall” or “will” are used, it indicates desired features or approaches that are expected in the Base Proposal. Proposers are encouraged to present alternatives that differ from the design criteria listed here where it can increase value over the life cycle of the facilities. Nothing in this document shall be construed to allow design of facilities to a level less than the applicable building codes or absolve the Design-Builder of its responsibility as Engineer of Record.

This document contains a number of Attachments that are an integral part of this document.

1. INTRODUCTION

The Design-Build Improvements include:

- Raw water piping (from the property line)
- Granular media filtration system (filters, backwashing supply, spent backwash water clarification and recycle facilities)
- Filtered water storage and pumping system
- Reverse osmosis system
- Handling of treatment residuals
- Product water stabilization system
- UV disinfection system
- Finished Water storage and disinfection
- Finished Water pumping system and piping (piping to the property line)
- Salinas Valley desalinated water return pumping system and piping (piping to the property line)
- Concentrate equalization, aeration and disposal system (piping to the property line)
- Chemical storage and feed facilities
- Electrical facilities including power supply
- Standby power facilities
- Process control and instrumentation system
- Buildings, inclusive of all mechanical, electrical, and special systems:
 - Administration facilities
 - Reverse osmosis building
 - Chemical building
 - UV building
 - Granular media filtration building
 - Electrical buildings (as needed)
- Project Site improvements
- All other improvements necessary for a fully functional facility.

The facility to be constructed shall be designed to reliably deliver either 7,168 acre-feet per year with a design capacity of 6.4 MGD, or 10,752 acre-feet per year with a design capacity of 9.6 MGD, of desalinated water for potable use. The selected final design capacity depends on the future decision of implementation of the groundwater replenishment (“GWR”) project.

Water from the Pacific Ocean will be delivered to the Project Site by pipeline from slant beach wells on the coast nearby. The beach wells are to be provided by others. Treatment shall consist of oxidation with sodium hypochlorite, granular media filtration, dechlorination, pH adjustment with sulfuric acid, cartridge filtration, a first pass of seawater reverse osmosis (“SWRO”), a partial second pass of brackish water reverse osmosis (“BWRO”), disinfection with ultraviolet light, post-stabilization treatment with carbon dioxide and either calcite or hydrated lime, pH adjustment with sodium hydroxide, addition of an orthophosphate corrosion inhibitor and post-chlorination with sodium hypochlorite.

The UV disinfection system shall be capable of delivering a UV dose sufficient to meet CDPH requirements for a minimum of 2-log inactivation of *Cryptosporidium*. The facility shall meet all CDPH requirements for the removal and/or inactivation of *Cryptosporidium*, *Giardia* and virus.

The post-stabilization system shall be capable of producing a calcium hardness and alkalinity, which ranges from as low as 40 to as high as 100 mg/L as calcium carbonate at pHs, which correspond to slight saturation of calcium carbonate (Langelier Saturation Index of 0 to +0.2). The system shall also have the capability of operating over the same range of hardness and alkalinity while bringing the pH as low as 7.7 to facilitate the effective use of phosphoric acid as a corrosion inhibitor.

The post-stabilization system must be able to consistently hold the target levels of calcium hardness/alkalinity ± 5 percent based on the weekly average of daily measurements and the target pH ± 0.1 pH units based on the daily average of hourly measurements.

Post-stabilization to adjust the calcium hardness, alkalinity and pH may be accomplished with either 1) the combination of hydrated lime and carbon dioxide or 2) a limestone (calcite) contactor with carbon dioxide addition before and after the contactor and sodium hydroxide addition after the contactor.

Downstream of the post-stabilization, orthophosphate may be added as a corrosion inhibitor and sodium hypochlorite will be added for post-disinfection prior to finished water storage and deliver to the distribution system.

The spent filter washwater will be equalized and treated to allow for recycle of the decant in compliance with CDPH’s *Cryptosporidium Rule* stream to the head of the plant. The concentrate flows from both the 1° pass SWRO and the 2° pass BWRO will be conveyed to the MRWPCA site via a concentrate pipeline and disposed of via the existing MRWPCA outfall. An on-site equalization basin will allow for temporary off-stream storage of concentrate.

2. GENERAL PROJECT DESIGN CRITERIA

a. Rated Capacity

- i. Rated capacity, also termed “reliable capacity,” is a design criterion defined as the capacity that can be treated and delivered with the single largest redundant process unit, for example pump or RO train, out of service.
- ii. The rated capacity shall be 9.6 mgd or 6.4 mgd. The decision on rated capacity depends on whether the 3,500 afy GWR project is implemented by MRWPCA.
- iii. The first pass RO system shall be designed to produce the rated capacity with one train off-line.
- iv. Table 2-1 shall be used as a guide to identify the effect of rated capacity on various facility components. Some facility components are modular, such as RO trains, and are identified as “variable capacity”. Other components are not modular, for example the administration facilities, and are required regardless of capacity, and are noted as “fixed capacity”. Components that are costly, and can’t be readily duplicated, are identified as “fixed capacity”. An ultimate capacity of 12.8 mgd is shown in Table 2-1 to provide a basis for design of fixed capacity components, and to identify space planning requirements for variable capacity components. The ultimate capacity is based on adding two RO trains (1.6 mgd each) to the 9.6 mgd rated capacity design, or adding four RO trains (1.6 mgd each) to the 6.4 mgd rated capacity design. Chemical storage volumes are identified as fixed because storage tanks are sized to safely receive bulk deliveries.

Table 2-1 Component Capacity

Item	Component	Variable or Fixed Capacity	Capacity to be Provided	Design Criteria for Ultimate Capacity
1	Administration Facilities/Building	Fixed	As identified in Appendix 2	
2	Arterial Piping (such as Raw Water supply piping, piping to finished water tanks)	Fixed	Ultimate capacity governs	Ultimate hydraulic capacity of 12.8 MGD
3	Chemical Storage Volumes	Fixed	As identified in Appendix 2	
4	Chemical Feeders	Variable	Match selected rated capacity	
5	Electrical Service and Service Transformers	Variable	See electrical criteria in Appendix 2	Ultimate 12.8 MGD Capacity
6	Electrical Bus Capacity (4160 volt)	Fixed	Ultimate capacity governs	Ultimate 12.8 MGD Capacity

Item	Component	Variable or Fixed Capacity	Capacity to be Provided	Design Criteria for Ultimate Capacity
7	Standby Electrical Generator	Fixed	As identified in Appendix 2	
8	Granular Media Filtration Capacity	Variable	Selected rated capacity	12.8 MGD
9	Granular Media Filtration Wastewater Clarification	Fixed	9.6 MGD	
10	Post Stabilization Chemical Storage	Fixed	9.6 MGD	
11	Post Stabilization Calcite Contactors	Variable	Selected rated capacity	12.8 MGD
12	Post Stabilization Lime Saturation System	Fixed	9.6 MGD	
13	UV Disinfection	Variable	Selected rated capacity	12.8 MGD
14	Clearwell Size	Fixed	As identified in Appendix 2	
15	Hypochlorite Generation Capacity	Variable	As identified in Appendix 2	12.8 MGD
16	Hypochlorite Storage Capacity	Fixed	As identified in Appendix 2	
17	Reverse Osmosis Capacity	Variable	Selected rated capacity	12.8 MGD
18	Reverse Osmosis Building	Variable	Selected rated capacity	12.8 MGD
19	Concentrate Equalization Pond Volume	Fixed	As identified in Appendix 2	
20	Finished Water Pumping Capacity	Variable	Selected rated capacity	12.8 MGD

- v. **Maximum Capacity:** The maximum capacity is the capacity that can be treated and delivered with the spare RO train in operation. Pretreatment systems, chemical feeders and disinfection systems shall be designed to allow maximum capacity to be achieved with no allowance for redundancy. The purpose of defining a maximum capacity is to allow the spare RO rack to be used to “catch up” to annual production, but not exceed annual allowed production.

- vi. Both rated capacity and maximum capacity shall be permitted capacities recognized by CDPH, including the *Cryptosporidium* action plan.
- b. Life Expectancy
- i. The expected life of selected assets is identified below to assist Proposers in tailoring their design and Proposal to the Project needs.
 - ii. Process Equipment
 - (1) RO Equipment – 25 years
 - (2) Pressure Filters – 15 years
 - (3) Electrical Power Equipment – 30 years
 - (4) Instrumentation and control equipment– 20 years
 - iii. Tankage
 - (1) Chemical Bulk Storage Tanks – 25 years
 - (2) Chemical Day Tanks – 15 years
 - (3) Finished Water Storage Tanks – 50 years
 - (4) Earthen reservoirs – 25 years (life of liner)
 - iv. Buildings/Structures
 - (1) Reinforced Concrete Structures – 75 years
 - (2) Administration Facilities – 50 years
 - (3) Stand Alone Electrical Buildings – 30 years
 - v. Piping and Valves
 - (1) Finished water
 - (2) Piping – 50 years
 - (3) Valves – 25 years
 - (4) Saline water
 - (5) Piping – 25 years
 - (6) Valves – 15 years
 - (7) Chemical piping and valves – 15 years
- c. Staffing for Operation
- i. It is expected that the Design-Build Improvements will be staffed 24 hours per day, seven days per week. However, it is a goal that operation of the Design-Build Improvements would be sufficiently reliable to allow partially attended operation. Automation as described elsewhere is prudent to provide safe and efficient operation, monitoring, and control of pumping and treatment facilities.
- d. Allowance for future or potential facilities
- i. Seawater Treatment
 - (1) Identify an area of the Project Site where pretreatment processes for treatment of surface water, for example, dissolved air flotation and gravity granular media

filtration, and appropriate residual handling facilities could be constructed if an open seawater intake should be required. Detailed design of seawater pretreatment facilities is not necessary.

ii. Planning for Plant Expansion

- (1) Reserve space for future build-out of the building housing the RO racks and other structures to allow for expansion to ultimate capacity. These areas shall be maintained free of large piping, ductbanks, and similar obstructions that would be difficult or costly to move/relocate in the future.

e. Sustainable Design, Construction and Operation in Building Technology

- i. The Owner desires to implement sustainable practices for design, construction and operation of the proposed facilities. These practices include efficient use of energy for lighting as well as heating/cooling for administration type facilities. Waste minimization is another goal for construction and operation. Construction activity pollution prevention is highly desirable. Many of the desired design and construction features will qualify for LEED certification by the U.S. Green Building Council, but the Owner has elected to forego the formal LEED certification process.

f. Spill Protection/Secondary Containment for Liquids

- i. The Owner requires that controls be implemented to protect against groundwater contamination from all process fluids, for example seawater, RO concentrate, RO chemical waste, and treatment chemicals. Saline fluid waste is to be kept separate from non-saline wastewater and disposed separately to minimize the salinity of sanitary waste. Tankage for saline fluids is to include secondary containment features to prevent groundwater contamination from tank leaks. Tank overflows are to be directed to wastewater basins to the extent possible rather than direct discharge to the ground. High level switches and alarms, independent of continuous level monitors, are to be provided for tanks to prevent overflow caused by uncalibrated level monitors.
- ii. Chemical storage tanks are to be located within concrete curbing/walls to provide secondary containment of chemical tanks. Buried chemical piping is to be provided with secondary containment, either double wall pipe or replaceable tubing within a carrier pipe. Additional detail on secondary containment is provided in the Chemical Facility section and in Attachment 1 (American Water Engineering Standard: T2 Liquid Chemical Storage, Feed, and Containment). In most cases, chemical piping within buildings does not require double wall piping as the facility provides a measure of secondary containment and leaks are quickly evident. Liquid chemical spill containment is to be provided for chemical delivery trucks as identified in the chemical storage section.

g. Site Arrangement – Integrated vs. Campus Layout

- i. For operational efficiency, it is desired to integrate the administration facilities, the RO housing, and the (liquid) chemical facilities to enable rapid access by walking

between each of the functions. Each function shall be separate to the extent necessary for noise control, corrosion control, safety, structural considerations, and building code compliance.

- ii. Electrical transformation, concentrate equalization, post-stabilization, UV disinfection, Finished Water storage, and Finished Water storage pumping may be distributed around the site.

h. Safety

- i. The Owner desires facilities that meet or surpass OSHA standards and requirements. For example, ladders are discouraged where stairs can be provided. Underground pits and vaults for water metering are discouraged because of the safety concerns with confined spaces.

i. Redundancy

- i. Provide redundancy for all major process mechanical equipment such that the plant is capable of operating at design capacity with any single process unit out of service. This does not apply to chemical storage tanks but does apply to chemical feeders and chemical feed piping.

j. Process Overflows

- i. All processes shall have overflows that will safely direct excess flow away to protect structures, personnel, and the environment. Continuous level monitors, and an independent high level switch, are to be provided on tanks (water, wastewater, and chemical) to alert operations staff of a high level event. Overflow piping is to be directed to secondary containment or waste handling to the extent possible. Direct discharge to the environment is the least desirable approach. Chemical overflows to the concentrate equalization basin are not acceptable.

k. Coastal Marine Environment and Corrosion Control

- i. The coastal marine environment is corrosive to many metals, and the Design-Builder is to carefully select materials of construction to provide long service life and aesthetic appearance.

l. Saline Water and Corrosion Control

- i. Saline water can be highly corrosive to metals. All metallic components in contact with saline water are to be selected with materials of construction that are compatible with seawater. Pitting is a particular problem with chlorides and stainless steels. Design-Builder is to identify a minimum Pitting Resistance Equivalency Number (“PREN”) for metals in contact with saline water.

3. RAW WATER QUALITY

Raw Water quality ranges have been inferred from a variety of sources of information because slant beach wells are not in place and are not operating. Proposers shall rely on the Raw Water quality conditions identified in Attachment 2 for design. The Raw Water quality data in Attachment 2 are a best estimate of the Raw Water conditions for the MPWSP. Facility design shall be based on the design maximum values in Table 1 of Attachment 2. Both the average and maximum values will be used during Acceptance Testing of the RO system, discussed in Appendix 7.

4. FINISHED WATER QUALITY

Finished Water quality performance standards have been established for this Project and are presented in Attachment 3. Treated water quality Acceptance Standards and Requirements that will be used as the basis of design and during Acceptance Testing are shown in Table 2C-1 of Attachment 3 for the pretreatment effluent (RO feed stream), the combined RO permeate, and the Finished Water after stabilization for corrosion control and disinfection with chlorine..

5. RAW WATER PUMPING

- i. Beach wells will be provided through a separate procurement process.
- ii. The Owner has been in contact with the property owner and is working to secure permanent easements on an approximately 376-acre parcel of land located due west of its proposed Project Site.
- iii. The final arrangement of well type, number, and location will be determined at a later date.
- iv. For the purposes of the Proposal, Proposers shall assume:
 - (1) Electric power for the beach wells will not be provided from the Project Site. A separate electric service for the beach wells shall be assumed.
 - (2) Source water hydraulic grade line of 155 feet MSL shall be assumed available from the beach well pump station.
 - (3) Communication with the beach well pump station shall be via fiber optic cable or high speed Ethernet radio (spread spectrum). Fiber optic cable shall be buried adjacent to the feedwater pipeline. Off-site fiber optic cable, and piping, shall be provided by others. Antenna towers are unlikely to be acceptable at either the wells or the Project Site.
 - (4) The Design-Builder is responsible for Raw Water piping within the Project Site boundary.

6. PRE-TREATMENT SYSTEM WITH GRANULAR MEDIA FILTRATION

a. General

- i. Purpose: Pretreatment of beach well supply using granular media filtration shall be provided for 1) iron and manganese removal and 2) potential need for coagulation of particulate matter.

- ii. Scope: This section addresses filters, filtered water storage, filter wastewater treatment and recycle.
 - iii. Flow Metering: Provide flow metering of the well water flow prior to the pressure filters, and recycle of spent filter washwater supernatant. Flow meter shall be located above grade and shall have recommended upstream/downstream straight run pipe sections.
 - iv. Pretreatment Chemicals/Mixing: Provide sodium hypochlorite injection as an oxidant for iron and manganese prior to pressure filters. Provide in-line static mixer to provide rapid dispersion. A bypass for the static mixer is not required. Chemical injection shall be above grade. Provide emergency shower and safety shower at chemical injection.
 - v. Design Filtration Rate: Filter rate shall not exceed 4 gpm/sf with largest single unit out of service for washing plus a second unit out of service for maintenance;
 - (1) Assume 5 percent flow recycle to account for recycle of filter wastewater supernatant.
 - vi. Bypass: Provide a piped bypass of the granular media filtration system to allow for operational flexibility
- b. Filter Media: Dual Media: Sand and Anthracite
- i. Media shall comply with AWWA B100
 - ii. Sand 12 inch depth; 0.45 to 0.55 mm effective size; UC 1.4 or less
 - iii. Anthracite: 18 inch depth; 0.65 to 0.85 mm effective size; UC 1.6 or less
 - iv. Media shall be conditioned with permanganate prior to service to establish manganese dioxide coating for manganese removal.
 - v. Media Support: Graded gravel
 - vi. Underdrain: PVC header encased in concrete with replaceable non-metallic distribution nozzles
- c. Pressure Filter Vessels
- i. Filters shall be single cell
 - ii. Materials of Construction: Steel with neoprene rubber lining. Lining shall be NSF listed. The lining system, including vulcanizing primer cement, intermediate overcoat adhesive, neoprene tack cement and neoprene liner are to be the product of Blair Rubber Company, or equal. The interior of the pressure vessels are to be lined with a 1/4" thick Enduraflex black, soft neoprene lining
 - iii. Vessel shall be constructed in accordance with ASME unfired pressure vessel and shall be code stamped.
 - iv. Personnel Access: Two (2) flanged hatches (24" diameter) with self supporting davit.

- v. Media Inspection Port: Two (2) six inch flanged nozzles located top dead center to allow media levels to be measured.
 - vi. Drain: Provide drain connection to completely drain the filter vessel for maintenance; minimum 3-inch.
- d. Air Wash or Surface Wash
- i. Provide appropriately sized nozzle with blind flange on each filter to accommodate potential future air wash.
- e. Filter to Waste
- i. Provide filter to waste capability. Filter to waste flow is to be measured. Filter to waste flow is to be adjustable up to the design rating of the filter. Effluent turbidity is to be monitored during filter to waste. Allow for 15 minutes of filtering to waste at maximum flow.
- f. Washwater Collector
- i. Washwater collector (influent distributor) shall be nonmetallic and shall be located at least 18 inches above the surface of the filter media.
- g. Underdrain Maldistribution
- i. Maldistribution of flow during backwash shall not exceed 10%. Calculations shall be submitted to verify maldistribution.
- h. Air Release
- i. Provide air release valve for each filter to vent trapped air/gas.
- i. Wastewater
- i. Provide a means to observe and sample the wastewater during backwashing
- j. Filter Instrumentation
- i. Flow – Filters shall be arranged in banks not to exceed two (2) filters per bank. Each bank shall be equipped with an effluent flow meter and modulating flow control valve to allow the filters to be operated in either constant rate or declining rate flow control.
 - ii. Loss of Head – Each bank shall be equipped with a loss of head differential pressure transmitter
 - iii. Turbidity – The effluent from each filter shall be monitored by a turbidimeter

k. Valves

- i. Valves shall be butterfly type.
- ii. Open-close actuated valves shall be pneumatic. Provide quarter turn vane type actuator.
- iii. Rate of flow control modulating valves are to be butterfly with electric actuator (208 volt, 3 phase)
- iv. Valve position indicators shall clearly indicate valve position.
- v. For each filter, provide local panel with pneumatic valves to allow valves to be opened/closed for maintenance.

l. Housing

- i. The end/head of each filter, with face piping and valves, shall be enclosed in a building. The remainder of the filter vessel shall be outdoors.

m. Backwash and Backwash Supply

- i. Backwash supply shall be obtained from the filtered water storage tanks.
- ii. Provide two backwash pumps: one duty, one reserve
- iii. Backwash shall include a low, high, low rate sequence.
- iv. Only one filter shall wash at a time.
- v. Maximum backwash rate shall provide 30% bed expansion of sand and anthracite media at highest water temperature
- vi. Backwash flow control shall be by means of a flow meter and electrically actuated butterfly valve. Provide bypass/recycle valve if needed for low wash flow control.
- vii. Backwash sequence shall be automated and initiated by Operator based on 1) time, 2) loss of head, and 3) effluent turbidity
- viii. Backwash sequence shall include a filter to waste cycle that is terminated on 1) time, 2) volume, and 3) filtered turbidity

n. Filter Backwash Waste Settling and Recycle

- i. Backwash waste shall be diverted to basins for settling and recycle of supernatant
- ii. Minimum Number of Wastewater Basins: Two (2)
- iii. Minimum Wastewater Basin Volume: Two filter backwashes plus residuals storage (one year)
- iv. Minimum Unit Filter Waste Volume (backwash and filter to waste)
- v. 200 gal/sf/wash
- vi. Basins shall operate in a batch Fill – Settle – Draw/Recycle mode.

vii. Wastewater Basin Construction

- (1) Lined Earthen Basin– see Concentrate Equalization Basin for typical construction requirements
- (2) Instrumentation: Provide continuous level (ultrasonic) and separate high level switch for alarm, for each basin
- (3) Provide supernatant draw-off piping and actuated valves at three levels, or provide floating decanter

o. Recycle Pumping

- i. Provide central supernatant sump with submersible recycle pumps.
- ii. Duty pumps = 2; Reserve pumps = 1
- iii. Submersible recycle pumps shall be equipped with VFD for flow control
- iv. Recycle flow shall be metered
- v. Provide continuous turbidimeter for recycle quality monitoring
- vi. Regulatory Requirements
 - (1) Meet the CDPH Cryptosporidium Action Plan
 - (2) Recycle flow shall be less than 10% of influent flow at all times
 - (3) Recycle flow shall have a turbidity less than 2 NTU
 - (4) Minimum number of settling basins = 2
 - (5) Ability to continuously dose polymer as settling aid (See Chemical Section for polymer system requirements)

7. FILTERED FEEDWATER RECEIVING TANKS

- i. Filters shall discharge to filtered feedwater receiving tanks. Filtered feedwater receiving tanks shall feed the cartridge filters associated with the RO trains, and shall provide backwash water for granular media filters.
- ii. Flow Split: Piping to each feedwater receiving tank shall be identical to obtain a reasonably equal flow to each tank.
- iii. Number of Tanks: two (2)
- iv. Capacity, each: 300,000 gallons
- v. The plant shall be capable of operating at rated capacity with a single feedwater receiving tank.
- vi. Covered: aluminum self supporting dome
- vii. Internal Roof Supports: not allowed
- viii. Piped Overflow: to allow full raw water flow from each tank. Provide internal weir box. Overflow to Concentrate Equalization Basin.
- ix. Materials of Construction Standards:
 - (1) AWWA D103 Factory Coated Bolted Steel Tank

- (2) AWWA D108 Aluminum Dome Roofs for Water Storage Facilities
- (3) Tank sidewall panels shall be glass lined for maximum corrosion resistance.
- x. Personnel Access: Sidewall (2) and Roof (1)
- xi. Tank Outlet Anti-Vortex Baffle: provide anti-vortex baffle at outlets to minimize air entrainment
- xii. Sanitary Lip – Provide a removable baffle at the tank outlet to minimize potential for accumulated solids at the bottom of the tank from washing into the tank outlet.
- xiii. Tank Drain – drain to Concentrate Equalization Basin.
- xiv. Level Controls-Each tank shall have a continuous level monitor (pressure transmitter) and an independent high level switch.
- xv. Security Details: Provide security devices to prevent climbing of the tank by unauthorized persons; provide anti-tamper vents; provide checkvalve on overflow

8. FILTERED WATER PUMP STATION

- i. A filtered water pumping stage is needed to provide sufficient pressure to operate the cartridge filters and supply minimum pressure to the RO process.
- ii. Type of pump: End suction pump is envisioned; Proposers have latitude in optimum pump selection
- iii. Number and Capacity: Two at 50% design capacity (one duty, one reserve); Two at 25% duty (two duty); VFD for two smaller pumps
- iv. Materials of Construction: Super duplex
- v. Pump Location: Pumps to be located outdoors
- vi. Electrical Starter Location: Electrical starters are to be protected from the weather inside of a building.
- vii. Flow Metering: not required (flow = Raw Water flow less GMF wastewater)
- viii. Power Metering: Necessary for the pumping stage

9. REVERSE OSMOSIS SYSTEM

a. General

- i. The reverse osmosis system (the “RO System”) consists of:
 - (1) First pass SWRO
 - (2) Second pass BWRO
 - (3) Energy recovery device (“ERD”) and associated booster pumps
 - (4) Cartridge filters
 - (5) High pressure RO feed pumps with variable frequency drives
 - (6) Second pass RO feed pumps with variable frequency drives
 - (7) Pressure vessels and RO train support structure
 - (8) Clean-In-Place (“CIP”) system

(9) Flush system

ii. Description

- (1) The purpose of the RO System is to remove dissolved solids from the seawater, and in particular, to meet boron, bromide, chloride, and sodium water quality goals, as set in Attachment 3 and Appendix 7.
- (2) The RO System configuration shall consist of a first pass SWRO system followed by at least a 40% partial or complete second pass BWRO system.
- (3) The RO System design shall integrate each component such that the RO System shall be able to operate across the range of specified operating parameters (e.g. range of TDS and temperature conditions, and the corresponding RO pressure requirements).
- (4) Each RO train should have a dedicated variable speed high pressure pump, energy recovery device, and support and monitoring systems.
- (5) The rated capacity of the RO System shall be such that the Design-Build Improvements produce the capacity defined in Section 2.
- (6) The RO System minimum daily production rate shall be 3.2 mgd.

iii. Requirements

- (1) The anticipated RO feedwater quality is provide in Attachment 2 and the RO system shall be designed based on the maximum raw water concentrations listed in Attachment 2.
- (2) The first pass RO System and each first pass RO train shall be capable of providing and demonstrating, on a continuous basis, the necessary TDS reduction (as measured by continuous conductivity) for the purpose of achieving approval from CDPH for a minimum of 2-log virus, *Giardia*, and *Cryptosporidium* removal, each. In addition, the RO system shall be capable of meeting the Finished Water maximum average concentration for the combined RO permeate, as defined in Attachment 3 and under normal design and operating conditions. The RO system shall meet all acceptance tests as defined in Appendix 7.
- (3) Each RO train and the RO system in general shall meet all monitoring and permitting requirements as defined by CDPH and all applicable regulatory agencies.
- (4) The RO system shall be capable of meeting the Finished Water maximum average concentration for the combined RO permeate water quality standards and requirements, as defined in Attachment 3, while operating at the specified design requirements listed in this Appendix. The RO system shall be designed to meet the power consumption provided in the bid forms and the proposed membrane warranty.
- (5) The RO system shall meet all Acceptance Tests as defined in Appendix 7.
- (6) All materials used in the RO System that are in contact with water shall be approved for contact with potable water in accordance with NSF Standard 61.

iv. RO Equipment Manufacturer Qualifications

- (1) The RO equipment manufacturer (the “ROEM”) shall be a corporation, joint venture, or partnership with experience in the design, construction, and startup of RO systems and shall have been in business for at least three years.
- (2) The ROEM shall have designed, fabricated, and installed at least two seawater RO systems which have a permeate capacity of the same modular size as this project or greater each. The minimum scope of design and fabrication shall include the cartridge filters, the membrane feed pumps, the membrane elements in pressure vessels, the concentrate control valves, interconnecting pipe and manifolding between system components, and instrumentation and control system hardware associated with system components. In addition, the ROEM shall have developed or participated in the development of control software for each of the referenced RO systems. The reference systems shall have been in operation for a minimum of one year at the time of Proposal submittal. Project references shall be submitted with the Proposal for the two seawater RO systems claimed by the ROEM on Proposal Form 18. These references shall include project location, RO permeate capacity, date of contract, date of initial operation, current status, and owner’s contact information (i.e. name, address, and telephone number). Failure of the ROEM to provide verifiable qualifications meeting the criteria listed herein will result in rejection of the proposed ROEM, and Proposers will be required to submit an alternate ROEM for approval.
- (3) The ROEM shall demonstrate the existence of service capabilities located in the United States that can be called upon to provide continuing service following acceptance testing and beyond the specified warranty period. Upon notification of service needs, a response by the ROEM within two business days is required. The ROEM shall indicate the service organization that will respond and the location of that service organization with the experience documentation.

v. Space Requirements

- (1) Sufficient space shall be provided around and within the equipment of the RO System to allow for routine maintenance and equipment replacement, including but not limited to: the changing out of membrane elements, RO pressure vessels, and pumps.

b. Manufacturers

- i. Refer to Attachment 4 (Acceptable Manufacturers)

c. Cartridge Filters

- i. The purpose of the cartridge filters is to remove particulate matter and serve as a protective barrier for the RO membranes. The pressure filters should remove most particulates, but filter backwashing can cause particulate breakthrough that must be mitigated by the cartridge filters. The cartridge filter effluent silt density index (“SDI”) must be less than 2 min^{-1} and must maintain the RO membrane warranty.
- ii. Maximum effluent turbidity: 0.5 NTU
- iii. Effluent SDI: $\leq 2 \text{ min}^{-1}$ 95% of the time, $< 4 \text{ min}^{-1}$ at all times (see Attachment 3)

- iv. The cartridge filters consist of removable filter cartridges inside a filter vessel. One filter vessel will be provided for each RO train. Each filter vessel holds multiple filter cartridges that can be manually removed when the pressure differential across the filters reaches the set maximum level. The filter pore size shall be a maximum of 5 microns (nominal) to adequately protect the RO membranes. Requirements listed below may be more stringent than the requirements of the RO membrane suppliers. In instances of conflict between the requirements of the RO membrane requirements and this RFP, the more stringent requirements shall apply.
- Pressure vessel reference standard: ASME Boiler and Pressure Vessel Code, Section X
 - Type of filter vessel: Horizontal configuration
 - Filter vessel material: AL-6XN stainless steel
 - Filter vessel must meet or exceed ASME Section X Code for high pressure vessels
 - Minimum vessel design pressure: 150 psi
 - Number of filter vessels: 1 per RO train
 - Vessel o-rings/gaskets: Buna-N
 - Vessels must be designed so one person, at ground level, can easily open and close it to access the entire vessel interior for filter replacement or other maintenance activities.
 - Sufficient clearance around each vessel must be provided for access to vent valves and drains, filter element replacement, and other routine maintenance activities.
 - Pressure differential indicators and transmitters across the inlet and outlet of the vessels shall be provided and relayed to the RO system PLC.
 - Filter pore size: 5 μm (nominal, minimum 90% efficiency)
 - Filter type: string-wound depth cartridges
 - Filter materials: polypropylene (FDA grade and ANSI/NSF 61 certified)
 - Filter o-rings: Buna-N
 - Filter outside diameter (OD): 2 3/8 inches or 2 1/2 inches
 - Filter inside diameter (ID): 1 inch
 - Filter flow configuration: outside-in
 - Filter length: 40"
 - Maximum design loading rate: 4 gpm per 10" length
 - Maximum differential pressure of clean filter element at design loading rate: 4 psi
 - Differential pressure to trigger replacement of filter element: 20 psi
 - Filter element replacement interval: not less than 2 months

- The Design-Builder shall provide one set of replacement filter elements for all the vessels.

d. RO System Trains

i. General

- (1) All trains within each pass shall be identical. All equipment and the trains themselves shall be provided by the same manufacturer.
- (2) Each train shall be capable of operating independently of the other trains.
- (3) Each train shall be modular such that a total of either 6.4 or 9.6 mgd rated capacity can be achieved.
- (4) All bolts, nuts, washers, anchors, and support systems used to install the train shall be corrosion resistant 316 stainless steel.
- (5) All parts of the RO System including the first pass SWRO, second pass BWRO, ERD, cartridge filters, and pumps, shall be designed to accommodate raw water chlorides of at least 24,000 mg/L and the resulting chloride concentrations in the RO concentrate.
- (6) The frames of each train shall accommodate the number of pressure vessels required to achieve the design performance of the train. The frames of both first pass and second pass trains shall be able to accommodate an additional 10% of the pressure vessels and associated piping. Supports shall also be provided for train piping, valves, and appurtenances.
- (7) Pressure vessels shall not be stacked higher than 6 vessels high for operator/maintenance safety.
- (8) The frame and miscellaneous brackets shall be designed and constructed to meet structural and seismic code.
- (9) The frame and miscellaneous brackets shall be epoxy coated carbon steel.
- (10) There shall be no recycle of the second pass concentrate to the head end of the plant.
- (11) Appropriate isolation of the RO system from the pretreatment shall be provided, such that chlorination of the pretreatment granular media filters may be performed without damage to the RO membranes.
- (12) Appropriate provisions shall be provided to ensure that any sealed tanks within the RO system have ventilation systems that control microbiological activity (e.g. HEPA filters).

ii. First Pass SWRO

- (1) Maximum train size shall be 2 mgd (as permeate water).
- (2) First pass recovery shall be 42% minimum and 45% maximum.
- (3) First pass maximum membrane flux rate shall be 8.75 gfd
- (4) First pass maximum feed pressure shall be 1,000 psi.
- (5) RO design shall not exceed 7 elements per pressure vessel.
- (6) The skid shall have the ability to receive the following chemicals for pretreatment prior to the first pass:
- (7) Sulfuric acid to reduce the pH of the feedwater

- (8) Scale inhibitor to prevent precipitation of sparingly soluble salts such as calcium carbonate, calcium sulfate, barium sulfate, and strontium sulfate.

iii. Second Pass BWRO

- (1) Second pass maximum recovery shall be 90%.
- (2) Second pass maximum membrane flux rate shall be 18 gfd.
- (3) RO design shall not exceed 7 elements per pressure vessel.
- (4) The maximum pH of the second pass feed water shall be 10 or the maximum specified in the membrane warranty.
- (5) The skid shall have the ability to receive the following chemicals for pretreatment prior to the first pass:
 - (a) Caustic soda to increase the pH of the feedwater and enhance boron removal, in order to meet the maximum average concentration for boron in Attachment 3 and Appendix 7.
 - (b) Scale inhibitor to prevent precipitation of sparingly soluble salts such as calcium carbonate, calcium sulfate, barium sulfate, and strontium sulfate.
- (6) Provide a second pass concentrate recycle line to the head of the plant to allow for operational flexibility.

e. RO Membrane Elements

- i. The type of first pass RO membrane elements shall be SWRO with minimum 99.6% salt rejection and minimum 90.0% boron rejection.
- ii. The type of second pass RO membrane elements shall be BWRO with minimum 99.0% rejection.
- iii. The size of all elements shall be standard 8-inch diameter, with 400 square feet of surface area.
- iv. Differential pressure across the membrane elements shall not exceed a five percent increase over the minimum membrane warranty period.
- v. All membrane elements installed within a train shall be of a single manufacturer.
- vi. The spiral wound membrane elements shall be manufactured with thin film composite polyamide membranes. The elements shall be suitable for high pressure seawater RO treatment in the first pass and brackish water RO in the second pass.
- vii. The SWRO and BWRO membranes shall each be warranted for at least 5 years.
- viii. The membrane models selected shall have a demonstrated track record of service with a minimum of two (2) years of operation at a full-scale seawater RO facility for drinking water application and of the comparable modular train size as this Project.
- ix. Membrane Factory Testing
 - (1) Each membrane element shall be factory tested by the manufacturer and certified test data for each membrane element shall be supplied to the Owner prior to shipment. The test data shall be accepted by the Owner in writing prior to shipment.

- (2) The elements shall be tested under the manufacturer's standard published test conditions.
- (3) The elements shall meet the performance stated in the manufacturer's standards.
- (4) Each membrane element must have a salt rejection greater than the minimum specified salt rejection defined in the membrane manufacturer's specification sheets for that membrane type.
- (5) Certified test data shall be provided for each element and shall consist of the element serial number, the feed flow, recovery, productivity, rejection, and differential pressure. The Owner reserves the right to have a representative observe factory testing at any time during regular testing by the element manufacturer. In addition, the Owner reserves the right to request retesting by the manufacturer of a random choice (by the Owner's Representative) of five percent of the elements at no additional cost to the Owner. On retest, should any of the elements fail to meet the performance specified above, the Owner reserves the right to require the element manufacturer to retest up to 100% of the elements at no additional cost to the Owner or reject the proposed shipment, at the sole discretion of the Owner.

f. RO Pressure Vessels

- i. The pressure vessels shall have a maximum working pressure of not less than 1200 psig and shall be Code Stamped for the rated pressure in accordance to the ASME Boiler and Pressure Vessel Code – Fiberglass-Reinforced Pressure Vessels.
- ii. Pressure vessels shall be provided with ultraviolet light resistant coating.
- iii. The feed and concentrate ports shall be located in the vessel sidewall.
- iv. Acceptable materials for pressure vessel ports shall be duplex stainless steel for the first pass, and high grade stainless steel for the second pass.
- v. Factory testing: Each vessel shall be tested at the manufacturer's facility for compliance with requirements set forth herein. A certified copy of the production test data for each pressure vessel shall be submitted to the Owner prior to shipment.

g. RO First Pass High Pressure Pumps

- i. The first pass RO feed pumps shall be high-pressure and centrifugal pumps.
- ii. Minimum efficiency: 80%
- iii. The high pressure pump maximum efficiency shall be designed for the maximum average water quality specified in Attachment 2.
- iv. Acceptable materials of construction: super duplex stainless steel, etc.
- v. One high pressure feed pump, with variable frequency drive, shall be provided for each first pass membrane train.
- vi. The high pressure pump shall be able to accommodate the entire range of operating water qualities, temperature, RO fouling conditions, and ERD requirements.

vii. Design of the high pressure pump shall take into account the specific RO train configuration and energy recovery device to ensure proper operation and appropriate energy recovery and efficiency over the entire specified range of water quality parameters.

viii. Equipment Factory Testing

- (1) Factory testing shall be performed for each high pressure RO feed pump. Testing shall comply with the latest version of the Hydraulic Institute/American National Standard for Rotodynamic Pumps for Hydraulic Performance Tests (14.6), referred to as HI Standard 14.6.
- (2) Measurement accuracy shall be Grade 1 as defined by the HI Standard 14.6. Pump performance test acceptance grade shall be 1E.
- (3) Pump tests shall be performed to verify the initial performance of new pumps. Performance testing shall include measurement of flow, head, and power input to the pump or test motor. NPSH testing shall be performed. Factory testing shall be performed at a dedicated test facility.
- (4) Conduct tests on actual equipment to be furnished to the job site, including pump discharge heads and barrels, as applicable.
- (5) Furnish certified test reports which include test data sheets, performance test logs, and equipment performance curves, as applicable. Indicate separately equipment guaranteed operating points identified in the specifications, including efficiency. Testing shall provide data for a minimum of five (5) flows.
- (6) Factory testing of each high pressure pump motor shall be performed as listed below. Certified test results shall be submitted.
 - (a) Dielectric test on armature
 - (b) Insulation resistance
 - (c) No load current at rated voltage
 - (d) Efficiency and power factor calculated at 100 percent of full load at full load speed
 - (e) Locked rotor current
 - (f) Overspeed test
 - (g) Winding resistance
 - (h) Balance
 - (i) Bearing inspection

h. RO Second Pass Pumps

- i. Minimum Efficiency: 70%
- ii. Acceptable materials of construction: super duplex stainless steel, etc.
- iii. One second pass feed pump, with variable frequency drive, shall be provided for each second pass membrane train.
- iv. The second pass pumps shall be able to accommodate the entire range of operating water qualities, temperature, and RO fouling conditions.
- v. Pump and motor testing shall be performed as listed above for the high pressure pumps.

i. Energy Recovery Device

- i. The purpose of the energy recovery device (“ERD”) system is to reduce the RO system’s power consumption by recapturing the energy present in the first pass concentrate stream.
- ii. The type of ERD shall be positive displacement.
- iii. Design of the ERD shall take into account the specific RO train configuration and high pressure pump and associated booster pumps to ensure proper operation and appropriate energy recovery.
- iv. ERD booster pumps shall meet the following requirements:
 - (1) Acceptable materials of construction for wetted parts: non-corrosive, AL6XN, or Titanium.
 - (2) Pump type shall be horizontal multistage centrifugal design.
 - (3) Pump shall be equipped with a cartridge type mechanical seal.
 - (4) The pump shall be lubricated with the pumped fluid. Oil lubrication shall not be used.
- v. One ERD shall be provided per train.
- vi. Reference installations for the ERD shall be provided, and be independent plants with no affiliation to the ERD manufacturer.
- vii. The expected lifetime of the ERD shall be at least twenty (20) years.
- viii. The efficiency per ERD shall be a minimum of 95%.
- ix. The ERD maximum efficiency shall be designed for the maximum average water quality specified in Attachment 2.
- x. Mixing will be no more than three percent (3%) when the ERD low pressure flow rate equals the ERD high pressure flow rate and the membrane recovery rate is less than 50%.
- xi. Conductivity of the flows into and out of the ERD shall be relayed to the main plant control system for continual calculation of ERD mixing percent. Sample ports shall also be provided at the same locations as the conductivity sensors.
- xii. The ERD must be able to operate within all the parameters of this Project (e.g., temperature, flow, pressure,).

j. RO System Piping and Valves

- i. Interconnecting pipe manifolds for operation and sampling of the RO trains shall be provided that include but are not limited to connections for feed line, permeate line, brine line, CIP feed and return lines, and flush feed and waste lines. Pipe manifold materials shall be in accordance with materials listed in Appendix 2.
- ii. Return lines off the permeate headers of each train shall be included.
- iii. Backflow prevention or air gap separation shall be provided on CIP waste, CIP recirculation and flush waste lines, as required by CDPH.

- iv. The contractor shall be responsible for providing sample ports and backflow prevention devices as required by CDPH. At a minimum sample ports and backflow prevention devices shown in the Design Documents shall be provided.
 - v. Permeate sample points shall be provided on all vessels, and shall be such that a probe tube may be passed through for profiling and sampling within a vessel.
 - vi. Additional sample points shall be provided on the feed and concentrate lines of each vessel, as well as on any interstage headers.
 - vii. RO Trains shall use vertical feed/concentrate manifolds and vertical permeate manifolds.
 - viii. Side ported vessels (without a multiport, close coupled arrangement) shall be used for ease of maintenance.
 - ix. Piping shall be run at the ends or alongside the trains in easily accessible piping trenches. All horizontal runs shall be located beneath trench grating.
 - x. The RO System shall be designed such that permeate backpressure cannot exceed the concentrate pressure by more than 5 psi to prevent damage to the RO membranes.
- k. Flush System
- i. The flush system shall be able to flush the entire RO system and each individual RO train including ERDs.
 - ii. The Design-Builder shall provide the ability to flush each train independently of the plant to allow for individual train shutdown and flushing. The first pass system shall be able to be flushed separately from the second pass.
 - iii. The flush water source shall be RO permeate from the flush tank.
 - iv. The first and second pass RO systems shall be designed and constructed with piping, valving, and instrumentation for an automated flushing event to occur. A flushing event shall occur if a train is taken offline. The Design-Builder shall provide the ability to manually initiate a flushing event.
 - v. Flush feed connections shall be provided to each train, along with automated flush supply and waste valves. The system shall be activated automatically through the RO system PLC on shutdown of the RO train to flush residual low pH feed and concentrate from the high pressure pump and pressure vessels. On initiation of a flush cycle, flush water shall be pumped to the flush feed valve on the suction side of the high pressure pump. A flush to waste valve shall be opened off the concentrate line ahead of the control valve, routing the flush water to waste.
 - vi. Flush feed connections shall be placed in close proximity to the train itself, without excess piping.
 - vii. The Design-Builder shall ensure that there is enough volume in the flush tank such that each train can be flushed in the event of a plant shut down.

- viii. The Design-Builder shall provide the ability to add preservative solution to the flush system.
- ix. A minimum of one standby pump shall be provided and at all times at least one flush pump shall be available to flush a first or second pass RO train.
- x. Duty and standby pumps shall be connected to the standby power generator bus such that a single pump could operate during a power outage.
- xi. The flush waste pumps shall be sized to flush an entire first or second pass RO train, including the ERD.
- xii. The Design-Builder shall provide the flexibility to flush the first pass RO feed pumps.
- xiii. Provisions shall be included to allow for proper sanitization of the flush tank to control microbiological activity.

1. Clean-In-Place System

- i. A chemical cleaning system that includes CIP pumps, tanks, tank heater, and cartridge filter(s) shall be provided by the Design-Builder. This CIP system, including storage, make-up, piping, connections, and feed facilities, shall be permanently installed.
- ii. Sufficient piping and valving shall be provided to clean each entire stage within each train individually.
- iii. The Design-Builder shall provide a chemical storage area within the CIP area of the desalination building. Chemical containment and feed system design shall be consistent with Attachment 1.
- iv. The Design-Builder may provide a dry or liquid CIP chemical system. If a dry system is selected, the CIP tanks shall be installed with a dry chemical feed system and submersible tank mixer. If a liquid chemical CIP system is selected, the Design-Builder shall provide a metering pump from the chemical storage to the CIP tank and a submersible mixer.
- v. CIP tanks shall be suitable for storage of solutions between pH of 2 to 12. Tanks larger than 1000 gallons shall be FRP.
- vi. Each CIP tank shall have adequate volume to perform a CIP for either the first or second pass train, assuming heavily fouled conditions, and for chemical addition to neutralize the CIP solution and the minimum volume of one CIP tank shall be sufficient to allow filling of all pressure vessels in the first pass RO train or second pass RO train (which ever is larger) as well as the piping to and from the train.
- vii. CIP tanks shall be installed with a drain at the tank bottom
- viii. The CIP system shall be supplied with a heating system to raise the temperature of the CIP solution for a heavily fouled condition up to 45 °C in 8 hours or less.
- ix. Design-Builder shall provide a minimum of one CIP pumps to perform the cleaning of the entire first pass

- x. Design-Builder shall provide a minimum of one CIP pump to perform the cleaning of the second pass, and provisions shall allow each stage to be cleaned individually with the provided pumps(s).
- xi. The CIP system shall be manually initiated.
- xii. Permanent CIP piping shall be provided between the CIP system and each RO train. To provide separation for CDPH compliance, block and bleed valves shall be used at connections.
- xiii. The CIP cartridge filter shall be a minimum of 5 micron pore size. The materials of construction for the cartridge filter shall be suitable for a cleaning solution with pH between 2 and 12.
- xiv. A local control panel (LCP) is to be provided for the CIP system, the LCP shall be mounted at the CIP area at 4 ft above the building floor. The control system shall at a minimum display temperature, pH, pump status, flow and pressure during a CIP.

m. Neutralization Tank

- i. A neutralization tank, separate from the CIP tank, shall be provided to receive CIP waste.
- ii. The neutralization tank shall be large enough to receive 150% of the volume needed to clean one entire train.
- iii. The neutralization tank shall be equipped with a mixer and equipment to add neutralization chemicals.
- iv. The neutralization tank shall be equipped with a drain for disposal of the contents via trucking.
- v. Level monitor and an independent high level switch shall be provided to monitor level and alarm on high level.

n. RO Membrane Storage and Preservation

- i. The RO System shall be delivered to allow for proper storage and preservation of the RO elements.

o. RO System Control and Instrumentation

- i. The RO system shall be controlled by a programmable logic controller (“PLC”) based control system.
 - (1) The PLC shall be Allen Bradley and shall communicate with treatment plant instrumentation and control system over data highway
- ii. An operator graphical interface will be provided to communicate with the system.
- iii. At a minimum, the following information for the RO system feed (downstream of cartridge filter(s)) shall be provided: temperature, conductivity, pH, turbidity, flowrate, pressure, and ORP.

- iv. The RO system shall be designed to operate at a constant permeate flow rate. At a minimum, the following information for each RO train shall be relayed to the main plant control system:
 - (1) Train Status
 - (2) First Pass Feed: pressure and flowrate
 - (3) Second Pass First Stage Feed: pressures (before and after feed pump), flowrate, temperature, conductivity and pH
 - (4) Second Pass Second Stage Feed: pressure, flowrate, conductivity and pH
 - (5) First Pass Permeate: pressure, flowrate, conductivity and pH
 - (6) Second Pass First and Second Stage Permeate: pressure, flowrate, conductivity and pH
 - (7) Second Pass By-pass: Pressure, flowrate
 - (8) Combined Permeate: Pressure, flowrate, conductivity, pH
 - (9) First pass concentrate: pressure flowrate, conductivity and pH
 - (10) Second pass second stage concentrate: pressure flowrate, conductivity and pH
 - (11) Combined concentrate: flowrate, conductivity, pH, turbidity and temperature
 - (12) Differential Pressure (Train, Passes and Stage)
 - (13) Feed, Permeate, and Brine Valve Positions
 - (14) RO Feed Rate and Calculated Recovery Rate
 - (15) Alarm Condition for RO Feed Pumps and Energy Recovery Device
 - (16) Energy Recovery Device Flowrates, Pressures, and Conductivities of all streams
 - v. RO feed temperature, conductivity, and pH shall be monitored at a common influent location.
 - vi. The capability for real-time online normalization shall be provided, for at least specific flux, differential pressure, and conductivity.
 - vii. Sufficient sample points shall be provided on the process system to allow the operator to determine the performance of the RO system. Each stage of multistage trains shall be instrumented.
 - viii. Meters and sampling points shall be compliant with the provisions of Appendix 2 and Appendix 7. Provide a common monitoring location for RO feed parameters, rather than require the operator to visit each train.
- p. Spare Parts
- i. The manufacturer's recommended spare parts shall be provided by the Design-Builder. **[Note: The Proposer shall provide as part of its Technical Proposal a master list of spare parts to be incorporated into Appendix 2.]**
- q. Special Tools
- i. The Design-Builder shall furnish any special tools that are necessary for maintenance of the system or for the removal and replacement of membrane elements.

- ii. A single element test unit shall be provided at the plant for testing of individual membrane elements. The single element test unit shall meet the following requirements:
 - (1) The unit shall include a 5-micron cartridge filter, high pressure feed pump, and one 8-inch single element pressure vessel, and instrumentation.
 - (2) The unit shall be capable of operating up to 1200 psi.
 - (3) A concentrate recycle line shall be included.
 - (4) Instrumentation shall be panel mounted, and include instruments for monitoring raw feed pressure, post-cartridge filter pressure, permeate pressure, pressure differential across the single element pressure vessel, feed flow, permeate flow, recycle flow, and concentrate flow as well as feed, permeate and concentrate conductivities.
 - (5) Sample ports shall be provided for at least the RO feed water (before and after the concentrate recycle line), permeate, and concentrate flows.

- r. Factory Testing
 - i. Factory tests shall be conducted on all actual equipment to be furnished to the job site.
 - ii. Test reports shall be provided to the Owner documenting the performance of each piece of equipment. Equipment guaranteed operating points shall be indicated.

- s. RO System 14-day Run-In Test
 - i. The Design-Builder shall conduct a 14-day performance test on the complete RO system to demonstrate its competent operation.
 - ii. As applicable to the equipment furnished, state in writing that all necessary hydraulic structures, piping systems, and valves have been successfully tested; that all necessary equipment systems and subsystems have been checked for proper installation, started, and successfully tested to indicate that they are all operational; that the systems and subsystems are capable of performing their intended functions; and that the facilities are ready for startup and intended operation.
 - iii. After the Design-Build Improvements are operating, but prior to initiation of the 14-day run-in test, complete the testing of those items of equipment, systems, and subsystems which could not be or were not adequately or successfully tested prior to plant startup. This shall include verification of proper membrane element installation by conducting a conductivity profile on the pressure vessels of each RO train while the train is operating.
 - (1) The Design-Builder's personnel shall conduct the profiles by sampling permeate from the sample valves on each pressure vessel within a given train.
 - (2) Those vessels not meeting pre-established conductivity criteria shall be opened up by the Design-Builder and examined for proper installation of end connectors and element interconnectors, damaged o-rings, misaligned brine seals, and other like causes.

- (3) Any observed deficiencies shall be corrected by the Design-Builder and the vessel retested.
- iv. Successful checkout of the RO system and performance testing of related ancillary systems shall constitute grounds for substantial completion of the RO system and allow it to proceed to the Acceptance Test.
- v. The test shall be considered complete when, in the opinion of the Owner, the complete treatment system has operated in the manner intended at plant design capacity for 14 continuous days without significant interruption. This period is in addition to any training, functional, or performance test periods specified elsewhere. A significant interruption will require the test then in progress to be stopped and restarted after corrections are made.
- vi. Significant interruption may include any of the following events:
 - (1) Failure of Design-Builder to maintain qualified on-site startup personnel as scheduled.
 - (2) Failure of any equipment item or treatment subsystems furnished by the Design-Builder to meet specified performance requirements for more than 2 consecutive hours.
 - (3) Failure of any critical equipment unit, system, or subsystem that is not satisfactorily corrected within 5 hours after failure.
 - (4) Failure of noncritical unit, system, or subsystem that is not satisfactorily corrected within 8 hours after failure.
 - (5) As may be determined by the Owner.
- vii. The following events will not be considered cause for significant interruption:
 - (1) Loss of feedwater delivered to the RO System for reasons beyond the control of the Design-Builder.
 - (2) Loss of power to the plant for reasons beyond the control of the Design-Builder.
 - (3) As may be determined by the Owner.
- viii. Minimum prerequisites prior to initiation of the 14-Day Run-In Test include the following:
 - (1) Successful completion of the performance tests for the reverse osmosis trains.
 - (2) Completion of membrane element loading and checkout for the reverse osmosis trains.
 - (3) Completion of initial startup operations, including successful completion of performance testing on remaining equipment items as specified herein.
- ix. Report: At the end of the 14-day run-in test, the Design-Builder's representative shall prepare a test report which shall include daily operating and normalized performance data for each day of the test, for each RO train and the system as a whole.
- x. Acceptance Testing: Final Acceptance Testing is described in Appendix 7 and in Article 4 of the Design-Build Agreement.

t. RO system performance warranty

i. **[NOTE: to be addressed in an Addendum issued following pre-Proposal interviews.]**

10. HANDLING OF TREATMENT RESIDUALS

a. Types of Residuals: The Design-Build Improvements shall have different types of residual streams, as summarized in Table 2-2.

Table 2-2-Residuals Summary

Residual Stream	Disposal Method	Frequency of Disposal
CIP waste, neutralized	Neutralization holding tank, Trucking offsite (to MRWPCA)	Intermittent,
Sanitary waste	Leachfield	Continuous, variable
Special laboratory waste	Discharge through neutralization pot to Holding tank, Trucking offsite	Intermittent (expect no more than twice per year)
Sample streams	Recycle to the extent possible; minimize discharge to sanitary	
Spent Granular Media Filter Wastewater	Settling followed by recycle, or discharge to concentrate/MRWPCA Concentration/treatment process then Trucking offsite	Periodic; no more than twice per year
Settled Solids from Granular Media Filtration	Concentration in settling basins; mechanical or non-mechanical dewatering ; landfill disposal	Not to exceed once per year
Lime Sludge Blowdown	Comingle with granular media filtration waste; Concentration/treatment process then Trucking offsite	
First Pass RO Concentrate	Pipeline to MRWPCA	Continuous
Second Pass RO Concentrate	Pipeline to MRWPCA	Continuous

- b. All RO reject water handling and disposal facilities shall be designed for no more than 75% recovery of permeate.
- c. RO Concentrate Disposal
 - i. Concentrate flows from both the first pass and the second pass of the RO system are to be conveyed to the MRWPCA site via a proposed concentrate pipeline and disposed of via the existing MRWPCA outfall.
 - (1) The concentrate disposal pipeline, beyond the Project Site, will be designed and constructed by others. The Design-Builder shall be responsible for the concentrate disposal piping within the Project Site boundary.
 - ii. RO concentrate, and related streams, shall be discharged to the MRWPCA ocean outfall. The discharge shall be piped to the effluent junction structure located at the MRWPCA facility. Piping from the Project Site property boundary to the MRWPCA tie-in is by others. The top elevation of the effluent junction structure is 101.0 feet MSL. The effluent junction structure is not pressurized.
 - iii. Discharge must be in compliance with MRWPCA concentrate discharge agreement.
 - iv. Previous analyses have indicated a need for on-site (Project Site) concentrate flow equalization. The capacity of the concentrate equalization lagoon shall be a minimum of 3,000,000 gallons.
 - v. A pumping facility shall be provided to drain the equalization lagoon over a 12 hour period. The pumping facility shall provide one or two duty pumps, and a reserve pump. Discharge flow shall be continuously measured.
 - vi. Flow metering of the discharge to MRWPCA shall be provided.
 - vii. A sampling station, with automatic sampler, shall be provided on the discharge to MRWPCA. The area in which the sampler and associated piping are located shall be protected with a roof. A suitable drain shall be provided. Continuous monitoring of pH, conductivity, turbidity, and dissolved oxygen shall be provided and input to SCADA.
 - viii. An air break is needed between the reverse osmosis system and the wastewater outfall to eliminate backflow concerns.
 - ix. A revised National Pollutant Discharge Elimination System (NPDES) permit will be required to allow discharge of desalination concentrate to the MRWPCA outfall. The conditions of the permit have not been identified to date. Discharge of objectionable wastes/contaminants to the concentrate stream for disposal to MRWPCA outfall is not allowed.
 - (1) Minimum dissolved oxygen is expected to be a permit condition of discharge.
 - (2) Beach well water is likely to have low levels of dissolved oxygen.
 - (3) Aeration of concentrate is proposed downstream of reverse osmosis. Non-mechanical aeration by cascade or natural draft type tray aerators is preferred

over mechanical aeration systems for reliability and assurance of permit compliance.

- (4) The California American Water Coastal Water Project Final EIR (2009) recommended aeration of the discharge to achieve a dissolved oxygen value of 5.0 mg/L to avoid a significant impact.

x. Concentrate Equalization Lagoon Details

- (1) Design and construction details shall comply with all regulatory requirements. Details presented below are not inclusive of all technical and regulatory requirements.
- (2) Top of embankment shall be suitable for use as a service road, and shall be a minimum of 12 foot wide and designed to support the weight of service vehicles.
- (3) Minimum freeboard of 3 feet is to be provided.
- (4) Protect lagoon from surface runoff.
- (5) Provide continuous level measurement with ultrasonic level monitor; provide high level switch to alarm.
- (6) A double lined lagoon is required. Leak collection material between the two liners shall be designed to rapidly transmit liner leakage to a collection sump. Provide level switch on collection sump connected to alarm in SCADA. Provide sump pump and flow meter for measuring leakage.
- (7) The primary liner shall be textured on the exposed side for personnel slip protection. Provide a means of emergency egress.
- (8) Protect liner from wind uplift, oxidation and sharp objects.
- (9) Liner penetrations are to be limited to the extent possible and reserved to areas above the lagoon freeboard to reduce the potential for leaks.
- (10) Provide seepage collars; provide erosion protection at inlet
- (11) Fence the lagoon. Provide gates for vehicles and personnel.

d. Dewatering of Settled Solids from Granular Media Filtration

- i. Settled solids from granular media filtration, and lime system blowdown, are to accumulate in the wastewater basins identified under Granular Media Filtration. The solids are to be periodically removed and then mechanically or non-mechanically dewatered and disposed of at a landfill. Dewatering is expected to occur once per year. Plant operation is to continue while dewatering process is performed.
- ii. Power supply and water supply are to be provided to support contract dewatering.

11. PRODUCT WATER STABILIZATION

a. Purpose:

- i. The RO permeate will have different characteristics than water in the Owner's existing drinking water distribution system. RO feed water quality is very different than other sources used for drinking water, and the RO process rejects more than 99 percent of constituents such as calcium, magnesium, sulfate, sodium, and chloride.

RO product water has low hardness, alkalinity, and pH, and sodium and chloride are the principal ions. Water with these characteristics is associated with corrosion, the release of corrosion byproducts that can cause “red water” (drinking water with elevated levels of iron causing a red or brown color and increased turbidity), and difficulty complying with the United States Environmental Protection Agency Lead and Copper Rule (LCR).

- ii. Minimizing the likelihood of these problems requires corrosivity to be reduced by adding calcium hardness and alkalinity to adjust the pH and stabilize the water and/or through the use of a corrosion inhibitor. The Owner’s existing distribution uses orthophosphate for corrosion control, which is a capability that will be incorporated into the stabilization of the RO product water to conform to the Owner’s current corrosion control practices. However, the RO product water stabilization system is also required to have sufficient corrosion control without orthophosphate to provide the Owner with the flexibility to modify its approach for corrosion control in its distribution system, using higher hardness and alkalinity and hardness and calcium carbonate saturation instead.
- b. Water quality requirements for stabilized RO product water are shown in Attachment 3.
- c. Acceptable Options for Post-Stabilization
- i. The Design-Builder shall ultimately be responsible for designing and constructing a product water stabilization strategy that can meet the range of water quality objectives listed in Attachment 3, meeting the LCR requirements, and not resulting in red water events. Two post-stabilization treatment strategies determined to be acceptable were hydrated lime addition and calcite contactors.
 - ii. Calcite contactors have reduced operation and maintenance requirements compared to continuous lime feed but it must be demonstrated that they can provide the flexibility required and that large-scale experience is available.
- d. Option 1 – Hydrated Lime System
- i. Hydrated lime dosing system:
 - Maximum flow to be treated: Refer to Section 2.
 - Range of hydrated lime dose: 30 to 74 mg/L as Ca(OH)_2
 - Range of hydrated lime dose: 40 to 100 mg/L as CaCO_3
 - Range of hydrated lime consumption at maximum flow of 9.6 MGD: 2,370 to 5,925 lb/d as Ca(OH)_2
 - Range of hydrated lime consumption at maximum flow of 6.4 MGD: 1,580 to 3,950 lb/d as Ca(OH)_2
 - Hydrated lime slurry tank feed rate at 9.6 MGD flow: 99 to 247 lb/hr as Ca(OH)_2

- Hydrated lime slurry tank feed rate at 6.4 MGD flow: 66 to 165 lb/hr as Ca(OH)_2
- Target hydrated lime slurry tank feed concentration: 8.0%
- Acceptable range for hydrated lime slurry tank feed concentration: $\pm 5\%$ of target concentration
- Hydrated lime slurry tank flow rate at 9.6 MGD: 3.1 to 7.7 gpm
- Hydrated lime slurry tank flow rate at 6.4 MGD: 2.1 to 5.2 gpm
- Source of water for hydrated lime system and saturators shall be from second pass RO permeate to minimize calcium carbonate formation.
- Minimum number of lime saturators: 2 duty
- Saturated limewater concentration: 1.8 g/L as Ca(OH)_2 at 12°C
- Maximum turbidity of saturated limewater: 5 NTU
- Range of limewater flow rate at 9.6 MGD: 114 to 286 gpm
- Range of limewater flow rate at 6.4 MGD: 76 to 190 gpm
- Number of limewater flow equalization tanks: 2 duty
- Capacity of limewater flow equalization tanks for 9.6 MGD: 17,200 gallons, each
- Capacity of limewater flow equalization tanks for 6.4 MGD: 11,500 gallons, each
- The saturated lime dose will be controlled based on the flow rate (primary control variable) and trimmed on target alkalinity of the product water downstream (secondary control variable) using a PID feedback control loop.
- Cleanouts and flushing connections at all lime slurry and/or lime sludge pipeline transition points.
- Long radius elbows and fittings along the lime slurry and/or lime sludge pipelines.
- Vertical piping runs shall not be used for lime slurry and/or lime sludge pipelines.
- When feasible, provide flexible hose and quick disconnect fittings on lime slurry and lime sludge pipelines to facilitate replacement/cleanout of pipelines.
- Minimize aeration of lime solutions to prevent uptake of carbon dioxide and formation of calcium carbonate.

- ii. CO₂ dosing system:
 - The CO₂ dose will be controlled based on the flow rate (primary control variable) and trimmed on pH of the product water downstream (secondary control variable) using a PID feedback control loop.
 - CO₂ needs to be added so chemical reactions and blending of the main flow of water with the limewater are completed and pH has stabilized before the pH measurement location that provides process control
 - Minimum number of CO₂ storage tanks: 1
 - Minimum number of vaporizers: 2
 - Minimum number of vapor heaters: 2

- e. Alternative to Option 1 –Lime Slurry System
 - i. This alternative to a continuous hydrated lime feed system is an automated batching system.
 - ii. The Design-Builder is to provide pricing and scope for a required alternative using the RDP Tekkem system for preparing hydrated lime slurry.
 - iii. The RDP Tekkem system is to be designed to allow future upgrading to quick lime.
 - iv. Minimum design requirements:
 - (1) Batch Slurry Tanks: 2
 - (2) Aging Tanks: 1

- f. Option 2 – Calcite Contactor System
 - i. Calcite contactors:
 - Minimum empty bed contact time: 20 minutes
 - Turbidity must be ≤ 0.15 NTU for 95% of the time and ≤ 0.5 at all times.
 - Turbidity cannot exceed 0.25 NTU when limestone is being added to the calcite contactors.
 - There must be at least one standby calcite contactor.
 - CO₂ addition is required before the calcite contactors.
 - Caustic soda and CO₂ addition must be provided after the calcite contactors
 - ii. CO₂ dosing system:
 - The PID process variable for CO₂ addition after the calcite contactors is pH.
 - CO₂ needs to be added so chemical reactions are completed and pH has stabilized before the pH measurement location that provides process control.
 - Minimum number of CO₂ storage tanks: 1

- Minimum storage capacity: 30 days
 - Minimum number of vaporizers: 2
 - Minimum number of vapor heaters: 2
- iii. Caustic soda dosing system:
- The PID process variable for caustic soda addition is pH.
 - Caustic soda needs to be added so chemical reactions are completed and pH has stabilized before the pH measurement location that provides process control.
 - Storage and Feed Requirements: See Chemical section.

12. DISINFECTION REQUIREMENTS

a. Source Water Characterization

- i. Disinfection requirements must be set prior to construction and startup of the treatment facilities. The proposed test well will not be sufficient for definitive water quality characterization. The USEPA Long Term 2 Enhanced Surface Water Treatment Rule (LT2 Rule) identifies disinfection requirements for surface water and groundwater under the direct influence of surface water.
- ii. The (2010) CDPH permit for the Sand City Water Treatment Plant set a precedent for how CDPH views disinfection requirements for seawater desalination and required the following disinfection criteria:
- (1) LT2 Rule Bin Classification: 2
 - (2) Cryptosporidium Treatment, log: 4
 - (3) Giardia Treatment, log: 5
 - (4) Virus Treatment, log: 6
- iii. The CDPH permit for the Sand City Water Treatment Plant provides the following disinfection credits:
- (1) RO membranes, with continuous demonstration of specific log reduction of conductivity:
 - (2) 2 log Giardia removal
 - (3) 2 log Cryptosporidium removal
 - (4) 2 log Virus removal
 - (5) UV Disinfection
 - (6) 3 log Giardia inactivation
 - (7) 3 log Cryptosporidium inactivation
 - (8) Free chlorine residual
 - (9) 4 log virus inactivation
- iv. A watershed survey and 24 months of monitoring for *Cryptosporidium* per the requirements of the LT2 Rule have not been performed.

- v. The Owner is presenting a source water characterization plan to CDPH in June 2013 with the goal of eliminating the need for UV disinfection.
- b. UV disinfection is to be designed, as outlined below. Based on the outcome of discussions with CDPH and future testing results, it may be possible to avoid constructing the UV disinfection facilities. Eliminating UV disinfection from the construction scope is a required alternative in Proposal Forms 13B and 13C.
- c. Disinfection Design Criteria –Case 1 (with UV disinfection)
 - i. Design-Builder shall use Case 1 as the basis of design.
 - ii. Cryptosporidium Treatment Required: 4 log; meet with RO membranes (2 log) and UV disinfection (2 log)
 - iii. Giardia Treatment Required: 5 log; meet with RO membranes (2 log), chlorine disinfection (1 log) and UV disinfection (2 log)
 - iv. Virus Treatment Required: 6 log; meet with RO membranes (2 log) and chlorine disinfection (4 log)
- d. Disinfection Design Criteria – Case 2 (without UV disinfection)
 - i. Cryptosporidium Treatment Required: 2 log; meet with RO membranes (2 log)
 - ii. Giardia Treatment Required: 3 log; meet with RO membranes (2 log), chlorine disinfection (1 log)
 - iii. Virus Treatment Required: 6 log; meet with RO membranes (2 log) and chlorine disinfection (4 log)

13. UV DISINFECTION

- i. Design in accordance with the USEPA UV Design Guidance Manual (2006).
- ii. Provide minimum 2 log inactivation of Giardia and *Cryptosporidium*
- iii. Validation of UV reactor performance reactors must have been previously validated off-site in accordance with USEPA requirements identified in the UV Design Guidance Manual (2006). CFD analysis is not a substitute for validation.
- iv. Maximum Flow: at least 11.2 mgd for 9.6 mgd design capacity
- v. Process Location: Downstream of RO membranes; upstream of post-stabilization
- vi. Number of Reactors: N+1
- vii. UV Lamp Technology: Low pressure high output (LPHO) or medium pressure lamps
- viii. Identify special lamp requirements (limits on starts per day, etc)
- ix. Identify cooling requirements (startup or shutdown).
- x. Identify mass of mercury in one lamp, one reactor, all reactors.

- xi. Identify startup and shutdown requirements and timing
- xii. Identify intensity sensor verification and calibration methods
- xiii. Minimum UVT: 95% transmittance
- xiv. Submergence: UV lamps shall be inherently submerged at all times by the location within the hydraulic gradeline.
- xv. Power Supply: The Design-Builder shall provide uninterrupted power supply (“UPS”); UPS to provide 10 minutes of ride through upon power failure for UV reactors, controls, and instrumentation. The UPS is to be provided with a remote maintenance by-pass switch to allow isolation of the unit for servicing and testing. UPS status is to be monitored through SCADA
- xvi. Flow Distribution and Measurement: Each UV reactor shall be paired with a magnetic flow meter to document flow through UV reactor.
- xvii. UV Dose Control Strategy: Control strategy shall minimize power consumption through monitoring of UV transmittance and flow rate.
- xviii. UV Transmittance Monitoring: Provide an on-line UV transmittance monitor with appropriate sample delivery/conditioning system
- xix. Start-up and Shutdown Sequence: CDPH typically requires that flow cannot enter/leave a UV reactor until the minimum dose, intensity and UV treatment performance levels are reached on startup. Provide an automated startup shutdown sequence that is in accordance with CDPH requirements as well as UV supplier requirements. Provide a “bumpless” sequence that allows for the spare UV unit to be brought on-line and an on-line unit to be taken out of service. The 10% off-spec water allowance in the LT2SWTR for UV treatment is not allowed by CDPH. Automatic plant shutdown, in a controlled fashion, is required if the UV reactor(s) fails to achieve any UV performance standards for more than 15 (fifteen) consecutive minutes.
- xx. Housing: UV reactors, associated electrical supply equipment, and instrumentation shall be protected from the weather inside a building.
- xxi. Spare Parts: Provide two year’s worth of spare parts. Spare parts shall include but not be limited to UV lamps, UV sensors, quartz sleeves, seals, ballasts, fuses.
- xxii. Extended Warranty and Service Contract: Provide extended warranty and service contract for one year after the Project warranty. Provide a minimum of 12 service visits over the one year Project warranty period and the extended warranty period.
- xxiii. Operating Cost Analysis of UV System
 - For the UV system selected by the Design-Builder, provide an economic analysis of operating and maintenance costs in Proposal Forms 13B and 13C, and in the Design Memorandum/Basis of Design Report. Economic evaluation shall include O&M requirements for sleeves, ballasts, sensors and lamps. The following financial and process assumptions are to be used:
 - (1) Period: 20 years

- (2) Inflation rate: zero percent
- (3) Electrical costs: \$0.10 per kWh
- (4) Discount Rate: 5%
- (5) UVT: 95% Transmittance
- (6) Labor Cost: \$40 per hour

14. FINISHED WATER STORAGE

- i. Finished Water storage is an important plant asset and serves multiple functions.
- ii. Disinfection: To achieve 1 log inactivation of *Giardia* using a free chlorine residual, the minimum volume is 615,000 gallons (assumes: 9.6 mgd rate of flow; 1.2 mg/L free chlorine residual, pH=8.0, baffling factor = 0.5; and temperature = 10 deg C).
- iii. CT compliance is based on the highest flow, minimum clearwell/tank level, lowest chlorine residual, lowest temperature, and highest pH value recorded for each day.
- iv. Tank Number, Volume, and Operation: Two tanks, each sized at 750,000 gallons; tanks shall operate in series.
- v. Operation with One Tank Out of Service: Tanks must be taken out of service for inspection, cleaning, and maintenance. When operating with only one tank in service, operational adjustments may be required to provide reliable disinfection, including increasing chlorine residual, decreasing flow, and operating within a more narrow level band.
- vi. Tank Type:
 - (1) Above Ground: Steel (AWWA D100 Standard for Welded Steel Tanks for Water Storage) or Concrete (AWWA D110 Standard for Wire and Strand-Wound, Circular, Prestressed Concrete Water Tanks)
 - (2) Below Ground: Concrete cast-in-place
- vii. Level Controls: Provide continuous level and independent high level switch for alarm in each tank
- viii. Drain: Provide method to drain each tank without creating a cross-connection
- ix. Access: Provide at least two points of access to each tank. Access is to be secure.
- x. Overflow: Provide overflow at maximum capacity. Provide overflow secure from tampering.
- xi. Vents: Provide vents appropriately sized for inlet/outlet flows; Vents are to be screened, highly corrosion resistant, and secure against tampering.

15. SALINAS VALLEY DESALINATED WATER RETURN PUMPING AND CONVEYANCE

a. General Design Criteria:

- i. Convey a portion of the desalinated product water to the Salinas Valley groundwater basin via the Castroville Seawater Improvement Project (CSIP). The Finished Water is to be pumped from the Finished Water storage tanks through a proposed 1.2-mile-long, 12-inch-diameter Salinas Valley return pipeline to the existing CSIP pond at the southern end of the MRWPCA regional wastewater treatment plant. The CSIP pond has a storage capacity of 80 acre-feet. From the CSIP pond, water is to be delivered to agricultural users in the Salinas Valley through existing infrastructure. The Design-Builder is responsible for piping within the Project Site boundary.

b. Pumping Equipment:

- i. Provide two (2) pumps to deliver Finished Water.

c. Capacity:

- i. Capacity of each pump shall be 1.2 mgd; head conditions are expected to be 30 feet or less.

d. Type of Pump:

- i. End suction pump

e. Capacity Control:

- i. Provide variable frequency drives for variable speed operation.

f. Housing:

- i. Pump may be located outdoors. Electrical equipment shall be located in secure building located near the pumps.

g. Flow Metering:

- i. Provide one (1) flow meter with input to SCADA.

h. Water Quality Monitoring:

- i. Provide analyzers for conductivity.

i. Appurtenances:

- i. Valves, checkvalves; provide electrically actuated shutoff butterfly valve to isolate pump from finished water storage upon pump shutdown. Provide air gap at discharge to eliminate backflow concerns.

16. FINISHED WATER PUMPING AND PRESSURE TRANSIENT CONTROL

- i. General Design Criteria: Four Finished Water pumps providing a minimum capacity of 9.6 mgd with the largest capacity unit out of service. The Design-Builder is responsible for Finished Water piping within the Project Site boundary.
- ii. Number of Pressure Gradients Served: 1
- iii. Gradient Served: Monterey
- iv. Distribution System Hydraulic Grade Line at Project Site: (all values preliminary)
 - (1) Maximum: 425 feet
 - (2) Pumping head assuming finished water storage elevation of 120 feet
 - (3) 305 feet plus plant piping and valve losses
- v. Number of Pumps: Four (4)
- vi. Housing: Pumps may be located outdoors. Electrical gear is to be housed in a secure building located near the pumps.
- vii. Pump Capacity: Pumps shall be provided in two capacities. The highest capacity pumping units shall be sized at 50% of plant rated capacity (each) while the two smaller units shall be sized at 25% of plant rated capacity (each). Pump rating shall be at the maximum head anticipated.
 - (1) Provide sufficient electrical capacity to allow any three pumps (including two largest pumps) to operate concurrently.
- viii. Type of Pump:
 - (1) Horizontal split case centrifugal if finished water storage is above ground. Vertical orientation of split case pump is not allowed.
 - (2) Vertical turbine type pump if finished water storage is below ground.
- ix. Pump Starters and Controls:
 - (1) The two larger pumps shall be constant speed with soft-starters.
 - (2) The two smaller pumps shall be equipped with adjustable frequency drives.
- x. Finished Water Flow Meters:
 - (1) Provide flow meter on each of the two small pumps.
 - (2) Provide one (1) common flow meter.
- xi. Pump Control Valve:
 - (1) For each pump, provide rubber seated ball valve with hydraulic (water) actuator to provide two speed closure. Size for up to 14 fps full open velocity. Normal slow closure time shall be identified in hydraulic transient study. Emergency fast close time shall be identified in the hydraulic transient study. Provide manually operated butterfly type isolation valve downstream of pump control valve.

b. Hydraulic Transient Control:

- i. Perform evaluation of hydraulic transient conditions and identify recommended control devices at the treatment plant and along transmission pipeline. For the purpose of the proposal, provide one 25,000 gallon hydropneumatic tank(s) with appurtenances on discharge of finished water pumping station.

c. Design for Maintenance:

- i. Provide concrete slab and unobstructed access to pump and pump motor with mobile A-frame gantry. Provide one A-frame gantry and manual chain fall rated for largest pump and pump motor.

d. Appurtenances:

- i. Design shall include all necessary appurtenances including but not limited to air release valves, pressure gages and motor controls and protection devices.

17. YARD PIPING AND VALVES

a. Yard piping and valves is defined as piping and valves outside of structures.

b. No yard piping is allowed within 25 feet of primary electrical service transformers or switchgear.

c. Finished Water

- i. Finished Water piping may be ductile iron pipe, steel, or HDPE. Ductile iron pipe is generally preferred on the treatment Project Site.
- ii. Ductile Iron Pipe shall be Class 52 on the Project Site.
- iii. Valves less than 12 inch pipe size shall be resilient seated gate valves; valves 12 inches and larger shall be butterfly type.
- iv. Valves shall open LEFT.
- v. Valves shall be provided with valve box and lid. A concrete collar shall be poured at the top of the valve box. A stainless steel valve identification tag shall be embedded in the concrete collar listing the Valve ID, type of valve, and number of turns.

d. Permeate (prior to stabilization)

- i. Permeate piping shall be HDPE pipe below grade and 316L stainless steel or FRP above grade. Valves shall be as listed for Finished Water.

- e. Raw/Saline water – Below ground, less than 100 psi: HDPE
- f. CIP waste – Double wall CPVC underground
- g. Chemicals
 - i. Liquid chemicals shall be run underground within flexible PVC tubing, or other type tubing or hose compatible with the specific chemical. The tubing or hose shall be run within a HDPE carrier pipe providing support and secondary containment. Each HDPE pipe shall have only one length of tubing to allow for ease of replacement. Chemical piping/tubing shall be run together, to the extent possible, and the HDPE carrier piping is to be encased in concrete. The HDPE carrier piping is to be intentionally sloped to pull boxes. Pull boxes, constructed of pre-cast concrete, shall be located no less than 100 ft intervals along the route of the piping. Each pull box shall be equipped with a level sensor to detect chemical leakage. Splices in tubing are to be minimized. Where splices are necessary, they shall be made within a pull box. The top of pull boxes shall be above ground to prevent surface water entry, and shall be equipped with lockable aluminum hinged access door. Door frame drain shall be piped to a dry well.

18. PROCESS PIPING AND VALVES

- i. Process piping is generally defined as the piping within structures. Piping and valves shall be NSF 61 listed.
- ii. Pipe Schedule is shown in Table 2-3

Table 2-3 Preliminary Pipe Schedule

Duty	Example	Below Grade/Buried	Joints	Above Grade	Joints
Saline Water (<100 psi)	Raw Water, Concentrate	HDPE		FRP	Flanged, glued
Saline Water (>200 psi)	RO High Pressure Pump Discharge	n/a		Superduplex	Flanged, welded, grooved
Permeate	Permeate	HDPE		316SS	Welded Flanged Grooved
RO Flush				316SS	Welded Flanged Grooved
Permeate Following Stabilization		DIP		DIP	Flanged (above ground)
Finished		DIP		DIP	Flanged

Water					(above ground)
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b. Preliminary Valve Schedule

- i. Saline Water (< 100 psi): Butterfly; Nylon coated steel butterfly
- ii. Saline Water (> 100 psi): Plug; Superduplex
- iii. Permeate: Butterfly; Nylon coated steel butterfly
- iv. Permeate Following Stabilization:
 - (1) Isolation: Resilient Seated Gate Valve < 12 inch
 - (2) Isolation: Butterfly Valve \geq 12 inch
- v. Finished Water (same as permeate following stabilization)

c. Chemical Piping

- i. Generally, CPVC above ground
- ii. Tru-union type ball valves
- iii. Butterfly valves close coupled to bulk storage tanks for isolation

19. GENERAL PUMPING EQUIPMENT REQUIREMENTS

a. Introduction

- i. This section provides general guidance on desired pump station design, construction, and operation features. Specific information on each pumping stage is presented elsewhere. This section does not address chemical pumping.
- ii. Pumping information described below is to be included in the BODR as the design progresses.
- iii. Pumping design is to follow Hydraulic Institute standards.
- iv. A system head curve is to be prepared for each pumping stage. The proposed pump performance shall be shown against the system head curve.
- v. Pumping with a suction lift is undesirable.
- vi. Pump design and selection, including valve design and selection, is to consider life-cycle costs.
- vii. Pump layout must consider space for maintenance and removal of pump, motor, valves and instrumentation.
- viii. Emergency stop pushbuttons are to be provided (locally) at each pump.
- ix. Materials of selection are to be suitable for production of potable water. Materials of construction are to prevent dezincification.

- x. Rated capacity shall be achievable with the largest unit out of service.
 - xi. Variable speed drives are to be used/applied judiciously where energy savings are real, or process conditions require variable capacity.
 - xii. Mechanical seals are preferred
- b. Pump Station Design
- i. Hydraulic design information such as system head curves, pump operating curves, net positive suction head (“NPSH”), hydraulic calculations, transient analysis and surge control, and other pertinent information is to be presented in the BODR as the design progresses.
 - ii. Flow Velocities
 - (1) Maximum allowable suction velocity shall be 5 fps
 - (2) Maximum allowable discharge velocity shall be 14 fps at pump discharge nozzle. Typical piping velocities are expected to be no more than 9 fps at ultimate plant capacity.
- c. Piping and Pipe Joints
- i. Pipe materials shall be suitable for the fluid and pressure conditions. Pipe materials are specified elsewhere. Pipe joints shall allow disassembly for pump repair and replacement, and future piping modifications.
 - ii. Piping and valves are to be supported independently of the pump.
 - iii. Fittings for differential settlement shall be provided where differential settlement is a concern.
- d. Vibration Control
- i. Causes of vibration include:
 - (1) Poor suction conditions
 - (2) Poor alignment
 - (3) Air entrainment
 - (4) Radial thrust
 - (5) Pump operation at conditions outside the manufacturer’s limits
 - (6) Pump not installed properly
 - (7) Pump base too small
 - (8) Pump in poor condition
 - ii. To minimize vibration and resonance, the Design-Builder shall:
 - (1) Properly design suction and discharge piping
 - (2) Select a pump that operates within a stable range to prevent cavitation
 - (3) Select a mounting pedestal, floor or inertial block, of sufficient mass, typically five times greater than the mass of the pump

- (4) Require, and provide, level installation of the pump base and anchor bolts, and dynamically balanced pump
 - (5) Specify vibration amplitude that is no more than 75% of the limits set by Hydraulic Institute standards.
 - (6) Specify unit responsibility and a single manufacturer for all pump components
- iii. Pump Characteristic and System Head Curves
- (1) The Design-Builder shall identify and present system head curves and pump performance curves for minimum flow, maximum flow, and expected average flow conditions. Assumptions for pipe roughness shall be stated. Curves for efficiency, NPSH and BHP shall be presented.
 - (2) The Design-Builder shall carefully review and confirm that:
 - (a) The pump characteristic curve is not “flat” where a small change in total dynamic head results in a large change in pump flow.
 - (b) The operating point on the system curve, for prevailing operating conditions is near the maximum efficiency point (optimally just to the right of this point) of the pump characteristic curve. The maximum efficiency point is also known as the best efficiency point.
 - (c) The pumps can operate, even with compromised efficiency, for both minimum and maximum operating conditions.
 - (d) The pump/impeller combination is located near the center of the pump operating curve to allow modifying the pump with a different impeller to change pump performance. The maximum diameter impeller shall not be selected for a pump housing unless no other alternative is possible.
 - (3) The NPSH available shall be calculated and presented for maximum flow and maximum temperature operating conditions (pumps operating alone, and together). The NPSHA shall be compared to the NPSHR of the selected pumps at maximum flow conditions. The NPSHR shall be less than the NPSHA under all conditions with a reasonable margin of safety, not less than 6 feet. Streams with high entrained air/gas require special attention.
 - (4) The following calculations shall be made per Hydraulic Institute methods for pumping equipment:
 - (a) Pump specific speed, N_S ;
 - (b) Suction specific speed, N_R
 - (c) Available specific speed, N_A
 - (d) Available specific speed shall be greater than suction specific speed
 - (e) Available specific speed shall be less than 8500

20. ROTATING EQUIPMENT MONITORING

- a. Pumps and motors that are 200 hp or above are to be equipped with temperature and vibration data collection systems as described below.
- b. Temperature:
 - i. Motor windings, motor bearings, and pump bearing temperatures are to be continuously monitored through 100 ohm platinum RTD's and input to Schweitzer

Engineering Laboratories (“SEL”) devices provided for power monitoring and motor protection. Values are to be available for trending and monitoring through the California American Water Business Network.

c. Vibration:

- i. Vibration data is to be gathered and made available for off-site analysis through the internet.
- ii. Online vibration data collection system is to be provided based on multichannel continuous processor. Locate processors in a suitably protected area. Provide enclosures suitably rated for the environment in which they are installed.
 - (1) Manufacturer: Ludeca
 - (2) Model: Vibnode
 - (3) Dynamic Range: 96dB 16 bit A/D converter
 - (4) Frequency Range: 2-1000 Hz
 - (5) Frequency Resolution 3200 lines
 - (6) RPM Tracking
 - (7) Measurement Functions: Fast Fourier Transform (FFT), Time signal, High frequency envelope FFT, overall values, narrow and broadband alarms, process parameters
 - (8) Band Analysis: 12 bands per spectrum
 - (9) High Frequency Enveloping: Band pass filters for low, medium and high speed machines
 - (10) Digital Output: for external trigger
 - (11) Analog Output: 4-20 ma
 - (12) Digital Input: 5-30 volt
 - (13) Ethernet Capable
 - (14) License: Provide licenses for each processor as needed
- iii. Power supply: provide 15 minute UPS on power supply to multichannel processor and monitoring devices.
- iv. Protect multichannel processors and monitoring devices from electric transients including lightning
- v. Analysis Software
 - (1) Provide OMNITREND software by Ludeca
 - (2) Band Analysis capable
 - (3) Narrowband and broadband alarm capable
 - (4) Real time overall values
 - (5) Email alarm capable
 - (6) Built in reporting features
 - (7) Web based for remote access
 - (8) Built in Fault Frequency Markers
- vi. Local Personal Computer for display of overall vibration levels and alarm notifications

- (1) Processor: 4G RAM; 2.5 GHz
 - (2) USB and Ethernet ports
 - (3) 24 inch monitor
- vii. Tachometer – Inductive type; vendor to be Ludeca. Device shall be suitable for outdoor installation.
 - viii. Accelerometers- provide the number and type needed for the specific application. Vendor to be CTC. Coordinate accelerometer installation with pump vendor. Install accelerometers per California American Water’s recommendations. Device shall be suitable for outdoor installation.
 - (1) Vertical pumping systems require a minimum of five (5) measured points each.
 - (2) Single stage horizontal split case pumps require ten (10) measured points each.
 - (3) Accelerometer Mounting:
 - (4) Remove paint and mount transducer on flat metal surface. Stud mount preferred. Epoxy mounted pads to be used where stud mounting is not possible.
 - (5) Mount on bearing housing in location with best available direct path to bearing and shaft vibration.
 - (6) Two accelerometers shall be mounted at two perpendicular planes on each bearing housing. One accelerometer per machine shaft mounted parallel to the axis of rotation.
 - ix. Cabling: Cables from sensors to multi-channel monitor shall be of the type and length with connectors needed for each application. Cables shall be provided by CTC. Cables shall be installed in conduit where physical protection is needed.
 - x. Device Driver : Provide the device driver for the Project Site.
 - xi. On-site Commissioning: Provide a minimum of 2 days of on-site startup service with Ludeca application engineer.

21. CHEMICAL SYSTEMS

a. Overview of Chemical Systems

- i. Lime, calcite, and carbon dioxide requirements are addressed in Section 11 Post-Stabilization.
- ii. Clean in place chemicals are to be addressed by the Design-Builder. Secondary containment and other safeguards are to be provided in accordance with the design features for other chemicals on this project.
- iii. Chemicals addressed in this section are listed below. Tabulation of chemical dosages and storage volumes are included in Attachment 10. **[Note: Attachment 10 is provided to demonstrate the logic used in sizing bulk storage tanks. The Design-Builder will be responsible for selecting appropriate chemical dosages and for all chemical storage and feed calculations.]**
 - (1) Sodium Hypochlorite (liquid) for chlorination
 - (2) Sodium Bisulfite (liquid) for quenching chlorine residual
 - (3) Sulfuric Acid (liquid) for pH adjustment prior to cartridge filters

- (4) Threshold Inhibitor (liquid) to inhibit scale formation in RO membranes
 - (5) Non-Ionic Polymer (dry or emulsion) for settling of granular media wastewater
 - (6) Sodium Hydroxide (liquid) for pH adjustment
 - (7) Phosphoric Acid (liquid) for corrosion control
- iv. Design of liquid chemical systems shall comply with the intent of American Water Engineering Standard T2 (see Attachment 1) to contain leaks and spills, prevent unintentional overfeed, and provide prudent process control.
 - (1) Day tanks are to be provided where bulk storage is provided and where process control(s) cannot insure overfeed protection, with the exception of dilute sodium hypochlorite.
 - (2) Secondary containment of the liquid chemical delivery area is to be provided to capture leakage from delivery trucks. Containment volume shall be 125% of a full bulk delivery.
 - v. HDXLPE chemical tanks shall be supplied by Poly Processing. Tanks shall be NSF 61 listed. Provide 5 year warranty on sodium hypochlorite tanks. It is suggested the Design-Builder coordinate HDXLPE tank procurement with EJ Monahan, Coastal Technical Sales: 215-628-1965, ejmiii@mindspring.com for pricing and technical support. He will be able to coordinate the proper appurtenances for the tanks.
 - vi. Diaphragm metering pumps shall be accurate, reliable, heavy duty, and motor driven. Solenoid type metering pumps are acceptable for intermittent use but not for continuous duty. For critical applications, non-lost motion type pumps are to be provided to minimize pulsing and provide continuous feed.
 - vii. Provide insulation and heat tracing for chemical feed piping where freezing is possible.

b. Sodium Hypochlorite

- i. Chlorine equivalent dose
 - (1) Raw Water, mg/L: min, avg, max: 0.5, 2, 3
 - (2) Spent Filter Backwash Storage, mg/L: min, avg, max: 0.5, 1, 1.5
 - (3) Post Treatment, mg/L; min, avg, max: 1, 1.5, 2
- ii. Sodium hypochlorite shall be generated onsite using electrolytic equipment. Equipment sizing shall be based to provide sufficient capacity 3 ppm dose to Raw Water and 2 ppm dose to Finished Water.
- iii. Number of Units: Provide three 500 ppd units. Provide sufficient power supply to allow operation of three (3) units concurrently.
- iv. High quality salt shall be delivered in bulk, transferred pneumatically, and stored in dissolvers to create a brine supply to the generation equipment.
- v. Provide two (2) salt dissolvers with usable capacity of 23 tons each.
- vi. Salt dissolvers may be located outdoors; provide secondary containment curbing to capture leaks.

- vii. Provide low hardness reverse osmosis permeate as supply water to brinemakers and to generators.
- viii. Provide online conductivity meter, reading in percent NaCl, to monitor the brine concentration in the feed to the generators.
- ix. Locate generators in a room separate from hypochlorite storage and feeders.
- x. Provide redundant hydrogen in air monitors in generation and hypochlorite storage rooms.
- xi. Provide two (2) dilute sodium hypochlorite storage tanks. Each tank shall be sized at approximately 6500 gallons.
- xii. Hypochlorite storage tanks shall be installed within a concrete secondary containment, located within a secure building. A means must be provided to readily replace storage tanks with either a roof hatch or removable wall section.
- xiii. Sodium hypochlorite storage tanks shall be high density cross linked polyethylene HDXLPE type with a fixed medium density linear polyethylene lining, or FRP.
 - (1) For HDXLPE Tanks, tank outlet shall be IMFO type for complete drainage. Tanks shall be supplied by Poly Processing.
- xiv. Provide capability to receive bulk sodium hypochlorite (12.5%) in both tanks should the generators not be operating. Provide a manual adjustable dilution panel to continuously dilute bulk hypochlorite to 0.8 percent for storage in the second storage tank.
- xv. Feed of the dilute hypochlorite solution to the application point shall be by use of sealless magnetic drive gear pumps with variable speed capacity control.
- xvi. Provide two units for Raw Water dosing (one duty, one spare), and two units for post-treatment dosing (one duty, one spare).
- xvii. Feed Control: Control modes shall be local manual, remote manual, remote flow pace, and remote compound loop with chlorine residual.

c. Sodium Bisulfite

- i. Product: Liquid form; 38% concentration
 - (1) Specific Gravity: 1.33
- ii. Application Points
 - (1) GMF discharge
 - (2) Concentration Discharge
- iii. Dose (TBD)
- iv. Bulk Storage
 - (1) Bulk Storage Tanks, Number Required: One (1)
 - (2) Bulk delivery Volume: 4,000 gallons
 - (3) Bulk Storage Volume Criteria (minimum): 1.5 x bulk delivery volume

- (4) Bulk Storage Tank Volume : 6,000 gallons
 - (5) Bulk Tank Material: HDXLPE or FRP
 - (6) Bulk Tank Nozzles: Fill, outlet, vent, overflow, level sensor (ultrasonic), high level switch
 - (7) Bulk Tank Outlet Valves: Butterfly with lever actuator; electric actuator on ball valve; See detail
- v. Day Tank (if needed)
 - (1) Day Tanks, Number Required: One (1)
 - (2) Day Tank Capacity: <200 gallons
 - (3) Nozzles: Fill, outlet, overflow, level sensor (ultrasonic), high level switch, metering pump return
 - (4) Day tank to be weighed to provide loss-in-weight tracking to measure actual dose and provide alarm on insufficient feed to protect membranes from free chlorine residual.
 - vi. Transfer Pumps (if needed)
 - (1) Number of pumps required: Two (2) - one duty, one reserve
 - (2) Number of pumps operating concurrently: one (1)
 - (3) Type: magnetic drive sealless centrifugal
 - (4) Approximate Flow Rate: 25 gpm
 - (5) Control: Local Panel for control; push to run pump; open/close bulk tank isolation valve; select transfer pump; Bulk tank and day tank level display
 - vii. Metering Pumps
 - (1) Number of pumps required per application point: Two (2)
 - (2) Type of Pump: Diaphragm metering pumps
 - (3) Anticipated Discharge Pressure: < 30 psi
 - viii. Piping
 - (1) Bulk Tank to Day Tank to Metering Pump: CPVC
 - (2) Discharge of Metering Pump: CPVC above ground;
 - (3) Below Ground Piping: Reinforced flexible PVC tubing inside secondary HDPE containment pipe.
 - ix. Continuous Dilution Water (post metering pump): Provide dilution water to improve dispersion at point of application; provide 0.5-2.0 gpm from UV disinfected permeate water supply.
 - x. Other: Provide ORP sensor following bisulfite feed to provide feedback that dechlorination has occurred to prevent membrane oxidation.
- d. Sulfuric Acid (50%)
 - i. Product: Liquid form; 50% concentration
 - (1) Specific Gravity: 1.4
 - ii. Application Points

- (1) GMF Filtered Water
- iii. Dose (min, avg, max) mg/L, 5, 10, 30
- iv. Bulk Storage
 - (1) Bulk Storage Tanks, Number Required: One (1)
 - (2) Bulk delivery Volume: 3,800 gallons
 - (3) Bulk Storage Volume Criteria (minimum): 1.5 x bulk delivery volume
 - (4) Bulk Tank Recommended Volume : 10,000 gallons
 - (5) Bulk Tank Material: XLHDPE or FRP
 - (6) Bulk Tank Nozzles: Fill, outlet, vent, overflow, level sensor (ultrasonic), high level switch
 - (7) Bulk Tank Outlet Valves: Butterfly with lever actuator; Electric actuator on ball valve; See detail
- v. Day Tank (if needed)
 - (1) Day Tanks, Number Required: One (1)
 - (2) Day Tank Capacity: 500 gallons
 - (3) Nozzles: Fill, outlet, overflow, level sensor (ultrasonic), high level switch, metering pump return
- vi. Transfer Pumps (if needed)
 - (1) Number of pumps required: Two (2) - one duty, one reserve
 - (2) Number of pumps operating concurrently: one (1)
 - (3) Type: magnetic drive sealless centrifugal
 - (4) Approximate Flow Rate: 50 gpm
 - (5) Control: Local Panel for control; push to run pump; open/close bulk tank isolation valve; select transfer pump; bulk tank and day tank level display ; transfer pump to shutoff on full level
- vii. Metering Pumps
 - (1) Number of pumps required per application point: Two (2)
 - (2) Type of Pump: Diaphragm metering pumps
 - (3) Anticipated Discharge Pressure: < 30 psi
- viii. Piping
 - (1) Bulk Tank to Day Tank to Metering Pump: CPVC
 - (2) Discharge of Metering Pump: CPVC above ground;
 - (3) Below Ground Piping: Reinforced flexible PVC tubing inside secondary HDPE containment pipe.
- ix. Continuous Dilution Water (post metering pump): Provide dilution water to improve dispersion at point of application;
- e. Threshold Inhibitor
 - i. Product: Liquid form; 100% concentration
 - (1) Specific Gravity: 1.25

- ii. Application Points
 - (1) Inlet to First Pass RO
 - (2) Inlet to Second Pass RO
- iii. Dose (min, avg, max), mg/L: 2,3,6
- iv. Bulk Storage
 - (1) Bulk Storage Tanks, Number Required: One (1)
 - (2) Bulk delivery Volume: 4200 gallons
 - (3) Bulk Storage Volume Criteria (minimum): 1.5 x bulk delivery volume
 - (4) Bulk Storage Tank Volume : 6,300 gallons
 - (5) Bulk Tank Material: HDXLPE or FRP
 - (6) Bulk Tank Nozzles: Fill, outlet, vent, overflow, level sensor (ultrasonic), high level switch
 - (7) Bulk Tank Outlet Valves: Butterfly with lever actuator; Electric actuator on ball valve.
- v. Day Tank (if needed)
 - (1) Day Tanks, Number Required: One (1)
 - (2) Day Tank Capacity: <150 gallons
 - (3) Nozzles: Fill, outlet, overflow, level sensor (ultrasonic), high level switch, metering pump return
 - (4) Provide weigh scale to track loss-in-weight of day tank. Loss-in-weight is a safeguard to identify feed failure that could cause scaling of membranes.
- vi. Transfer Pumps (if needed)
 - (1) Number of pumps required: Two (2) - one duty, one reserve
 - (2) Number of pumps operating concurrently: one (1)
 - (3) Type: magnetic drive sealless centrifugal
 - (4) Approximate Flow Rate: 25 gpm
 - (5) Control: Local Panel for control; push to run pump; open/close bulk tank isolation valve; select transfer pump; Bulk tank and day tank level display
- vii. Metering Pumps
 - (1) Number of pumps required per application point: Two (2)
 - (2) Type of Pump: Diaphragm metering pumps
 - (3) Anticipated Discharge Pressure: < 30 psi
- viii. Piping
 - (1) Bulk Tank to Day Tank to Metering Pump: CPVC
 - (2) Discharge of Metering Pump: CPVC above ground;
 - (3) Below Ground Piping: Reinforced flexible PVC tubing inside secondary HDPE containment pipe.
- ix. Continuous Dilution Water (post metering pump): Provide to improve dispersion at point of application; provide 0.5-2.0 gpm

f. Non-Ionic Polymer

- i. Product: Liquid (emulsion) form; 35% concentration
 - (1) Specific gravity: 1.1
- ii. Application Points
 - (1) GMF wastewater clarification
- iii. Dose (TBD)
- iv. Bulk storage – none; provide storage for 5 gallon pails (within secondary containment)
- v. Batch tank and feed tank (over under configuration)
 - (1) Prepare batches manually
 - (2) Transfer (by gravity) to feed tank
- vi. Metering Pumps
 - (1) Number of pumps required per application point: Two (2)
 - (2) Type of Pump: peristaltic tubing pump
 - (3) Anticipated Discharge Pressure: < 30 psi
- vii. Piping
 - (1) Bulk tank to day tank to metering pump: CPVC
 - (2) Discharge of metering pump: CPVC above ground;
 - (3) Below ground piping: Reinforced flexible PVC tubing inside secondary HDPE containment pipe.
- viii. Continuous Dilution Water (post metering pump): Provide dilution water to improve dispersion at point of application; provide 0.5-2.0 gpm

g. Sodium Hydroxide

- i. Product: Liquid form; 50% concentration
 - (1) Specific gravity: 1.4
- ii. Application Points
 - (1) RO second pass
 - (2) Finished Water for stabilization
- iii. Dose
 - (1) RO Second Pass (min, avg, max) mg/L: 5, 10, 20
 - (2) Finished Water (min, avg, max) mg/L : 2,3,5
- iv. Bulk Storage
 - (1) Bulk Storage Tanks, Number Required: one (1)
 - (2) Bulk Delivery Volume: 3500 gallons
 - (3) Bulk Storage Volume Criteria (minimum): 1.5 x bulk delivery volume
 - (4) Bulk Storage Tank Volume : 5,200 gallons

- (5) Bulk Tank Material: Steel
 - (6) Bulk Tank Nozzles: Fill, outlet, vent, overflow, level sensor (ultrasonic), high level switch
 - (7) Bulk Tank Outlet Valves: Butterfly with lever actuator; electric actuator on ball valve;
- v. Day Tank (if needed)
- (1) Day Tanks, Number Required: One (1)
 - (2) Day Tank Capacity: <200 gallons
 - (3) Nozzles: Fill, outlet, overflow, level sensor (ultrasonic), high level switch, metering pump return
- vi. Transfer Pumps (if needed)
- (1) Number of pumps required: Two (2) - one duty, one reserve
 - (2) Number of pumps operating concurrently: One (1)
 - (3) Type: Magnetic drive sealless centrifugal
 - (4) Approximate Flow Rate: 25 gpm
 - (5) Control: Local panel for control; push to run pump; open/close bulk tank isolation valve; select transfer pump; bulk tank and day tank level display
- vii. Metering Pumps
- (1) Number of pumps required per application point: Two (2)
 - (2) Type of Pump: Diaphragm metering pumps
 - (3) Anticipated Discharge Pressure: < 30 psi
- viii. Piping
- (1) Bulk Tank to Day Tank to Metering Pump: CPVC
 - (2) Discharge of Metering Pump: CPVC above ground;
 - (3) Below Ground Piping: Reinforced flexible PVC tubing inside secondary HDPE containment pipe.
- ix. Continuous Dilution Water (post metering pump): Provide dilution to improve dispersion at point of application; provide 0.5-2.0 gpm from UV disinfected permeate (low hardness) water supply.
- x. Other: Provide low power density (external) heating of tanks; provide insulation jacket to maintain temperature of not less than 80 deg F in tanks. Pipe insulation is not required.
- h. Zinc Orthophosphate/Phosphoric Acid Corrosion Inhibitor
- i. Product: Liquid form; zinc orthophosphate (5:1 ratio of PO₄ to Zn); Future conversion to phosphoric acid
 - (1) Specific Gravity of Zinc Orthophosphate: 1.4
 - (2) Percent Phosphate: 32.5%
 - (3) Specific Gravity of Phosphoric Acid (75%): 1.57
 - (4) Percent Phosphate:
 - ii. Dose (as PO₄) Min = 0.5 mg/L; Average = 1.0 mg/L; Maximum = 4.0 mg/L

iii. Bulk Storage

- (1) Bulk Storage Tanks, Number Required: One (1)
- (2) Bulk delivery Volume: 3700 gallons (zinc orthophosphate)
- (3) Bulk Storage Volume Criteria (minimum): 1.5 x bulk delivery volume
- (4) Bulk Tank Material: HDXLPE or FRP
- (5) Bulk Tank Nozzles: Fill, outlet, vent, overflow, level sensor (ultrasonic), high level switch
- (6) Bulk Tank Outlet Valves: Butterfly with lever actuator; electric actuator on ball valve; See detail

iv. Day Tank (if needed)

- (1) Day Tanks, Number Required: One (1)
- (2) Day Tank Capacity: <200
- (3) Nozzles: Fill, outlet, overflow, level sensor (ultrasonic), high level switch, metering pump return

v. Transfer Pumps (if needed)

- (1) Number of pumps required: Two (2) - one duty, one reserve
- (2) Number of pumps operating concurrently: one (1)
- (3) Type: magnetic drive sealless centrifugal
- (4) Approximate Flow Rate: 25 gpm
- (5) Control: Local Panel for control; push to run pump; open/close bulk tank isolation valve; select transfer pump; bulk tank and day tank level display

vi. Metering Pumps

- (1) Number of pumps required: Two (2)
- (2) Type of Pump: Solenoid driven diaphragm pumps
- (3) Anticipated Discharge Pressure: < 30 psi

vii. Piping

- (1) Bulk Tank to Day Tank to Metering Pump: CPVC
- (2) Discharge of Metering Pump: CPVC above ground;
- (3) Below Ground Piping: Reinforced flexible PVC tubing inside HDPE secondary containment pipe

viii. Continuous Dilution Water (post metering pump): provide dilution water flow of 0.5-2.0 gpm

22. ARCHITECTURE

a. General

- i. The Owner has partnered with the College of Architecture and Environmental Design of California Polytechnic State University to prepare a conceptual design of site layout, building arrangement, building features, landscaping, and xeriscaping. The students will present their recommendations to the Owner and the Governance Committee on June 13, 2013, and again on August 1, 2013, with a final report due August 8, 2013. The final report along with desired features and/or goals identified

by the Owner and the Governance Committee will be issued to Proposers via an addendum.

- ii. The architectural design shall be developed in character, style, form, color and materials to harmonize effectively with the surrounding environment.
- iii. Height of Structures: The Design-Build Improvements should be kept as low in profile as is functionally possible. Where appropriate, the design shall de-emphasize verticality and encourage the grounding of planar elements of the Design-Build Improvements into the natural landscape. Low, horizontal site walls, berming, and the use of sloping wall planes shall be considered in achieving balance.
- iv. Avoid Reflective Exterior Finishes: Visible and highly reflective materials and surface finishes shall be avoided on the exterior of the Design-Build Improvements.
- v. Exterior Walls: The use of low maintenance indigenous materials such as masonry and concrete for the exterior walls of the Design-Build Improvements is encouraged. The use of surface textures and horizontal banding of harmonious colors are some of the techniques to be considered in blending the Design-Build Improvements with its environment. Material coloration should be achieved through the use of integral coloration rather than applied coloration such as paint.
- vi. Roofs: The design of roof systems shall be carefully developed to harmonize with the visual context of the Design-Build Improvements. Where flat roofs are appropriate, they shall be predominately hidden by parapet walls. Where pitched roofs are desired, consideration shall be given to selecting, pitch, materials, and coloration to harmonize with surroundings. Highly reflective roof materials shall not be visible from adjacent properties. Mansard and jogging roof lines shall be employed only when appropriate to the setting. The use of securable skylights for natural lighting is encouraged where feasible.
- vii. Windows: Where windows are appropriate to the design, they shall be selected carefully for energy efficiency, acoustic characteristics, and security. Glazing systems are designed to avoid light leakage to adjacent as direct glare or reflected glare from sunlight. Glass tinting and window frame colors shall be chosen for their consistency with the palette of materials and colors selected for the Design-Build Improvements.
- viii. Exterior Insets, Grills, Trim and Accents: Insets, grills, trim material, and accents shall be employed judiciously and only where necessary or appropriate for compatibility with adjacent structures. Insets, grills, trim, and accents shall be consistent with the color palette chosen for the facility and shall avoid bold, strong, or reflective colors.
- ix. Exterior Doors and Frames: Door and frame colors shall be compatible with the wall surface in which they are located.
- x. Exterior Lighting: Lighting shall satisfy functional and security needs while not creating light pollution in the form of point sources of direct glare visible from a distance. Lighting shall be sensitive to the privacy of adjacent land uses. Fixtures shall be carefully selected for efficiency, cutoff, consistent lamp coloration

throughout the project, and effectiveness in delivering only the light necessary to the task, while avoiding unnecessary spill lighting beyond site boundaries. Low level light fixtures that light immediate areas are encouraged.

- xi. Natural Lighting: Natural lighting of building interiors in the form of skylights and clerestory windows is encouraged.
- xii. Equipment and Service Areas: All mechanical and electrical equipment should be located and screened from public view.
- xiii. Materials of Construction: Construction materials and methods are established and defined in terms of their physical appearance and overall visual effect in harmonizing with the surrounding environment, their emergence from the basic structural system, and their appropriateness in accommodating the deployment of mechanical and electrical systems within the facility. Materials used in the construction of the Design-Build Improvements shall conform in composition and application to all applicable regulations, including those concerning volatile organic content, lead, mercury, CFCs and asbestos. Materials used for the roofing system and the building perimeter envelope shall be established for optimum durability over the full range of climatic variations typical to the region.

b. Anticipated Structures:

- i. The major structures listed below are anticipated. Some facilities/buildings may abut others.
 - (1) Administration Facilities
 - (2) Reverse Osmosis Building
 - (3) Chemical Storage and Feed Building
 - (4) UV Disinfection Building
 - (5) Filter Building
 - (6) Electrical Switchgear Buildings

c. Administration Facilities

- i. The administration facilities include visitor reception area, control room, laboratory, offices, locker rooms, restrooms, and maintenance area. These facilities are to be provided on a single level adjacent to the RO Systems.
- ii. All administration facilities are to be in compliance with all Applicable Law, including the Americans with Disabilities Act.
- iii. Security Concern: Separate visitors from secure process
 - (1) Facility layout shall keep areas available to public tours and visitors separated from process areas.

d. Visitor reception / Exhibits

- i. An area suitable for public access and viewing of exhibits related to water supply, treatment, distribution and conservation, shall be provided. The area shall be approximately 600 sf in size.
- ii. Separate restrooms (one male, one female) shall be provided for visitors. Each restroom shall be provided with sink, mirror, toilet, and waste receptacle.

e. Offices

- i. Plant Manager – 150 sf; including small conference table with four chairs; four (4) four drawer file cabinets for records
- ii. Operation and/or Maintenance Supervisor– 120 sf each;
- iii. Offices shall be secured.

f. Cubicles for Clerks

- i. Provide two (2) cubicles for clerk type work; (50 sf each)

g. Restrooms and Locker Rooms

- i. Provide separate locker room and restrooms for personnel.
- ii. Male Locker Room: Provide 10 metal lockers with 12 inch width and 6 ft height; bench; double sink and countertop; two urinals, one toilet; shower.
- iii. Female Locker Room: Provide 5 metal lockers with 12 inch width and 6 ft height, bench, double sink and countertop; two toilets; shower.
- iv. Finishes: Tile floor.

h. Conf Room

- i. Provide conference room suitable for 12 people.
- ii. Provide ceiling mounted computer projector
- iii. Provide electric coiled projection screen

i. Break Room

- i. Purpose of the break room is to provide access to kitchenette and assemble for training.
- ii. Break room shall be sized for 12 seated persons
- iii. Provide kitchenette with sink, microwave oven, and 25 cf refrigerator/freezer. No stove top shall be provided.
- iv. Provide 8 lf of countertop and cabinetry
- v. Provide 46-inch flat screen monitor/television for training

j. Laboratory and Storage Room

- i. A process control laboratory suitable for wet chemistry testing shall be provided sized at approximately 200 sf with 25 lf of countertop and casework.
- ii. Metal casework
- iii. Bacteriological testing will not be performed at this site
- iv. Provide storage room for supplies, sample boxes, DI water supply, upright freezer/refrigerator (125 sf)
- v. Safety eyewash and shower
- vi. Dishwasher
- vii. Provide a sample sink for continuously flowing samples of plant effluent, filtered saline water, Finished Water tank inlet. Recycle wastewater from the sample sink to the plant inlet.
- viii. Provide a sanitary sink with hot/cold water; discharge to sanitary sewer following acid neutralization tank.
- ix. Ventilation Hood – not required
- x. Deionized Water supply – provide replaceable tank system
- xi. Provide desk area suitable for computer use, and four (4) filing drawers

k. Maintenance Shop

- i. Provide a 240 sf area for maintenance.
- ii. 20 lf of workbench
- iii. No welding will be performed
- iv. Provide overhead door to allow vehicle access.
- v. Provide compressed air supply (5 hp compressor and 80 gallon receiver)

l. Equipment and Tool Storage

- i. Locked room with shelving (80 sf)
- ii. Locked fenced area for larger equipment/tools (150 sf)

m. Control Room

- i. Control Room shall be suitable for two persons working concurrently. Control room shall be adjacent to laboratory. Control room shall be provided with viewing panels to allow views of the RO units and also allow public views into the control room. Control room shall be secured. (300 sf)

n. Secured Telecom Room

- i. Provide secured telecom room for location of computer servers and telecom access panels (150 sf).

o. Janitorial Room

- i. Provide janitorial room with water supply and sink, storage of mop bucket, mops, brooms, buffer, and maintenance supplies. (40 sf)

p. File and Drawing Room

- i. Provide secured room for storage of files, 24 x 36 flat file drawings, maps, and catalogs (125 sf)

q. Copier, printer area in coordination with Clerk Area

- i. Provide open area for location of copier, printer, and associated office machines. Provide 5 foot long work table or counter.

r. RO Building

- i. Materials of construction for the walls and roof shall be identified by the Design-Builder.
- ii. Electrical equipment such as switchgear and large motor starters shall be located in a room separate from the RO trains and piping.
- iii. RO piping shall be run in trenches to provide ready access to the RO systems. Trenches shall be sized to allow access to piping, pipe connections, and pipe supports for inspection, repair, and replacement.
- iv. Provide an overhead door to allow pumps, RO membranes, and other equipment to be removed/replaced.
- v. Center hallway should be adequately sized for a forklift and scissors lift to allow for maintenance and replacement of RO membranes.

s. Chemical Building

- i. Liquid chemicals shall be stored in a building to provide security and protection of tanks, pumps, piping, and ancillary devices from the elements.
- ii. Generally, each chemical is to be located in a separate room to provide corrosion protection and avoid the potential of mixing of incompatible chemicals.
- iii. Each room requires lighting and HVAC.
- iv. Secondary containment is to be provided for liquid chemical storage. The preferred approach is for the floor of each chemical room to be depressed relative to a central hallway to provide sufficient secondary containment. The chemical equipment

(tanks, metering pumps, etc) are located on the lower level. Stairs provide access from the central hallway to the lower level of each room.

- v. Certain non-hazardous chemicals, such as polymers, may be located in a common area. Secondary containment is to be provided with a depressed (two to four inches deep) area covered with FRP grating flush with the surrounding floor.
 - vi. Fire suppression is to be provided per local requirements.
- t. UV Disinfection Building
- i. The UV reactors, flow meters, and associated valves and piping are to be housed in a secure building. Electrical equipment is to be located within a room separate from the UV piping.
 - ii. Design-Builder is to identify materials of construction. Floor shall be concrete.
- u. Filter Building
- i. The filter valves and actuators for the granular media filters are to be protected within a building.
 - ii. Design-Builder is to identify materials of construction for walls and roof. Floor shall be concrete.
- v. Electrical Buildings
- i. Significant electrical equipment such as motor starters (greater than 10 hp), motor control centers, and switchgear, shall be located indoors. Suitable lighting, ventilation, and security shall be provided. Generous access is desired to meet or exceed arc flash space requirements.

23. GEOTECHNICAL AND STRUCTURAL DESIGN

- a. Design-Builder shall be guided by the local, State, and federal building codes that are appropriate for the Design-Build Improvements. For cast-in-place concrete process structures, design shall be performed in accordance with ACI 350-Code Requirements for Environmental Engineering Concrete Structures.
- b. Design-Builder shall identify dead loads and live loads for all structures.
- c. Design-Builder shall develop foundation designs and building designs based on Project and Project Site requirements. The BODR is to be updated with the structural design approach as it is developed through preliminary and detailed design.
- d. [Geotechnical Investigation: As set forth below, Proposer is to submit the plan for geotechnical investigation along with the Proposal in accordance with Section 4 of the RFP.]
- e. Seismic Design
 - i. Seismic considerations should apply to every building system, subsystem and component including electrical systems, piping systems, and water treatment processes. The Design-Builder is expected to develop a unified and cross-discipline approach within the design team to meet the Owner's expectations for seismic performance of the Design-Build Improvements. The assignment of roles and responsibilities is critical if the performance objectives are to be adequately defined and for integrated seismic design and construction to be achieved.
 - ii. The intent of this section is to convey to the Design-Builder the expectations of the Owner on the performance of the Design-Build Improvements during and following earthquakes. It is expected that the expectations will be further developed during design with input from the Owner.
 - iii. The following objectives for this Project are adapted from FEMA 389 Communicating with Owners and Managers of new Buildings on Seismic Risk – Chapter 8 Design and Performance Issues Relating to Light Manufacturing Facilities.
 - (1) Protection of building occupants is a very high priority
 - (2) Building occupancy is relatively low. Visitors are typically low in number, and infrequent, but groups of visitors can be expected to tour the facility.
 - (3) Ensuring the survival of costly and difficult to replace equipment is an important concern
 - (4) Closure or non-operation of the Design-Build Improvements for an extended period represents a serious water supply problem
 - (5) Tilt-up construction: A number of failures of tilt-up structures occurred during the 1995 Northridge earthquake near Los Angeles. Changes to the wall anchorage requirements were introduced in the 1997 *Uniform Building Code*.
 - (6) The Design-Builder may need to go beyond the minimum code requirements to achieve the desired building performance.

- (7) Continued operation is particularly dependent on nonstructural components and systems. These include electrical systems and chemical systems. Protection against significant chemical spillage is desired during an earthquake.
- (8) Recent earthquakes have caused a high level of nonstructural damage, particularly to ceilings and lighting. This type of damage is costly and its repair is disruptive. Responsibility within the design team for nonstructural component support and bracing design should be explicit and clear.
- (9) Performance Expectations and Requirements
 - (a) Persons within and immediately outside facilities must be protected at least to a life-safety performance level during design-level earthquake ground motions.
 - (b) Building occupants should be able to evacuate buildings quickly and safely after the occurrence of design level ground motions.
 - (c) Emergency systems in the facility should remain operational after the occurrence of design level earthquake ground motions.
 - (d) Emergency workers should be able to enter the building immediately after the occurrence of design level earthquake ground motions, encountering minimum interference and danger.
 - (e) Key equipment should be protected from damage.
 - (f) Large tanks holding chemicals, saline water, and Finished Water should remain operable. Flexible connections to piping should be provided to prevent damage at tank connections.
 - (g) There should be no significant release of treatment chemicals to the environment as a result of the occurrence of design-level earthquake ground motions.
 - (h) Finished Water stored in the clearwells/Finished Water tanks should be able to be pumped to the distribution system using purchased power or standby generator immediately following a design level earthquake.
- (10) Another means of conveying the Owner's expectations with respect to seismic risk is provided in the checklist tables below. These checklists are adapted from FEMA 389 – Chapter 12.

Table 2-4 - Earthquake Performance of Structures

Seismic Shaking Hazard Level	Damage			
	No Life Threat, Collapse	Repairable Damage: Evacuation	Repairable Damage; No Evacuation	No Significant Damage
Low				√
Moderate			√	
High		√		

Table 2-5 Earthquake Performance of Nonstructural Components

Seismic Shaking Hazard Level	Damage			
	No Life Threat, Collapse	Repairable Damage: Evacuation	Repairable Damage; No Evacuation	No Significant Damage
Low				√
Moderate			√	
High		√		

Table 2-6 Function Continuance: Structural/Nonstructural

Seismic Shaking Hazard Level	Time to Reoccupy and Restart Facility			
	6 Months +	To 2 Months	To 2 Weeks	Immediate
Low				√
Moderate			√	
High		√		

Notes:

Seismic Shaking Hazard Level	Spectral Acceleration (Short period or 0.2 sec)	Spectral Acceleration (long period or 1.0 sec)
Low	<0.167 g	< 0.067 g
Moderate	≥ 0.167 g and < 0.50 g	≥ 0.067 g and < 0.20 g
High	≥ 0.5 g	≥ 0.2 g

24. HVAC SYSTEM

- i. The design of HVAC systems shall be based on site and process specific conditions. Design-Builder is to identify weather and design conditions. Design-Builder is to identify codes to be followed in the design of HVAC systems. Energy efficiency shall be considered in design of HVAC systems.
- ii. The administration areas are to be air conditioned and provided with heat to control temperature and humidity. Thermostats are to be provided in each room for local control. Design-Builder shall identify the equipment and systems to be provided.

- iii. Ventilation is outdoor air brought into a building to maintain the space temperature, control moisture, replace exhaust air, protect building components, and remove indoor pollutants.
- iv. Equipment is to be located where it can be readily and safely maintained.
- v. Electrical rooms will be provided with air ventilation system to control temperature to within electrical manufacturer limits. Air conditioning is not universally required for electrical rooms. Design-Builder shall identify ventilation and temperature control design criteria.
- vi. Rooms with large pumping units, and heat rejection, shall have appropriately sized makeup air ventilation system. Provide unit heaters for freeze protection. Design-Builder shall identify design criteria.
- vii. Chemical storage and feed rooms require year round ventilation. Low rate continuous ventilation shall be provided. High rate ventilation shall be provided for each chemical room triggered by 1) high temperature, 2) personnel entry, and 3) operator manual initiation. Operator need not enter the room to initiate high rate ventilation. Heat shall be provided as required to maintain minimum temperatures.
- viii. Onsite hypochlorite generation process generates hydrogen gas. The hydrogen gas is vented outdoors. Only under unusual conditions would hydrogen gas enter the building. It is proposed that with the combination of hydrogen gas detectors and continuous ventilation, that explosion proof electrical system is not necessary.
- ix. Ventilation design shall limit noise to non-objectionable levels.
- x. Ductwork material shall be appropriate for the conditions.
- xi. Installation and support of all HVAC systems shall be coordinated with other disciplines, including seismic design.

25. PLUMBING SYSTEM

- a. Plumbing systems include domestic cold and hot water, sanitary, vent, natural gas, laboratory de-ionized water supply and laboratory waste handling, and includes in-plant service water, and in-plant permeate water supply. Plumbing also includes water supply to micro-irrigation system.
- b. Plumbing for potable systems must be lead-free in accordance with California Health and Safety Code Sections 116875-116880 and federal Public Law 111-380 that takes effect in January 4, 2014.
- c. Domestic Hot and Cold Water, Nonpotable Water, and Pressure Drain Piping
 - i. Above Grade: Piping must be Type L hard drawn copper tubing, ASTM B88, with wrought copper solder type fittings conforming to ANSI B16.22, or cast copper alloy solder joint fittings conforming to ANSI B16.18, or cast copper alloy flanged fittings Class 150 conforming to ANSI B16.24. Screwed joints in piping are restricted to pipe sizes 2" and smaller.

- (1) Copper or Bronze Pressure-Seal Fittings: Copper or bronze housing, factory-installed Ethylene Propylene Diene Terpolymer sealing element, 200 pounds per square inch (psi) working pressure with a 0 to 250°F temperature rating. ASME B16.18 and B16.22, ASTM B88, and D 2000. Rigid ProPress™, or Stadler-Viega, or NIBCO® INC
- ii. Below Grade: Type K copper tubing must be used. When piping is installed within a building and within or under a concrete slab, it must be installed without joints. Where joints are unavoidable, they must be brazed.
 - (1) Protective pipe covering must be factory- or field-applied according to manufacturer's written instructions.
 - (2) 2½ Inches and Larger: Products must be Polyken® No. 1027 primer and Polyken No. 930-35 tape coating, 35 mil, 21kV dielectric strength, as manufactured by Tyco adhesives, Corrosion Protection Group. Minimum one-inch overlap required.
 - (3) 2 Inches and Smaller: Products must be 27 MIL plastic sleeve-protector. LSP® Products Group, Plasti-Sleeve or equivalent.
- d. Soil, Waste, Drain, and Vent Piping: Cast iron soil pipe, fittings, and connections must comply with CISPI guidelines
 - i. Below Grade: Piping must be service weight hub and spigot (with gasket) coated cast iron and must conform to ASTM A74.
 - ii. Above Grade: Piping must be Schedule 40, galvanized steel pipe, ASTM A53, with threaded, galvanized cast iron Durham drainage fittings, ANSI B16.12; or drain-waste-vent (DWV) copper pipe with solder joint DWV wrought copper fittings; or service weight hub-spigot (with gasket) coated cast iron pipe and fittings conforming to ASTM A74; or hubless cast iron pipe and fittings conforming to CISPI 301.
- e. Backflow prevention:
 - i. The domestic water system is to be protected with a single reduced pressure zone (RPZ) type backflow preventer.
 - ii. Potable water supply to process facilities is to be protected with RPZ backflow preventers in parallel.
 - iii. Bypass of a RPZ device is not allowed.
 - iv. RPZ devices are not to be installed in below grade pits.
 - v. RPZ devices can discharge water at a high rate. Suitable drains and curbs are to be provided to minimize potential for flooding. Funnels may not be adequate.
 - vi. Pressure indicators are required upstream and downstream of RPZ devices.
 - vii. Hose bibs are to be equipped with vacuum breakers to prevent back-siphonage.

- viii. The design of continuous dilution water for chemical systems is to prevent backflow and contamination of in-plant water system.
- f. Metering:
 - i. A high degree of metering of water consumption is desired to carefully monitor water use within the facility. Plant service meters are to be integrated with SCADA to allow continuous monitoring and reporting of in-plant water consumption. Where loss of water supply cannot be tolerated, a meter bypass piping and valves are to be provided to allow for meter changeout and testing.
- g. Tempered Water System:
 - i. A tempered water system is required to supply emergency eyewash and emergency showers. The tempered water system shall be designed to provide tempered water quickly after activation of the eyewash/shower valve. Long branches of piping with untempered water are not acceptable. Drains shall be provided to carry away eyewash or shower water. Tempered water systems shall be designed in accordance with the latest version of American National Standard for Emergency Eyewash and Shower Equipment (ANSI Z358.1). The design and installation guidance in Appendix B, provided with the Standard, are to be followed. Electric instantaneous heaters are undesirable due to high electric demand.
- h. Water hammer arrestors are to be provided where solenoid valves are installed.
- i. Sanitary sewer is not available. A septic system is to be provided for sanitary wastes.
- j. Saline waste streams are not to be sent to septic system.
- k. Sanitary drainage system is to be coordinated with process elements so that drains are located in appropriate locations.
- l. Floor drains are not permitted in chemical secondary containment areas.
- m. Each lavatory is to include a floor drain.
- n. Sump pumps in critical locations are to be duplex type with high level alarm to SCADA.
- o. Process wastes such as continuous sample streams, are to be recycled or sent to process waste handling rather than discharged to sanitary. Sample streams are not to be discharged onto the floor.
- p. A laboratory de-ionized water system is required with a single tap in the laboratory.

26. ELECTRICAL SYSTEM

a. Introduction

- i. The conceptual electrical equipment sizes and configurations presented in this document are preliminary and are meant to convey the expected features of the Work. The Design-Builder shall be responsible to evaluate the overall power system loading in selecting appropriate electrical service and distribution to provide the final design required.
- ii. A power factor of 0.93 or greater is desired for the Design-Build Improvements when operating at design capacity.
- iii. See Attachment 6 for suggested electrical equipment manufacturers
- iv. See Attachment 7 for basic electrical materials and design criteria to be included in the design of the Design-Build Improvements.
- v. See Attachment 8 for power system study requirements. This study is to be performed during design to help optimize power system performance and minimize arc flash hazards. Submittals as outlined are to be included during the design phases associated with the Project. Final adjustments and record document modifications are to be included in the final study prior to printing and labeling of the equipment by the Engineer.
- vi. Major electrical loads include:
 - (1) Filtered feedwater pumping
 - (2) RO high pressure pumping
 - (3) Finished Water pumping
- vii. Exhibit 2 is a conceptual design of power distribution system riser diagram.

b. Electrical Service

- i. It is anticipated that the treatment plant will be powered from a single Utility service utilizing the existing 13.2 KV in the area to supply two (2) 5 MVA (*preliminary sizing only; final sizing to be developed by Design-Builder*), (55/65/65 C rated), liquid-cooled (non-flammable), 13.2 KV (WYE) to 4160 V (WYE) substation transformers (provided by the Design-Builder).
- ii. This service to be Utility metered as a single service application under this proposed scope of work. These transformers are to be protected with pad-mounted, outdoor 15 KV fusible disconnect switches unless it is determined medium voltage (MV) 15 KV circuit breakers are otherwise required.
- iii. It is expected that each of the (13.2 KV / 4160 VAC) service transformers, feeders, and breakers will be sized to have the following approximate capacities:
 - (1) Each transformer, feeder, and breaker can supply approximately 100% of plant capacity at a plant rated capacity of 6.4 MGD.
 - (2) Each transformer, feeder, and breaker can supply approximately 65% of plant capacity at a plant rated capacity of 9.6 MGD.

- (3) Each transformer, feeder, and breaker can supply approximately 50% of plant capacity at a plant rated capacity of 12.8 MGD.

c. Medium Voltage Switchgear

- i. From the outdoor electrical service transformers, 4,160 VAC is to be extended via concrete-encased conduit ductbanks into 5 KV rated MV circuit breaker switchgear located within a building. Automated transfer control of the main-tie-main arrangement is to be incorporated into the operational design requirements; initiated through the SCADA system but capable of being fully automated in the future should dual Utility services eventually be developed.
- ii. The high pressure pump motors will be supplied power at 4,160 volts from MDS-1.

d. Alternate Electric Service:

- i. Additionally, manual (key-interlocked) provisions are to be included to allow future utilization of an alternate 5 KV power supply from the adjacent landfill power generation system on one side of MDS-1. It is anticipated that the alternate supply would not be sufficient for the entire facility at all times, but may be capable of supplying a portion of the facility.
- ii. Standby Electric Generator – It is expected the standby electric generator will supply power to the 480 volt bus that supplies Finished Water pumps and other loads. Standby electric generator design criteria is presented in another section.
 - (1) Provide a central control and metering/monitoring system to sequence and properly interlock the proposed generator with the switchgear and loads.

e. Supply to Filtered Water Feedwater Pumps and Finished Water Pumps

- i. Power from this MV switchgear (MDS-1) is to be routed via concrete-encased ductbanks to two (2) outdoor, dry-type, cast-coil transformers; (4,160 VAC – 480Y277 VAC). From these transformers, provide concrete-encased ductbanks and cabling to a low voltage, main-tie-main, 480 VAC switchboard assembly (MDS-2) to supply power to Finished Water pumping equipment, filtered water feedwater pumping equipment, and other 480 volt loads. This switchboard to utilize draw-out, power circuit breakers for the main-tie-main and molded-case solid-state trip circuit breakers to supply the sub-distribution to the various loads and motor controllers in this building.
- ii. Manual transfer control (normal power situations only) of the main-tie-main is to be incorporated into the operational design requirements; initiated through key-interlocks on the circuit breakers. Regardless, these main breakers are to be electrically operated in developing an automatic transfer control associated with the 480 VAC standby power generator. It is intended that the standby power source be used in energizing one side of the double-ended switchboard assembly to allow limited operational capabilities in the event of a Utility power failure as well as for load-testing of the generator unit. Selection of which automated transfer interface

will be utilized is to be provided through SCADA along with manual selection via a three-position selector switch on the switchboard assembly.

- (1) Local building power (480/277 and 208/120 VAC) to be developed within the building(s) as required to serve support system loads. It is proposed that general power / lighting loads be separated from instrumentation and sensitive electronic equipment loads by means of providing separate step-down transformers; electrostatically isolated for “clean-power” loads / conventional for general power and lighting equipment.
- (2) Surge protective devices (UL-1449, Rev 3 Listed/Labeled) are to be provided on panels serving “clean-power” systems.

f. Owner Metering and Protective Relays

- i. Power quality meters (SEL 735) with fiber optic communications to the SCADA system shall be utilized for monitoring the utility service parameters. Feeder protection relays (SEL 751A and medium voltage motor protective relays (SEL 710) where applicable, shall also be interfaced using dualport, fiber optic communications.
- ii. Each RO high pressure pump motor shall be monitored with an appropriate SEL device and ancillary sensors to monitor power consumption data in real time. Power consumption and other electrical parameters shall be monitored through SCADA.
- iii. Each pumping stage (Raw Water, filtered feedwater, and Finished Water) shall be monitored with an appropriate SEL device and ancillary sensors to determine the power consumption for the pumping stage (not the individual pump). Power consumption and other electrical parameters shall be monitored through SCADA.

27. STANDBY POWER

- i. Standby power shall be provided with a diesel fueled generator
- ii. Standby power shall be provided to power the following loads:
 - (1) any one (1) Finished Water pump (including largest capacity pump)
 - (2) administration facilities,
 - (3) interior and exterior lighting
 - (4) sump pumps
 - (5) RO flush pumps,
 - (6) instrumentation,
 - (7) compressed air supply for valve actuators,
 - (8) security systems
 - (9) critical valves
- iii. Genset shall start automatically upon loss of power. Interlock with facility switchgear.
- iv. Provide double wall fuel storage tank with 24 hours run time at full load.
- v. Provide SCADA monitoring of genset performance

- vi. Genset is to installed such that it can be tested under load on a routine basis
- vii. Noise control shall comply with local ordinances and codes.
- viii. Provide stairs as required to access controls and equipment
- ix. Provide UL 2200 listed packaged genset
- x. Provide walk-in sound attenuated, weatherproof enclosure, designed to reduce noise levels to less than 75 dBA @ 23 feet at 100% load, or local criteria whichever is more stringent. Super critical grade exhaust silencer mounted internally in enclosure. Genset and enclosure to be IBC rated for local wind and seismic conditions. Provide corrosion protection against salt in air corrosion.
- xi. Provide Pritchard Brown Sound Attenuating, Weather Proof Genset Enclosure as described in Pritchard Brown Specification No. 2130. Allow Owner to select color at no additional cost to Owner.
- xii. Provide synchronous, four pole, brushless generator, 105 deg temperature rise
- xiii. Factory test at 0.8 lagging power factor
- xiv. On-site test with load bank at 0.8 lagging power factor

28. CONTROL STRATEGY OVERVIEW

- i. Design-Builder is to identify control strategies for all processes, including for the following unit processes:
 - (1) Beach Wells
 - (2) Granular Media Filtration Pretreatment and Break Tank
 - (3) Cartridge Filters
 - (4) Reverse Osmosis – Startup, Operation, Shutdown
 - (5) Reverse Osmosis Clean in Place
 - (6) Post Treatment and Stabilization
 - (7) Finished Water Storage and Pumping
 - (8) Chemical Storage and Feed
 - (9) Concentrate Disposal

29. PROCESS CONTROL

a. Design-Builder is to identify sample points, analyzers, and points of chemical addition.

- i. Chemical Addition
 - (1) Sample points
 - 1. Continuous
 - 2. Grab
 - (2) Continuous analyzers
 - 1. Flow requirements

2. Disposal

30. INSTRUMENTATION AND CONTROL

- i. The treatment and pumping facilities shall be operated through a distributed instrumentation and control system (the “DCS”), also termed SCADA, allowing for automated and manual control of the overall system, subsystems, and individual pieces of equipment. Control logic will be distributed throughout the control network and will be designed in a manner to allow sub-systems to operate independently of communications to other PLCs and computers. The HMI computers are to be used for monitoring and operator input only; all control logic is to reside within the PLCs. The HMI software is to be designed in a redundant configuration so that loss of a single computer does not interrupt operator monitoring or control. Two databases will be maintained for historical data, alarm history, and SQL information.
 - ii. The Design-Builder shall procure the services of a single process control system supplier and integrator (the “Integrator”) to furnish and install the process control system.
 - iii. System Architecture: The process control system for the proposed facility shall consist of PLCs located in all major process areas communicating via fiber optic cable to a WTP central control and monitoring facility located in the administration facilities.
- b. PLCs:
- i. Process controllers shall be Allen Bradley – Logix Series. All OEM Equipment requiring controllers shall also be Allen Bradley.
 - ii. PLC Cabinets: Include compact lighting fixture activated by a door switch. Each PLC shall have a UPS. PLCs shall be located indoors in a controlled environment with fans and heaters wherever possible. PLCs located outdoors shall have outdoor rated enclosures (NEMA 4X, SS) with sunshades, thermostatically controlled heaters and cooling.
 - iii. Network: PLCs are to be interconnected using an ethernet network. Network connections between buildings will be through ethernet to fiber converters and fiber optic cables. A self-healing fiber optic ring will be created to maintain a high degree of reliability in the control network.
 - iv. Keypads: No keypads shall be used; OITs are preferable. Provide a touch-screen type operator interface unit on suitable cabinet.
 - v. Terminal Blocks: multilevel terminal blocks are permitted
 - vi. Spare Wired Terminals: Provide a minimum of 20% of each I/O type in each cabinet.
 - vii. Convenience Receptacles: Puse ground-fault interrupter type or RVSS as applicable to the installation.

- viii. Separation of Power Cable and Signal Wires: 120VAC control cable shall be physically separated from 4-20 ma signals and 24 volt cabling as much as practicable inside control cabinets; provide barriers for compliance with ISA standards. Field wiring into the control panel, including junction boxes, shall be labeled as per the P&ID drawings (not wiring numbers).
- ix. Number of I/O slots: As required plus minimum 20% spare
- x. 3 Wire Control of Motors: Required for all motor driven equipment; consisting of one normally-closed contact for stop and one normally-open contact for start, etc, except for chemical metering pumps.
- xi. Modulating valves: Analog control with full open and full closed feedback or open/closed control with position feedback and full open and full closed feedback.
- xii. Fieldbus valve control and communication is not permitted.
- xiii. Analog inputs shall be 4-20 ma; discrete inputs shall be 24 VDC. Isolated dry relay contacts shall be furnished for all discrete outputs-relays may be integral to the I/O module. Interposing relays shall be furnished in cases where the I/O module relay contacts do not have adequate electrical ratings.
- xiv. I/O modules: provide high density I/O modules
- xv. Arc Flash Safety: Instrumentation is to be separated from power in separate enclosures. 480 volt starters shall not be located within instrumentation enclosures.

c. Uninterruptible Power Supply (UPS):

- i. A central UPS power supply shall be furnished to serve the control room personal computers, printers and server room, switches, routers, firewalls and other network equipment. The UPS equipment shall include a static bypass switch along with a separate maintenance bypass switch to fully isolate the unit for maintenance and/or replacement.
- ii. The bypass feed shall be provided with transient voltage surge suppression and shall be served from a shielded isolation transformer to provide “clean power” to this system.
- iii. Provide the UPS equipment with IP communication to the HMI for status and alarm reporting. Minimum reporting shall include alarms for overload, equipment over temperature, low batter, load on bypass and load transferred to the maintenance by-pass.
- iv. All PLCs and analyzers containing programming shall be powered from individual UPS units provided with each enclosure. UPS’s for PLCs and field analyzers shall be mounted in the PLC panels as applicable. AC power source to be provided from normal/standby power system.
- v. UPS Power Duration; The UPS shall provide a minimum of 15 minutes of backup power.

d. Operator Interface Hardware and Software

- i. HMI shall be ICONICS Genesis 32
- ii. LAN Connection: shall be provided in all control panels using 8 port DIN rail mounted ethernet switches. LAN connections shall be wired to a separate network independent of the SCADA LAN and the Business WAN.
- iii. Local Area Network: Personal computers and printers shall be placed on a process control local area network (“LAN”). The LAN shall be implemented using ethernet type cards in each operator interface personal computer. The LAN shall be interconnected to various computers using a 100-base T stackable hub. The cable between devices on the LAN shall be a Category 6 type cable or fiber optic cable. LAN cables between devices in different buildings shall be fiber optic.

e. Modes of Operation:

- i. Each piece of process equipment is to be equipped with a local-off-remote selector switch (at the piece of equipment) to allow the location of control to be changed. In order to ensure that the RTU/PLC in the remote manual or remote automatic mode has control, an additional contact block will be added on the remote leg of the selector switch. The output of the contact block will drive a digital input that will serve as a permissive in the DCS. If the DCS attempts to control a device from the RTU/PLC when it is not in the remote mode, a failure condition will be delineated at the operator interface. Equipment furnished as part of a package system with a local control panel may not require individual LOR selector switches.
- ii. Local-Manual: An operator at a piece of process equipment will turn the device on and off and make adjustments. Required for all equipment.
- iii. Local-Automatic: Controls are hardwired into pieces of equipment by a vendor (such as prepackaged process equipment).
- iv. Remote-Manual: An operator turns items on and off via the operator human machine interface (the “HMI”) connected to the DCS.
- v. Remote-Automatic: The DCS turns items on and off and performs all control while monitored thru the HMI. Required for equipment as necessary for overall plant coordinated control.

f. Operator Interface Functions

- i. Screens: The Design-Builder, following consultation with the Owner, shall include paragraph descriptions of the OIT and HMI screens (including a listing of each specific I/O point required on each screen) to give the system integrator an understanding of the level of detail required. Each screen shall utilize the Owner’s standard color conventions for stop, run, open, closed and intermediate conditions. Text based screens shall be considered in the design. An operator (or supervisor only) shall have the capability to manually enter data onto the screen that is not generated by the system, but is appropriate to be displayed on a screen, such as a manual valve change for a chemical feed point of application. Control programs

shall include limiting parameters for operator inputs, such as chemical feed dosages to prevent excursions. Only supervisors are to have access to modify those parameters. Provide a list of all screens to be created by the system integrator. Provide sample screens to establish the standard for layout and acceptable level of detail.

- ii. Reports: Reports shall be generated to summarize plant operation, electrical consumption, water production, chemical inventory, and regulatory compliance. The reports shall be accomplished by creating the forms in Microsoft Access (latest release) format and downloading data directly from the system. When data that is not generated by the system is required on certain forms, the operator shall have the capability to manually enter this information into the report, or overwrite data that the system has downloaded. Assume that ten (10) reports are required with the ability to update them on a daily, weekly, monthly, quarterly, and annual basis as well as month and year to date basis.
 - iii. Alarms: An alarm summary table shall be developed by the Design-Builder and reviewed with the Owner during design. The table shall include specific initial values for all high and low alarm set points. Analog set points are also to be configurable on the graphic displays. The specific alarm software package that is ultimately selected must have auto dialing capabilities such that alarm conditions can notify on-call personnel without the need for separate auto dialer. Operators shall not be permitted access to modify alarm setpoints without special authorization.
 - iv. Database: Provide a SQL database package to store process data and act as a server to database users outside the process control system.
- g. Factory Acceptance Test (“FAT”)
- i. The Owner and Design-Builder shall witness a complete FAT of the control system prior to its shipment to the Project Site. The specifics of the FAT are described in Appendix 4.
- h. On-Site Testing
- i. Specifics of on-site testing are described in Appendix 4.
- i. Training:
- i. Operator Training is to be provided to the Owner’s staff to operate the Design-Build Improvements through the control system;
 - ii. Maintenance training to maintain the hardware of the control system;
 - iii. Administrative training to make basic security related changes.
 - iv. Specifics of training are described in Appendix 4..

j. Calibration Plan:

- i. It is expected that a detailed calibration plan is to be developed during the construction phase (testing and commissioning) of the Project.

k. Protection of Sensitive Equipment

- i. General: The Design-Builder shall follow the guidelines for powering and grounding of sensitive electronic equipment listed in IEEE Standard 1100-1999.
- ii. Transient Voltage Surge Suppression (TVSS): Provide TVSS at point of use for all instrumentation loads. Required for all 4 wire instruments (such as chlorine analyzer), and placed on the 120VAC branch circuit and on the 4-20 mA portion of the circuit. The transient voltage surge suppression on the 4-20 mA wiring shall be located on the PLC end. For all two wire 4-20 mA instruments that have signal cable running from outdoor to indoor locations (or signal wire between buildings) transient voltage surge suppression on the field side of the 4-20 ma signal is required. All analog signaling shall be shielded cable.
- iii. Grounding: Each PLC cabinet shall be provided with a direct connection to the ground grid via a driven rod in addition to the equipment safety ground required by the National Electrical Code. Daisy chaining of grounds is not acceptable if it is the only grounding source. A grounding detail showing the interface between the PLC cabinet and the proposed grounding system is required. Instrumentation shields shall be grounded at the PLC end only. The electrical grounding specifications must be cross referenced to the instrumentation and control specifications so that it is understood that the system integrator monitors the quality of system grounding. In order to facilitate an electrically active ground mass, provide connections to structural steel and interface them to the grounding system.
- iv. Power Supplies: Separate power supplies shall be provided for analog inputs and PLCs, and digital outputs.
- v. Conduit Spacing: Required between power and signal/control cables as listed in IEEE 518-1982.
- vi. Enclosures shall be located away from chemicals and sources of moisture to the extent possible. Where enclosures are located in the vicinity of chemicals, provide fiberglass NEMA 4X enclosures with non-metallic hinges and latches.

l. Field Devices:

- i. The following is a partial listing of the field instrumentation required.
- ii. General: Output to be 4-20 mA with HART protocol where possible. Display shall be in engineering units. Mount indicator at height and location for ease of access and clear view. Provide remote indicator when warranted. Provide calibration accessories. Preferred manufacturers are provided elsewhere. All transmitter analog signals are to be input to SCADA for monitoring, trending, and logging.

- iii. Pressure Transmitters: Microprocessor type; accuracy: 0.075% of span; Provide 3 valve manifold to allow field calibration check.
- iv. Differential Pressure Transmitters: Microprocessor type; accuracy: 0.075% of span; Provide 5 valve manifold to allow field calibration check.
- v. Flow Meters: Process flowmeters are to be magnetic type. Provide upstream and downstream straight run of pipe to allow high measurement accuracy. Provide grounding rings and ground per manufacturer's recommendation. Provide removable electrodes where coating is possible. Meters shall not be submerged or direct buried. Provide remote indicator as needed. Select appropriate materials of construction.
- vi. Level Transmitters: Provide ultrasonic or radar type to continuously monitor level. Units shall be corrosion resistant with appropriate rated enclosures. Provide local indicator at ground level. Install per manufacturer's recommendations.
- vii. Use of Pressure Transmitters for Level Sensing: A pressure transmitter may be used to sense water level where an ultrasonic or radar transmitter is not appropriate. Provide pressure indicator adjacent to transmitter.
- viii. Level Switches: Level switches, independent of continuous level monitors, are required where overflows could occur. Level switches are to be used to sense and alarm when fluid has entered a sump. RF admittance type, with self test feature, are preferred in most applications.
- ix. Weight Transmitters: Certain tanks (day tanks) shall be weighed to determine loss-in-weight over time to calculate/verify chemical feed rate.
- x. Analytical Instruments: Analytical instruments include conductivity, pH, turbidity, ORP, particle count, and residual chlorine. Final selection of instruments to be made with consultation of Owner. Mount and provide sample supply, and sample conditioning for good operation. Where possible, provide digital output to SCADA for analytical instrument self diagnostic.

m. Control Panels

- i. Design-Builder shall prepare a schedule of control panels for the project and identify which CSI Division (Div 11, Div 13, Div 15, Div 16, etc) has primary responsibility for each panel. Control panels provided by vendors shall meet a consistent standard of design to be specified by Design-Builder with common equipment to the extent possible.

31. PHYSICAL SECURITY, ELECTRONIC SECURITY AND SPECIAL SYSTEMS

- i. The design of the Design-Build Improvements is to include implementation of physical facility protection features to deter, detect, and delay vandals, criminals, saboteurs, and insider threats.
- ii. The Owner will provide input on security design at appropriate points during the design phase.

- iii. The Owner will provide cyber protection and implement management practices.
- iv. Site Fencing: The Project Site is to be fenced; 6 ft high fence, PVC coated galvanized steel for salt air corrosion protection. Architectural grade fencing is to be provided within 50 feet, either side, of the main entrance.
- v. Gate: The main entrance is to be equipped with closed circuit camera, intercom, lighting, and card access. The gate is to be electrically actuated and shall be slide type with electric actuator manufactured by HY Security.
- vi. All wiring and cabling is to be run in conduit and protected from tampering.
- vii. Site Lighting: To be designed by the Design-Builder for safety and security purposes in accordance with local requirements and expectations, and to allow proper functioning of security cameras.
- viii. Security features are to be incorporated into hatches, vents, and overflows on all water storage tanks
- ix. Signs are to be placed at 50 ft intervals around the Project Site perimeter; wording to be determined by the Owner.
- x. Chemical fill lines are to be locked.
- xi. Site Areas:
 - (1) The outdoor electric service equipment is to be protected with anti-climb security fencing and provided with intrusion detection.
 - (2) Critical pumping equipment areas such as Finished Water pumps and filtered feedwater pumps that are located outdoors are to be protected with anti-climb security fencing and intrusion detection.
 - (3) Wastewater clarification and recycling areas are to be fenced and provided with intrusion detection.
 - (4) Concentrate equalization basin is to be fenced.
- xii. Vehicle parking is to be away from the building.
- xiii. Enterprise Electronic Security System
 - (1) The Owner shall extend its company wide EESS to the Project Site and the facilities on the site. The system shall include both an electronic security system and an electronic fire alarm system.
 - (2) The system shall be designed by the Owner's security subcontractor, Tyco, Inc. Tyco will provide design and installation details during the design phase.
 - (3) All buildings shall have an electronic access system. Card readers will be used to control access to buildings.
 - (4) Tyco shall furnish and install the terminal devices such as cameras and card readers.
 - (5) Security Cameras – The Design-Builder is to assume that up to 20 cameras will be provided. Cameras are IP type. Cameras will be located indoor and outdoor.
 - (6) External Doors – All external doors will be monitored electronically. Some doors will be equipped with card swipe entry devices. Some doors will be exit only. Each external door shall require four (4) low voltage cables (3-18/6, and

1-16/4) with back boxes. Final placement of back boxes will be based on the Tyco design and per Tyco design typical details.

- (7) Internal Doors- Internal doors that bound the secure portion of the administration area shall be equipped with card swipe entry devices to prevent unauthorized access to process areas such as control room, computer room, etc.
- (8) Glass Break System: Rooms with glass windows shall be monitored with a glass break detection system. These devices shall be wired per Tyco design typical details.
- (9) Motion Detection System: The Owner shall locate motion detectors when room layouts are complete. For the purposes of the Proposal, the Proposer is to assume at least twenty (20) motion detectors are to be provided
- (10) Security Panel and Computer Server Room (SCPS Room): Security panels shall be located in a secure room. All monitoring devices shall be routed as “home runs” to the security panels. All fiber optic cabling shall be routed to the SCPS room. This room shall also contain the network routers and equipment which will be provided by CAW. The room shall be a minimum of 10 ft by 15 ft. The room shall be temperature and humidity controlled.

b. Electronic Fire Alarm System:

- i. The facility shall have an electronic fire alarm system installed by Tyco and manufactured by Edwards. All wiring, cabling, and conduit shall be provided by the Design-Builder. The Design-Builder shall base the amount of devices on a fire code compliant fire alarm system.

c. Telephone and Intercom System:

- i. All telephone and intercoms devices shall be IP based and provided by the Owner. The Design-Builder shall assume 20 telephony locations.

32. LANDSCAPING AND IRRIGATION

- i. Design-Builder is to prepare a landscaping and irrigation/xeriscaping plan for the site. See Architectural section for planned input from CAW and the Governance Committee from conceptual design prepared by students from the College of Architecture and Environmental Design of California Polytechnic State University.

33. SITE DEVELOPMENT

- i. Site layout has a number of design considerations including cost, hydraulic profile, security, aesthetics, considerations for future improvements, and operations.
- ii. The RO process is modular and allowance is to be made for expansion to 12.8 MGD.
- iii. An area of the site is to be identified for potential installation of seawater pretreatment facilities.

- iv. Paved roadways are to accommodate large loads of liquid treatment chemicals. Turning radii are to be suitable for the size of trucks and trailers. The chemical unloading area is to be on a slight upward grade to allow for drainage to the rear outlet of delivery vehicles. Curbing is to be provided for paved roadways.
- v. The following items are generally not aesthetically pleasing, and should not be featured prominently to visitors:
 - (1) Chemical unloading
 - (2) Electrical service substation
 - (3) Aboveground Finished Water storage
 - (4) Wastewater treatment facilities
- vi. Exterior lighting is to be appropriate for the location and comply with local codes, but also be sufficient for security.

APPENDIX 2, ATTACHMENT 1

AMERICAN WATER ENGINEERING STANDARD
T2: LIQUID CHEMICAL STORAGE, FEED, AND CONTAINMENT

Liquid Chemical Storage, Feed, and Containment

INTRODUCTION

Background

Water treatment chemicals are generally stored and fed in a concentrated form with many being strong acids or bases. While these chemicals are necessary to provide a safe potable water, mismanagement of the chemicals can have injurious consequences to the water consumer, company personnel, and the environment. In addition, many of these chemicals can damage company facilities if the proper equipment and safeguards are not provided.

Scope

This Standard covers the design of liquid chemical storage, feed, and containment facilities. The standard is meant to be used by engineers and other experienced personnel in the basic design and modification of liquid chemical systems. Selecting materials of construction and sizing of components are two examples where technical expertise is required. Guidelines for prioritizing improvements to existing chemical storage and feed systems are presented.

The contents of the Standard go beyond the minimum requirements of Ten State Standards by providing increased protection to consumers, company personnel, water company facilities, and the environment.

Purpose

An engineering standard is necessary to accurately demonstrate the required features of liquid chemical systems to consultants and water company staff involved in maintaining, modifying, and installing such systems. The Standard's goal is to minimize risk to consumers, workers, and the environment by presenting a standardized, proven method of storing, feeding, and containing liquid chemicals. Alternative designs must be carefully evaluated against the Standard before implementation and must not increase the risk of accidental chemical release, or increase the likelihood of human or environmental exposure to the chemical.

REFERENCE

1. Recommended Standards for Water Works (Ten State Standards)

TECHNICAL CONTENTS

Liquid Chemical System Elements

1. Materials of Construction
2. Safety Requirements
3. Bulk Tanks
4. Transfer Pumps
5. Day Tanks
6. Metering Pumps
7. Special Valves
8. Feeding from Drums
9. Inventory Monitoring
10. Secondary Containment
11. Dilution Water
12. Leak Detection
13. Continuous Analyzers

Appendix A - Bulk Liquid Chemical System Standard Schematic Diagram

Appendix B - Low Capacity Chemical System Standard Schematic Diagram

Appendix C - Guidelines for Prioritizing Improvements to Existing Chemical Systems

Description of Liquid Chemical System Elements

1. Materials of Construction

Materials used in chemical systems for tanks, piping, fittings, gaskets, hoses, protective coatings, in-situ instrumentation, etc. must be appropriately selected for each chemical. Material selection charts, chemical suppliers, and equipment vendors are a good source of chemical resistance information. Some water treatment chemicals may be mixtures, or may contain impurities that can increase corrosivity.

2. Safety Requirements

Identification of tanks, piping, and other equipment is necessary to make operators, maintenance personnel, and other workers aware of the chemicals being handled. Identification of chemicals and availability of material safety data sheets (MSDS) is an Occupational Safety and Health Act (OSHA) requirement as well as a state requirement in many cases.

Storage tanks and tank fill lines must be identified with signage identifying the usable capacity of the tank, contents of the tank, chemical hazards, and recommended safety gear.

Access to the fill connection for bulk tanks must be restricted to prevent unintentional filling. Suggested hardware includes uniquely keyed locks through the fill connection flange or locked covers over the connection.

Piping is to be color coded according to Ten State Standards and identified with labels indicating the chemical with arrows pointing in the normal direction of flow. Pumps are to be identified to avoid possible confusion during operation or maintenance.

Eyewashes and/or emergency showers are to be provided for all liquid chemicals, and located adjacent to the chemical equipment. Proper protective clothing such as aprons, gloves, and eye protection must be provided.

3. Bulk Storage Tanks

Bulk storage tanks are provided where the chemical consumption justifies bulk storage over drum storage, or where the chemical being handled is particularly corrosive and handling of drums would be a safety hazard. Bulk storage tanks are generally sized for 31 days of storage at a maximum dose and average treated water flow, or average dose and maximum treated water flow, whichever is larger. Alternatively, for smaller facilities sizing is to be 125 - 150 % of a bulk shipment of chemical. Sizing for larger facilities should consider the normal delivery quantity and the local time required for delivery. Federal, state, and local regulations governing chemical storage may also be a factor in sizing bulk storage tank capacities.

Bulk storage tanks shall be constructed of high density cross linked polyethylene (HDXLPE) or be an appropriately lined steel tank. Fittings for HDXLPE tanks shall be bolted through the wall style with appropriate bolt and gasket materials. Storage tanks are to be equipped with a fill line, vent line, overflow, and discharge connection. Other accessories include nozzles for continuous level measurement, high level indication, and gasketed hatch. The function of the hatch is primarily for tank inspection, rather than tank entry. A means of access to the hatch, such as a ladder, should be provided.

A near-instantaneous means of determining tank level is to be provided. It is recommended that low level and high level alarms should also be provided. An independent high level switch indicating imminent tank overflow is required with local audible alarms that can be heard at the filling station. The high level switch, independent of the continuous level monitor, is required because of concern for the potential for miscalibration of the continuous level system resulting in a chemical overflow.

Tank overflow must be directed to secondary containment. In cases where the chemical has suspected corrosive or injurious vapors or mists such as hydrofluosilicic acid, ammonium hydroxide, and sodium hypochlorite, the overflow pipe must be fitted with a low headloss, vaportight check valve (flap valve, or Red Valve Series 33 Tide Flex Valve) to allow overflow while preventing the discharge of vapors.

All chemicals with the potential for corrosive or injurious vapors or mists are to be vented to the exterior. In general, this includes hydrofluosilicic acid, ammonium hydroxide, and sodium hypochlorite. The vent line shall not function as the overflow.

It is recommended a remotely actuated valve be installed on or near the tank outlet to allow the bulk tank to be safely isolated in the event of a leak. Without such a valve, personnel would be required to enter the containment area to operate a manual isolation valve which could expose personnel to considerable safety hazards.

4. Transfer Pumps

Transfer pumps are to be provided to deliver chemical from bulk tanks to day tanks or batch tanks. Transfer pumps provide control and safety in the transfer process as flow can be halted electrically from outside of the containment area. Transfer pumps may be of several types; centrifugal, positive displacement, drum pumps for small systems, etc. Redundant installed pumps are required for disinfectants and primary coagulants, and recommended for other chemicals. A single installed transfer pump is allowed for disinfection and primary coagulants if the production facility can be taken off line for repairs or replacement. Where only one transfer pump is installed, a second pump is to be held in inventory as a spare. A bypass around the transfer pump is not allowed, as it defeats the purpose of the transfer pumps.

Continuous local operator supervision of the transfer process is preferred. Typically, this is accomplished with a hold-to-run (momentary contact) push button switch. Transfer pumps are typically sized to fill the day tank within two minutes to avoid operator fatigue.

For day tanks larger than 100 gallons, a two minute fill period would require high capacity transfer pumps. High capacity transfer pumps have an inherent safety concern because of the rate of transfer, and are expensive. For day tanks larger than 100 gallons, automatic shutoff of the transfer pumps may be employed if the following conditions are met: 1) secondary containment is provided, 2) a high level sensor, a critical high level sensor, and a spill sensor are provided and interlocked with the transfer pump to provide at least three levels of overflow protection. With automatic shutoff, transfer pumps are to be sized to complete the transfer operation within 30 minutes.

Automatic start of the transfer pumps is not allowed under Standard T-2. Any deviation from the manual fill procedures outlined above must be developed through System Engineering.

Discharge piping from the transfer pumps is to be configured to prevent gravity flow or siphonage from the bulk tank. The fill piping downstream of the siphon break must be sized for gravity flow. See the schematic in Appendix A for the recommended piping configuration.

Direct piping from the bulk tank, through the transfer pumps, to the day tank, without an air break is permitted only for viscous chemicals such as polymers.

5. Day Tanks

A day tank is a refillable storage vessel smaller than a bulk storage tank, which directly supplies metering pumps. Day tanks serve two purposes: (1) to allow accurate determinations of

chemical use, and (2) to minimize the volume of chemical which can be accidentally discharged into the treated water.

Day tanks are required when bulk storage is provided.

Day tank sizing is to be based on 125% (including freeboard) of the daily volumetric requirements of the maximum dose for the average daily treated water volume, or the average dose for the maximum treated water volume. Where chemical doses have a wide range, resulting in large day tanks, day tanks may be downsized and refilled more than once per day when high chemical demands are experienced.

Day tanks are to be equipped with a vented fill line, vent line, overflow, drain, and discharge connection. Other accessories include continuous measurement of level or weight, and an independent high level switch or probe. With many chemicals it is beneficial to provide a sight glass which can be cleaned to indicate liquid level.

Day tanks may be constructed of any chemically compatible material. Care should be taken when piping the day tank overflow to not allow the liquid level to rise such that the hydrostatic head exceeds the tank's design rating.

All chemicals with the potential for corrosive or injurious vapors or mists are to be vented to the exterior. In general, this includes hydrofluosilicic acid, ammonium hydroxide, and sodium hypochlorite. Tank overflow must be directed to secondary containment. In cases where the chemical has suspected corrosive or injurious vapors or mists such as hydrofluosilicic acid, ammonium hydroxide, and sodium hypochlorite, the overflow pipe must be fitted with a low headloss, vaportight check valve (flap valve, or Red Valve Series 33 Tide Flex Valve) to allow overflow while preventing the discharge of vapors.

Continuous level or weight monitoring is recommended with alarms for high and low level in the day tank. An independent high level switch indicating imminent tank overflow is required, with local audible alarm.

The day tank fill line is to be piped and vented to prevent the possibility of gravity flow or siphonage from the bulk tank to the day tank. See the schematic in the Appendix A for recommended piping configuration. Direct piping is allowed only for viscous chemicals such as polymer.

6. Metering Pumps

Where facilities cannot be taken off line, redundant installed metering pumps are required for disinfectants and primary coagulants, and recommended for all other chemicals. Where only one pump is installed, a second pump is to be held in inventory as a spare.

A calibration cylinder is to be provided on the suction side of the metering pumps to permit accurate determination of the pump's delivery rate.

Metering pumps that have the ability to produce pressures higher than the piping system can withstand, such as motor driven positive displacement metering pumps, must have a pressure relief valve on the discharge of each pump head. No valve may be located between the pump and the pressure relief valve.

Where pumps are feeding against low pressure, a backpressure/anti-siphon valve must be provided to help the pump deliver accurately, and prevent siphoning or gravity flow through the metering pump.

7. Special Valves

Special valves are needed to prevent siphonage, maintain backpressure, and provide pressure relief.

Backpressure Valve

A backpressure valve maintains a steady backpressure against a metering pump to ensure accurate delivery. A second function of this valve is to help prevent siphonage or gravity flow of chemicals from the day tank through the metering pump.

The backpressure valve consists of an adjustable spring loaded diaphragm and seat. The anti-siphon action is lost if the seat becomes fouled. Therefore the backpressure valve requires preventive maintenance and periodic testing.

Pressure Relief Valve

Where positive displacement metering pumps capable of pipe bursting pressure are used, a pressure relief valve is to be used upstream of the first valve on the metering pump discharge. The discharge of the pressure relief valve is to be directed to the day tank or drum. Some pressure relief valves also have a bypass feature to assist in priming the pump.

Anti-Siphon Valve

Anti-siphon protection is required for all liquid chemical discharge lines, regardless of normal operating pressure. Negative pressures can be produced in normally pressurized lines due to power failures, draining of lines, inadvertent valve operation, etc. and anti-siphon protection is particularly vital during upset conditions.

The surest means of providing anti-siphon protection is a physical siphon break as shown below. However, this arrangement is practical only for negative head or low head conditions. This arrangement is not suitable for chemicals that may plug feed lines.

Where the physical siphon break cannot be used because of discharge pressure, an anti-siphon valve is necessary. The anti-siphon valve consists of a spring loaded diaphragm and seat

and is similar to a back pressure valve. The anti-siphon action is lost if the seat becomes fouled. Therefore, the valve requires preventive maintenance including periodic testing.

For low pressure conditions where the physical siphon break cannot be used, the anti-siphon valve will be used in series with a backpressure valve which also provides anti-siphon action. The intent is to use these devices to provide at least two barriers to siphoning or gravity flow of chemical from the day tank through the metering pump.

A review of several accidental releases revealed the releases occurred through the metering pumps while the metering pumps were off. A solenoid valve, linked to the metering pump starter, may be used as a secondary means of providing anti-siphon protection.

Four-Way Valve

Several vendors manufacture a four function valve which provides anti-siphon, backpressure, priming, and pressure relief action. The valve can replace separate pressure relief and backpressure valves. This valve is limited to low capacity metering pumps.

Valve Testing

The capability of back pressure and antisiphon valves to prevent siphoning is dependent upon the integrity of the valve's diaphragm and seat. It is imperative that the integrity of the seal be checked on a regular basis.

One testing method utilizes monitoring the pressure variations upstream of these valves with a permanently installed pressure gauge (and isolation diaphragm). When system pressure is less than the valve's pressure setting, the upstream pressure should not fall below the valve's pressure setting. Where system pressure is above the pressure setting of a back pressure or antisiphon valve, system pressure must be valved off and the pressure monitored while the metering pump delivers to a holding vessel or to the day tank.

Another method allows a portable vacuum pump and reservoir to be connected downstream of each valve to be tested which would collect leakage from a faulty valve. Any leakage through the valve must be trapped in the receiver as the liquids would damage the vacuum pump.

8. Feeding From Drums

In low capacity systems where both bulk tanks and day tanks are not used, the chemical may be fed directly from a non-refillable drum. A weighing scale or reliable level monitoring device shall be used to monitor the quantity of material remaining in the drum. It is recommended the system be equipped with a low weight alarm.

As with day tanks, it is prudent to limit the volume of chemical directly connected to the water supply in case of accidental release. A day tank is to be used if the drum represents more than a seven day average flow-average dose supply.

Adequate ventilation must be provided for drum feed areas. Separate rooms may be necessary for fuming chemicals such as hydrofluosilicic acid because drum systems cannot be sealed and vented as well as bulk and day tank systems.

The weight of drums typically presents safety concerns in handling. Where drums are used, it is recommended drum handling equipment be provided to minimize the risks associated with moving drums. Such equipment includes hoists, pallet trucks, and dollies. It is recommended that training be provided on the proper operation of this equipment.

See the secondary containment requirements for drums in Item 10.

9. Inventory Monitoring

A reliable and accurate means of monitoring inventory is required for bulk tanks, day tanks, and drums. Typically, a continuous level probe is used for this purpose in tanks. However, in a manned station, a sight glass may be sufficient for this purpose. In all cases, a means of physically verifying liquid level is required to perform physical inventory, and calibrate level instrumentation.

Weighing scales may be used for monitoring inventory. States may require day tanks for fluoride be placed on scales. Some disadvantages of scales are that scale platforms are typically placed within the containment area and are susceptible to chemical spills. The use of weighing scales also requires flexible connections for all piping connections. Additionally, a tare weight for the tank must be used to show net weight.

10. Secondary Containment

Primary containment is defined as the container holding the chemical. Secondary containment is the structure designated to hold spillage or leakage.

Secondary containment is to be provided for all bulk tanks, day tanks, batch tanks, metering pumps, and transfer pumps. Experience has shown that pipe connections to tanks and equipment are most prone to leakage. The function of secondary containment is to keep the spilled chemical within a confined area isolated from other processes and chemicals where it can be cleaned up. Therefore, a common or directly interconnected containment area is recommended for all components of a chemical feed system.

Minimum secondary containment volume is to be determined based on 110 percent of the largest storage tank capacity within the containment area. Freeboard should be added to the calculated minimum containment volume.

The secondary containment structure must be protected with a coating or liner if the chemical is corrosive to the containment structure.

Secondary containment is to be provided for all drums. The containment volume must hold 110 percent of the contents of the largest drum.

Secondary containment is to be provided for buried chemical solution lines to minimize the potential for accidental releases to the environment. Secondary containment is not required for lime slurry or powdered activated carbon slurry. Secondary containment systems include double wall pipe, or tubing or hose within a carrier pipe.

11. Dilution Water

Any water supply connected to a chemical system must have proper backflow protection. For filling of batch tanks, an air gap may be used. For direct connection to batch tanks or chemical piping, reduced pressure zone type backflow preventers must be used.

Continuous dilution water is sometimes recommended to improve dispersion at the feed point, to dilute the concentrated chemical to a more practical concentration, or where the chemical output is very low. Dilution water flow must be controlled as variations in flow will cause variations in feed rate. Also, the flow of dilution water must be known to enable setting a desired dilution rate. It is recommended that a solenoid valve be placed on the water supply line that would close if a leak was detected to prevent filling a containment area with dilution water.

12. Leak Detection

It is recommended that both manned and unmanned chemical feed systems be equipped with a sump equipped with a level switch to signal the occurrence of a leak. It is important that personnel be alerted of a leak as soon as possible. Further, it is recommended the leak sensor be electrically interlocked with the isolation valve on the bulk storage tank, the transfer pumps, and solenoid valves on the chemical feed water supply. Upon detection of a leak the valves should close and pumps should stop, until the leak condition is locally acknowledged.

13. Continuous Analyzers

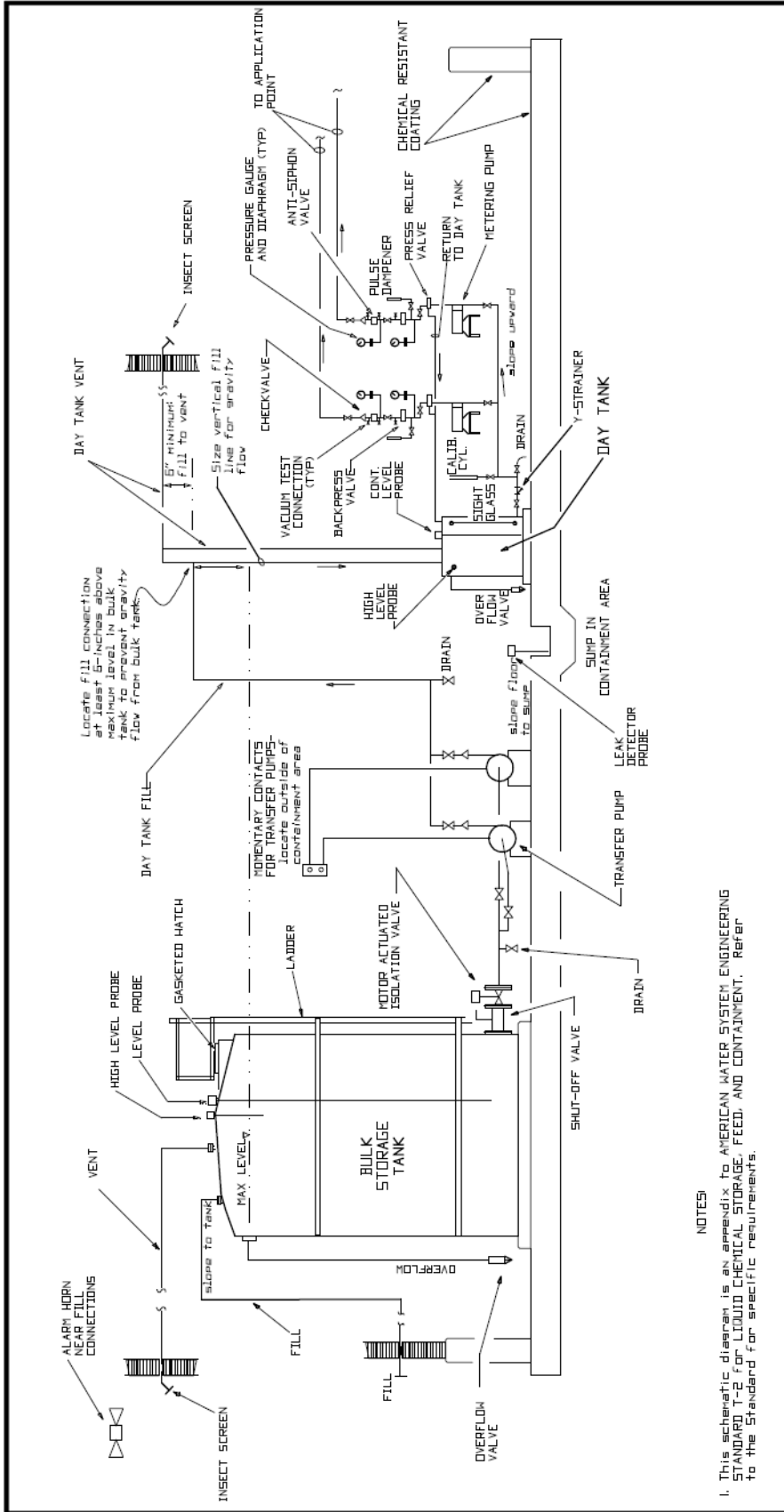
An important facet of protecting the consumer from accidental chemical releases is monitoring of the water quality downstream of the chemical addition point. For strong acids and bases, continuous pH monitoring can warn of an excessive chemical feed. Chlorine residual can be monitored to ensure a correct disinfectant concentration is present.

In a manned station, as a minimum, alarms from these analytical devices should warn the operator so appropriate countermeasures can be taken. In an unmanned facility, the alarms are to be provided for an appropriate action such as shutting off a well pump, or isolating the chemical feed system.

Chlorine residual analyzers are to be provided wherever chlorine or chlorination chemicals are added. Continuous pH monitoring is necessary where caustic soda is fed for post-filtration pH adjustment.

Appendix A - Bulk Liquid Chemical System Standard Schematic

Appendix B - Low Capacity Chemical System Standard Schematic



REVISIONS
 1. Added ...
 Test Conn. ...
 Tank Notes ...

APPENDIX A
 BULK LIQUID CHEMICAL SYSTEM
 STANDARD SCHEMATIC

ENGINEERING STANDARD T-2

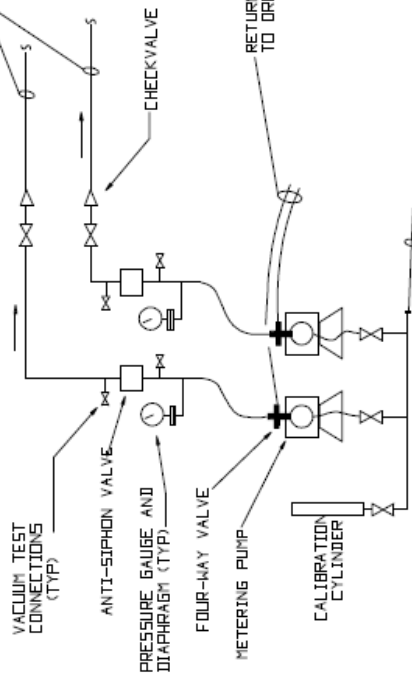
AMERICAN WATER WORKS SERVICE COMPANY, INC.
 SYSTEM ENGINEERING
 1025 LAUREL OAK RD
 WOODBURY, N.J. 08803

DESIGNED BY: ...
 PROJECT ENGINEER: ...
 DATE: 4-10-82
 USE DIMENSIONS ONLY
 SCALE: NONE

USE APPROVED DIMENSIONS ONLY
 FOR CONSTRUCTION PURPOSES

NOTES:
 1. This schematic diagram is an appendix to AMERICAN WATER SYSTEM ENGINEERING STANDARD T-2 for LIQUID CHEMICAL STORAGE, FEED, AND CONTAINMENT. REFER to the Standard for specific requirements.

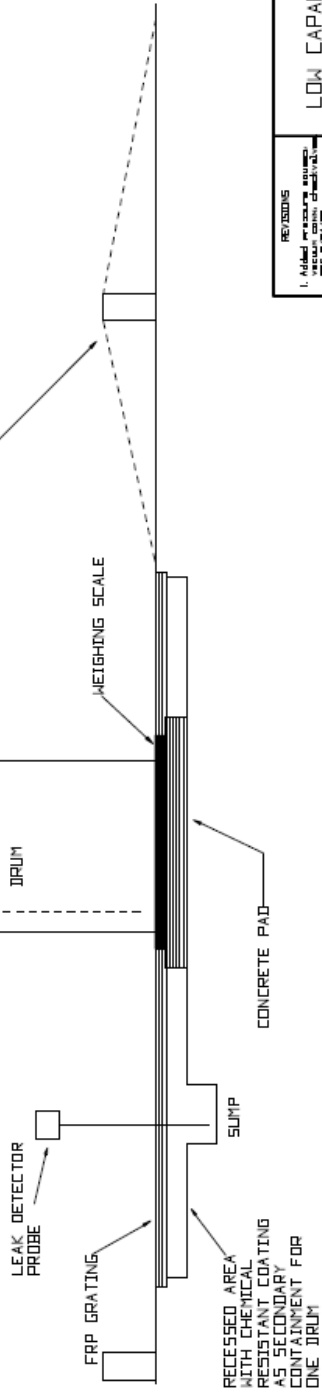
TO APPLICATION POINT



NOTES:

1. This schematic diagram is an appendix to AMERICAN WATER SYSTEM ENGINEERING STANDARD T-2 for LIQUID CHEMICAL STORAGE, FEED, AND CONTAINMENT. Refer to the Standard for specific requirements.

CONTAINMENT CURBS, RAMPED WHERE APPROPRIATE, ARE AN ALTERNATIVE TO THE RECESSED AREA AS A MEANS OF SECONDARY CONTAINMENT



REVISIONS
1. Added pressure gauge
See Section 2.1.1

APPENDIX B
LOW CAPACITY CHEMICAL SYSTEM
STANDARD SCHEMATIC

ENGINEERING STANDARD T-2
AMERICAN WATER WORKS SERVICE COMPANY, INC.
SYSTEM ENGINEERING
DESIGNED BY: JES LAUREL, DAK, P.E.
PROJECT NO.: 4-10-92
DATE: 4-10-92
USE INDICATING ONLY
PROJECT SCALE: NONE
FOR CONSTRUCTION PURPOSES

APPENDIX C
GUIDELINES FOR PRIORITIZING IMPROVEMENTS
to
EXISTING CHEMICAL SYSTEMS

Discussion

The primary intent of the Engineering Standard for Liquid Chemical Storage, Feed, and Containment is to present a design basis for new installations. However, guidelines are needed for assigning priorities in upgrading existing facilities.

The following is an outline of the Standard which assigns priorities to the Standard's requirements. A HIGH priority is assigned to features that impact safety for consumers or personnel. A MEDIUM priority includes features that would prevent spills within secondary containment. Medium priority items should be evaluated on a chemical and site specific basis. A LOW priority is assigned to items that are desirable but not essential.

1. Materials of Construction

It is a HIGH priority that tubing, piping, hoses, gaskets, etc. must be compatible with the chemical being handled.

2. Safety Requirements

It is a HIGH priority that all safety requirements be met.

3. Bulk Tanks

Modification of existing bulk storage capacity to comply with the Standard is a LOW priority. Existing storage tanks which are in good condition should not be changed out to comply with the Standard. Fiberglass Reinforced Plastic (FRP) tanks containing hydrofluosilicic acid have a higher than average failure rate, and replacement of the tanks is a MEDIUM priority.

For non-fuming chemicals, the hatch of an existing tank can serve as the overflow, provided the hatch is loosely covered. Installation of a permanent ladder is a LOW priority.

Installation of a near-instantaneous means of determining tank level is a HIGH priority. The addition of a critical high level switch and alarm indicating imminent overflow is a MEDIUM priority.

It is a HIGH priority that overflow from the bulk tank be directed to secondary containment. It is a HIGH priority that tanks containing ammonium hydroxide, hydrofluosilicic acid, or sodium hypochlorite have vaportight check valves on the overflows to prevent the escape of vapors to enclosed areas. Likewise it is a HIGH priority that these chemicals be vented to the exterior.

The need for a remotely actuated valve located on the bulk tank discharge has a LOW priority because spills would be contained within secondary containment. It is important that an emergency response plan be instituted that outlines how spills within secondary containment will be handled.

4. Transfer Pumps

The addition of transfer pumps to an existing gravity day tank fill system is considered a MEDIUM priority, because spills would be held within secondary containment. Where gravity systems are employed, at least two bulk tank shut-off valves should be accessible from outside the containment area.

Where transfer pumps are installed, it is a HIGH priority that redundant pumps be installed in disinfection or primary coagulant systems unless the production facility can be shut down. Bypass around transfer pumps is not allowed.

Where transfer pumps are operated with a push to run switch, it is a HIGH priority that the pumps have the capability to fill the day tank within two - five minutes. Experience has shown that personnel become mentally and physically fatigued if the time to fill the tank exceeds five minutes.

Where transfer pumps are installed, it is a HIGH priority that the pump discharge piping conform to the schematic in Appendix A to prevent unintentional flow into the day tank. Direct piping is allowed for viscous chemicals such as polymers.

5. Day Tanks

The need to install day tanks in existing post-chemical bulk storage systems is a HIGH priority. Installation of day tanks for pretreatment chemicals such as primary coagulants and polymers is a MEDIUM priority because an accidental release will be held within the confines of the treatment plant. For post-treatment chemicals, the sizing of existing day tanks should be reviewed with oversized tanks either replaced or operating procedures instituted to limit the volume of chemical within the tank.

A near-instantaneous means of determining tank level, or weight is a HIGH priority. The addition of a critical high level switch and alarm indicating imminent overflow is a MEDIUM priority.

It is a HIGH priority that overflow from a day tank be directed to secondary containment. It is a HIGH priority that tanks containing ammonium hydroxide, hydrofluosilicic acid, or sodium hypochlorite have vaportight check valves on the overflows to prevent the escape of vapors to enclosed areas. Likewise it is a HIGH priority that these chemicals be vented to the exterior.

6. Metering Pumps

It is a HIGH priority that redundant metering pumps be installed in disinfection and primary coagulant feed systems where a production facility outage cannot be tolerated. The installation of calibration cylinders is a LOW priority.

7. Special Valves

The installation of pressure relief valves on feed systems with the capability of producing pipe bursting pressure is a HIGH priority.

The installation of backpressure/anti-siphon valve, in series with a second anti-siphon valve is a HIGH priority in low pressure systems (<30 psi). The installation of a single anti-siphon valve is a HIGH priority in higher pressure systems. The installation of valve testing fittings is a HIGH priority.

8. Feeding From Drums

It is a HIGH priority that the weight, or level of an on-line chemical drum be monitored. The inclusion of a low weight alarm is a LOW priority.

The upgrading of existing ventilation systems for drum feed areas is a MEDIUM priority and must be evaluated on a site and chemical specific basis.

9. Inventory Monitoring

It is a HIGH priority that a near-instantaneous means of determining tank level or weight be provided for bulk tanks, day tanks, and feed drums.

10. Secondary Containment

It is a HIGH priority that secondary containment be provided not only for the bulk tank and day tank, but also for the transfer pumps and metering pumps and the interconnecting piping. It is a HIGH priority that the minimum secondary containment volume is 100 percent of the largest tank within containment. It is a HIGH priority that secondary containment be provided for drum storage areas.

The need for a protective coating, or liner on the secondary containment structure is a MEDIUM priority. In evaluating the need for a coating, the effect of corrosive

chemicals on structural components such as walls, columns, and surrounding areas must be considered.

The need to provide secondary containment for buried chemical piping is a MEDIUM priority. The effect of long term leakage on ground water quality, or the effect of a sudden release to the environment must be evaluated in determining the need for secondary containment.

11. Dilution Water

It is a HIGH priority that proper backflow protection be provided for chemical dilution water. The installation of a meter to monitor dilution water flow for each chemical is a LOW priority, as is a solenoid valve to stop dilution water flow in the event of a spill into secondary containment.

12. Leak Detection

The installation of a leak sump and sensor within secondary containment is a MEDIUM priority for existing systems. The utility of a leak sensor is higher for unmanned systems than for manned facilities.

13. Continuous Analyzers

The installation of continuous pH monitoring downstream of post-filtration caustic soda feed point is a HIGH priority. The installation of chlorine residual monitoring is a MEDIUM priority. The health effects of an accidental release should be considered in the site specific evaluation.

APPENDIX 2 – ATTACHMENT 2 RAW WATER QUALITY CONDITIONS FOR BASIS OF DESIGN

Raw water quality measurements made for nearby projects were reviewed, along with calculated seawater constituent concentrations based on three years of salinity measurements taken in Monterey Bay. A complete summary of raw water quality data from these sources is presented and discussed in a Technical Memorandum entitled “Raw Water Characterization for the MPWSP” found in the Background Documents for this RFP. The sources of these data are listed below:

- (1) Desalination pilot studies conducted along the California coast—Moss Landing (MWH, May 2010) and Santa Cruz/Soquel Creek (CDM, April 2010),
- (2) The Santa Cruz/Soquel Creek Watershed Sanitary Survey (Archibald Consulting et al., July 2010),
- (3) Monterey Bay salinity and temperature data reported by the Central & Northern California Ocean Observing System (2013), and salinity and temperature data from the Santa Cruz Wharf reported by Southern California Coastal Ocean Observing System (2013)
- (4) Vertical monitoring well data in the 180-Aquifer, from Well DMW-2, collected as part of the Regional Water Supply Project, and
- (5) Source water well data for the Sand City Desalination Plant, screened in the shallow Sand Dune Aquifer.

The slant wells serving as the intake for the Project are expected to pull approximately 3% brackish groundwater from the shallow Sand Dune Aquifer and/or 180-Aquifer. The Owner will be constructing a test slant well in the vicinity of the proposed well field for the Project. Due to environmental constraints, it is anticipated that the test well will not be available until the 1st Quarter of 2014. While the well is operating, samples will be taken and analyzed and this data will be made available to the Design-Builder. However, even this water may not be an exact representation of the water that will be produced when the entire well field has been in operation for some time.

Since slant well data are not yet available, Table 1 was prepared which contains water quality data that the Design-Builder shall use as a basis for design. The data in Table 1 are a best estimate of the raw water conditions for the MPWSP. Facility design shall be based on the Design Maximum values in Table 1. Both the average and maximum values will be used during Acceptance Testing of the RO system, discussed in Appendix 7.

Additionally, proposers are free to seek approval on their own and obtain their own ocean and or shallow dunes aquifer samples in advance of the test well. California American Water will also provide a limited amount of raw source water to proposers from the Sand City Desal plant.

Table 1 –Raw Water Quality Conditions for Basis of Design

Parameter	Units	Design Value ^{1, 2} (mg/L seawater)	
		Average	Design Maximum
Applicable for the Pretreatment System			
Color	color units	-	9
Turbidity	NTU	-	10
Total Organic Carbon	mg/L	-	4
Iron, total	mg/L	-	2
Manganese, total	mg/L	-	0.2
Applicable for the Reverse Osmosis System			
Salinity	PSS	33.57	37.00
Temperature	°C	12	8 to 20
Chloride	mg/L	19,030	21,000
Sodium	mg/L	10,604	11,700
Sulfate	mg/L	2,667	2,900
Magnesium	mg/L	1,262	1,400
Calcium	mg/L	405	500
Potassium	mg/L	392	570
Bicarbonate	mg/L	105	150
Carbonate	mg/L	16	-
Bromide	mg/L	71	110
Silica	mg/L	1.3	30
Barium	mg/L	0.013	0.16
Strontium	mg/L	7.81	15
Fluoride	mg/L	1.28	2
Boron	mg/L	4.8	5.4
pH	mg/L	8	8.3

¹ Design of the RO system, including high-pressure feed pumps, 2nd pass feed pumps, and SWRO and BWRO membranes, shall be based on the maximum design values.

² Acceptance Testing of the RO system shall be based on computer model projected future performance after 5 years, for both average concentrations and maximum concentrations, taking into account increased salt passage over time as the membranes age.

References

Archibald Consulting, Palencia Consulting Engineers and Starr Consulting (July 2010).
Proposed scwd2 Desalination Project Watershed Sanitary Survey.

CDM (April 2010). Seawater Reverse Osmosis Desalination Pilot Test Program Report.

Central & Northern California Ocean Observing System (2013).
<http://www.cencoos.org>.

MWH (May 2010). Coastal Water Project Pilot Plant Report.

Southern California Coastal Ocean Observing System. (2013). "<http://www.sccoos.org>."

APPENDIX 2 – ATTACHMENT 3
FINISHED WATER QUALITY BASIS OF DESIGN STANDARDS AND
WATER QUALITY ACCEPTANCE STANDARDS AND REQUIREMENTS

Finished water quality standards and requirements and Acceptance Standards and Requirements that will be used as the basis of design and acceptance testing are shown in Table 2C-1, for the pretreatment effluent (RO feed stream), the combined RO permeate, and the Finished Water after stabilization for corrosion control and disinfection with chlorine. The bidder shall design the facility to meet the water quality standards and requirements shown in Table 2C-1. Acceptance Test Standards and Requirements are discussed in Appendix 7 of the Design-Build Agreement. During Acceptance Testing, all treatment systems will be monitored in accordance with the requirements of Appendix 7 to demonstrate continuous successful treatment as stipulated by the treated water Acceptance Standards and Requirements shown in Table 2C-1 below. Acceptance Testing of the RO system shall also be based on computer model projected future performance after 5 years, for both average and maximum raw water design concentrations (refer to Appendix 2, Attachment 2), taking into account increased salt passage over time as the membranes age.

Table 2C-1 – Treated Water Basis of Design Standards and Acceptance Standards and Requirements¹⁰

Parameter	Units	Pretreatment Effluent		Combined RO Permeate		Finished Water After Stabilization	
		Maximum Average Concentration ^{1,2}	Not to Exceed Concentration ³	Maximum Average Concentration ^{1,2}	Not to Exceed Concentration ³	Maximum Average Concentration ^{1,2}	Not to Exceed Concentration ³
General and Inorganic							
Total Dissolved Solids (TDS)	mg/L						300
Turbidity	NTU	0.15 ⁴	1.0	0.1 ⁴	0.5	0.5 ⁴	1.0
Silt Density Index (SDI)	min ⁻¹	2 ⁴	4 ⁵				
Boron	mg/L			0.5	0.7	0.5	0.7
Chloride	mg/L			60	100	60	100
Bromide	mg/L			0.3	0.5	0.3	0.5
Sodium	mg/L			35	60	35	60
Iron, total	mg/L	0.02	0.04				
Manganese, total	mg/L	0.01	0.02				
Product Water Stabilization ⁶							
Hardness, total ⁷	mg/L as CaCO ₃					40 to 100	-
pH ⁷	pH units					7.7 to 8.7	-
Alkalinity, total ⁷	mg/L as CaCO ₃					40 to 100	-
Langelier Saturation Index (LSI) ⁷	-					0 to 0.2	-

Parameter	Units	Pretreatment Effluent		Combined RO Permeate		Finished Water After Stabilization	
		Maximum Average Concentration ^{1,2}	Not to Exceed Concentration ³	Maximum Average Concentration ^{1,2}	Not to Exceed Concentration ³	Maximum Average Concentration ^{1,2}	Not to Exceed Concentration ³
Calcium Carbonate Precipitation Potential (CCPP) ⁷	mg/L					0 to 5	-
Orthophosphate ⁷	mg/L as PO ₄					Set by Owner within the range of 1.0 to 3.5 mg/L	3.5
Disinfection and Disinfection Byproducts (DBPs)							
Total Chlorine Residual	mg/L as Cl ₂					Set by Owner for a target of 2 mg/L, within the range of 1.5 to 2.5 mg/L	3.5 mg/L
Trihalomethanes, total (TTHM) ⁸	µg/L					40	64
Haloacetic Acids, total of 5 (HAA5) ⁸	µg/L					30	48
Total Nitrosamines ^{8,9}	ng/L					5	8
Bromate	µg/L					5	8

¹ The **average** of the measured concentrations shall be below the Maximum Average Concentration at all times. This footnote does not apply to (a) turbidity or SDI, or (b) finished water total hardness, pH, alkalinity, LSI or CCPP; separate footnotes apply to these parameters.

² Maximum Average Concentration cannot be exceeded during the applicable period, which shall be (i) daily for continuous samples and samples collected every 15 minutes; and (ii) for the duration of the Acceptance Test, for samples collected daily or weekly.

³ No measurement shall exceed this value, at any time.

⁴ Measured values must be less than the “maximum average” concentration 95% of the time.

⁵ The maximum SDI limit applies unless more stringent requirements apply based on the SWRO membrane supplier warranty.

⁶ The Owner will set the conditions for product water stabilization to minimize corrosion in the existing distribution system. Conditions will likely not be set for all of these parameters concurrently.

⁷ Finished Water shall be within the “target range” at all times, where the target range is the target concentration set by the Owner, plus or minus the allowed variance shown in Appendix 7..

⁸ TTHM, HAA5, and total nitrosamine concentrations shall be determined using the Simulated Distribution (SDS) test method in Standard Methods (Method 5710C). Samples of the finished water where it enters the distribution system shall be collected, with no adjustment of chlorine residual or pH, and held at the temperature of the finished water at the time of collection (±2°C) for a 48-hour holding time.

⁹ Total Nitrosamines includes the 6 nitrosamine compounds on the EPA’s UCMR2-List 2; NDEA, NDMA, NDBA, NDPA, NMEA and NPYR.

¹⁰ These basis of design standards are also the Additional Finished Water Quality Acceptance Standards and requirements set forth in Appendix 7 (Table A7-7 for Finished Water, Table A7-11 for Pretreatment Filtration and Table 7-13 for Combined RO Permeate).

APPENDIX 2 ATTACHMENT 4

TYPICAL EQUIPMENT MANUFACTURERS
(not including Electrical)

1. GENERAL (applies to more than one area of the plant)

Equipment Description	Manufacturers
Ductile Iron Pipe	American Ductile Iron Pipe Griffin Pipe Products United States Pipe and Foundry
HDPE Pipe	CPChem Performance Pipe KWH Pipe Ltd.
Butterfly Valves w/Electric Operators	DeZurik Henry Pratt Company
Butterfly Valves w/Manual Operators	DeZurik Henry Pratt Company Clow Valve Company
Resilient Seat Gate Valves	Mueller Company Clow Valve Company United States Pipe and Foundry American Flow Control
Plug Valves	DeZurik Keystone Valve Company
Check and Air Valves	Golden Anderson Cla-Val APCO Val-Matic M&H
Electric Valve Actuators 208 VAC, 3 phase	Auma Actuators, Inc. Rotork EIM Beck (for modulating service)
Electric Valve Actuators – Light Duty 120 VAC	Flowserve Worcester Apollo Electra
Pneumatic Valve Actuators	Kinetrol
Bronze Ball Valves	Conbraco Industries Nibco Watts Regulator Company
Reduced Pressure Zone (RPZ) Backflow Preventers	Ames Company, Inc. Watts Regulator Company
Hoists and Cranes	Harrington Yale Shaw-Box ACCO
Air Blowers or Compressors	Ingersoll-Dresser Pump Company Roots Blower
Paint/Coatings	Carboline Paint Company M.A. Bruder and Sons (MAB) Sherwin Williams Company Tnemac Company, Inc.

2. PRESSURE FILTERS

Equipment Description	Manufacturers
Pressure Filters	Roberts Filter Group WesTech Hungerford and Terry

3. REVERSE OSMOSIS MEMBRANE SYSTEM

Equipment Description	Manufacturers
Cartridge Filters	Fil-Trek Parker Pentair
Thin Film Composite (TFC) Spiral Wound Reverse Osmosis Membranes	Toray Hydranautics Dow/Filmtec
FRP Pressure Vessels	Pentair Codeline Bekaert Progressive Composites
Energy Recovery Devices	Energy Recovery, Inc Flowserve
High Pressure Pump	Afton, Goulds, Sulszer, KSB, Torishima, Flowserve,

4. FINISHED WATER PUMPING

Equipment Description	Manufacturers
Vertical Turbine Pumps	Flowserve Goulds Peerless
Horizontal Splitcase Centrifugal Pumps	Flowserve Goulds Peerless
Variable Frequency Drives	See Electrical Equipment
Pump Discharge Control Valves – Resilient Seated Ball Valve	Henry Pratt Company GA Industries

5. CHEMICAL STORAGE AND FEED

Equipment Description	Manufacturers
XLHDPE Chemical Storage Tanks	Poly Processing Company
Steel Chemical Storage Tanks	Highland Tank Southern Tank Steel Structures, Inc
Diaphragm Metering Pumps	Milton Roy Company Pulsafeeder
Peristaltic Tube Pumps	Watson Marlow
Peristaltic Hose Pumps	Watson Marlow Verder
Magnetic Drive Centrifugal Transfer Pumps	March Manufacturing Inc. Iwaki Walchem
Batch Tank Scales	Force Flow Equipment Eaton Scales
PVC and CPVC Piping	Certainteed Corp. Pipe and Plastics Group
Chemical Ball Valves-Manual	Chemtrol Hayward Asahi
Chemical Ball Valves – Actuated	Nil-Cor

6. OTHER PUMPING EQUIPMENT

Equipment Description	Manufacturers
Sample Pumps – Centrifugal with Flooded Suction	Little Giant March Iwaki
Sump Pumps	Hydromatic KSB Weil ABS
Sludge/Wastewater Pumps	Flygt Hydromatic Yeomans ABS Weil ABS KSB Wemco Sulzer
Electric Motors	See Electrical Equipment

7. INSTRUMENTATION

Equipment Description	Manufacturers
Magnetic Flow Meters	Rosemount Siemens Krohne Endress Hauser ABB
Point Level Switch – RF Admittance	Drexelbrook ABB Endress Hauser
Ultrasonic Level Transmitters	Endress Hauser Drexelbrook Siemens
Radar Level Transmitters	Endress Hauser Ohmart-Vega Siemens Magnetrol
Turbidimeters	Hach
pH Analyzers	Hach Rosemount
Chlorine Residual Analyzers	Wallace & Tiernan/Siemens Depolox, Hach CL-17
Desktop Personal Computers	IBM Dell Hewlett-Packard
Laptop Personal Computers	IBM Dell Hewlett-Packard
Printers	Hewlett-Packard Epson
Modems	AMP (Allied Signal) Manmarc
Fiber Optic Modems	Hirshman
Microwave Radios	GE/Microwave Data Systems
Uninterruptable Power Supply	Best, APC
Human–Machine Interface Software	Iconics, GE Intellution IFIX
PLCs	Allen Bradley
PLC Cabinets	Hoffman, Rittal Saginaw Controls

APPENDIX 2 - ATTACHMENT 5

[RESERVED]

APPENDIX 2 ATTACHMENT 6

Typical Electrical Equipment Manufacturers

Equipment Description	Manufacturers
MV Switchgear – Vacuum Breaker, Draw-Out	Cutler-Hammer Siemens General Electric Square D
Medium Voltage Automatic Transfer Switchgear (Circuit Breaker Transfer Equipment – Manual or Automatic)	Cutler-Hammer Siemens General Electric Square D Or Acceptable Manufacturer from above provided by Generator Equipment Manufacturer (subject to Owner approval)
MV Fusible Switchgear	Cutler-Hammer Square D (<i>Note - HVLcc Type Equip Not Accepted</i>) Siemens General Electric S&C
MV Switchgear – SF6 Type	<i>Not Preferred Equipment</i>
MV Motor Control Equipment, MC Lineups (FVNR, RVSS Equipment)	Cutler-Hammer Siemens General Electric
MV Variable Frequency Drives	Toshiba Cutler-Hammer Siemens/Robicon
LV Power Distribution Equipment – (Swgr, Swbds, Panelboards, Circuit Breakers, etc)	Cutler-Hammer Square D Siemens General Electric
Transformers – Dry Type, VPI, VPE Insulation	Cutler-Hammer Square D/Sorgel Siemens ABB
Transformers – Cast-Coil	Square D/Sorgel ABB
Transformers – Liquid-Filled	<i>Not Preferred Equipment</i>
Protection Relays & Monitoring Relays for Voltage, Current, Phase Loss, Etc.	SEL (Schweitzer Engineering Laboratories) <i>Other acceptable manufacturers may include the following (subject to prior approval by AW Engr / Owner) All to be provided with Fiber-Optic Communications over Ethernet / Modbus TCP/IP</i>
Power Quality Metering, Motor Monitoring & Feeder Protection Relays	SEL 735, SEL 710, SEL 751A Other SEL devices as applicable for the design of the power distribution system. All to be provided with Fiber-Optic Communications capability Ethernet / Modbus TCP/IP
Low Voltage Motor Control Centers	Cutler-Hammer Square D Siemens

	General Electric
Full Voltage Motor Starters	Cutler-Hammer Square D Siemens General Electric
Reduced Voltage (Solid-State, Soft Start) Motor Starters	Cutler-Hammer Square D Siemens General Electric Danfoss Benshaw
Low Voltage Variable Frequency Drives – Stand Alone Applications (Free-Standing or Wall Mounted Units)	<u>Free-Standing – Wall or Floor Mounted</u> Toshiba ABB Siemens/Robicon Danfoss Benshaw Yaskawa <u>NEMA 4X Type (where required)</u> Yaskawa T B Woods <i>(Power distribution equip manufacturers equipment with Owner acceptance only)</i>
Low Voltage Variable Frequency Drives – Part of MCC Lineup/Equipment	Cutler-Hammer Square D General Electric Seimens
Low Voltage Automatic or Manual Transfer “Switches”	Cutler-Hammer ASCO 7000 Series (unless otherwise suitable) GE/Zenith Russelectric
Low Voltage Service Entrance Rated Automatic Transfer Equipment (Circuit Breaker Transfer Equipment – Manual or Automatic)	Cutler-Hammer/Eaton Russelectric Switchgear General Electric ASCO 7000 Series
Uninterrupted Power Supplies	APC Powerware General Electric Mesta Liebert MCG
Surge Protective Devices (UL-1449, Rev 3 Compliant and Listed/Labeled)	APT – Advanced Protection Technologies MCG APC
Lighting Fixtures – T-8 lamps, Program-Start Ballasts, Indoor Enclosed and Gasketed Fluorescent for Damp and Wet Locations (Process and Chemical Rooms)	EPCO GFF Series w/SS Latches Simkar EN 2 or 3 w/SS Latches Holophane ERS Series Lithonia FSW or FHE Series Others as accepted by Owner

	<i>(Note – the use of fixtures similar to Lithonia DMR Series, Columbia LUN Series, Simkar OV450, etc are generally prohibited due to on-going physical / performance issues associated with this type of design (limited latches retaining sealed integrity of the assembly)). Fixture selection is to take into consideration lamp output, lumen maintenance, and environmental factors associated maintainability of the overall system.</i>
Lighting Fixtures – T-8 lamps, Program-Start Ballasts, Indoor dry applications	Day-Brite, Benjamin, Keene, Lithonia and Others as accepted by Owner
Lighting Fixtures – T-8 lamps, Program-Start Ballasts, Indoor Hazardous Locations	Appleton Crouse-Hinds Killark Others as accepted by Owner
Lighting Fixtures – Outdoor	Holophane Infranor Devine Others as accepted by Owner
Lighting Control - Occupancy Sensors	Sensor Switch (High Humidity / Low Temperature Type) – process & chem. Areas Leviton, Hubbell, P&S along with others mfgs and products to be provided as determined suitable for the location and environment where installed. <i>NOTE: Technology (passive IR, ultrasonic, or dual) to be based on location where installed.</i>
Lighting Control – Daylight Harvesting and/or Special Function and Dimming	Lutron Wattstopper Day Light Controls Others as accepted by Owner
Control and Timing Relays (“Ice-cube” relay style)	Diversified Potter Brumfield Syrelec Allen Bradley Square D Cutler-Hammer Seimens Releco Others as accepted by Owner
Push Buttons, Selector Switches & Pilot Lights (30 mm minimum size devices, NEMA 4X style preferred and high-intensity LED pilot lamps)	Cutler-Hammer Square D Seimens Allen Bradley Kraus & Naimer
Definite Purpose Relays and Contactors	Cutler Hammer Square D Siemens Allen Bradley
Industrial Plugs & Receptacles (Generators)	Meltric Corp. Hubbell Leviton Others as accepted by Owner

PVC Coated Rigid Steel Conduit	Ocal Robroy
Power Generation Equipment – (Diesel engine driven units)	Onan/Cummins Caterpillar Kohler Others only as determined accepted by Owner

APPENDIX 2 ATTACHMENT 7

GENERAL ELECTRICAL DESIGN CRITERIA

1. Basic Electrical Materials and Raceways:
 - a. All materials shall be suitable for the location and environment where installed.
 - b. Control panels and related enclosures shall generally be non-metallic type with non-metallic hardware; NEMA 12 minimum or 4X in corrosive areas unless otherwise accepted. The use of Stainless Steel enclosures should be limited to areas not exposed to a chlorine gas or fluoride areas / environments.
 - c. All feeders (and branch circuits rated 100 amps and larger) shall be provided in RGS conduit. Other building areas to utilize raceway materials as outlined herein (see 2 below) unless otherwise indicated. Exposed exterior locations may utilize rigid aluminum conduit where determined suitable for the application. The use of IMC is prohibited.
 - d. All conduit fittings to utilize gasketed screw covers; clip-type cover fastening type fittings are prohibited. Provide "Myers hub" type connectors associated with exterior and wet location enclosures.
 - e. Raceway penetrations into below grade located equipment / enclosures shall not enter the top; they shall enter the bottom side and be provided with a means for draining moisture from the raceway and sealed between the raceway and the enclosure with duct-seal material. These enclosures shall be provided with a vapor corrosion inhibitor (Cortec, or equivalent) sized appropriately for the interior volume of the cabinet.
 - f. Receptacles and switches to be heavy-duty rated, 20 ampere minimum rated; material type and configuration to be suitable for the application.
 - g. Control Station devices should be NEMA 4X rated where available; all devices to be 30 mm minimum size for gloved operation. All pilot lights are to be high intensity LED type; red for "run", green for 'off". Other colors to be coordinated with the Water Company; generally in accordance with NFPA-79, Table 10.3.2.
2. Raceway material and general applications:

The following general criteria are to be used for raceway material selection and installations. This listing is not intended to address all applications and/or specific equipment requirements which may be outlined elsewhere on the Engineer's Drawings or indicated in the Specifications.

- a. Industrial Buildings and Related Type Facilities or Areas
 - 1) Chemical Storage and Dispensing (non-hazardous materials)
 1. Exposed from Finished Floor to 8'-0" AFF
 - a. PVC Coated RS Conduit and Liquidtight Flexible Metal Conduit
 - b. Outlet and Junction Boxes - PVC Coated, Cast Type, FD capacity for use with the PVC Coated RS Conduit
 - c. All outlet cover plates to be "in-use", weather-protected type and gasketed
 2. Exposed 8'-0" AFF and above within the room
 - a. PVC Schedule 40 Conduit may be used in lieu of PVC Coated RS Raceways. Where provided, the Contractor shall include the use of expansion and axial connectors as recommended by the non-metallic raceway Manufacturer (not just at building expansion points)
 - b. Junction Boxes - PVC, FD capacity for use with the PVC Conduit System
 3. **NOTE:** No "in-floor" conduit or floor penetrations are permitted within chemical containment areas.

Engineers NOTE - Potentially, a listing or some other form for identifying which chemicals / areas require the use of seal-offs will need to be determined and included in the Contract Documents (below)

- 2) Transitions from Chemical Storage and Dispensing Areas to other building areas shall utilize PVC Coated RS Conduit within the area and transition to RGS material where extending to a non-chemical area. Provide seal-off fittings and appropriate sealing material (as specified) to prevent vapor transmission through the raceway system at this transition point inside the chemical area.
- 3) Hangers, Supports and Fasteners
 1. FRP Threaded Rod with non-metallic FRP channel supports and fasteners. In areas other than Chlorine and Fluoride environments, the use of 316 Stainless Steel threaded rod and fasteners also is permitted. Where the weight of the installation exceeds that permitted by the FRP materials, the use of 316 SS channel supports and threaded rod will be considered acceptable. PVC Coated steel channel supports is not accepted.

Engineers NOTE - "Damp" and "Wet" terms will need to be defined and included in the Contract Documents

- 4) *GENERAL NOTE: Raceways are not permitted to be installed concealed in water-bearing walls. All equipment, devices and raceways shall be installed on the dry-side wall surface using nominal 7/8" non-metallic channel support stand-offs installed vertically to all ventilation air to pass behind equipment and raceways. Fastening hardware to be 316 Stainless Steel*
 - 5) "Damp" Areas, including those where the ambient temperature of the space is to be maintained at less than 65 degrees F
 1. Rigid Galvanized Steel (RGS) Conduit and fittings
 2. Liquidtight Flexible Metal Conduit
 3. Exposed outlets - Cast Type, FD capacity
 4. Recessed Outlets (where permitted) - one-piece galvanized steel (expandable metal outlets not permitted)
 5. Coverplates - type as specified and/or indicated on the Drawings
 - 6) "Wet" Areas, including those where the ambient temperature of the space is to be maintained at less than 65 degrees F
 1. Rigid Galvanized Steel (RGS) Conduit and fittings or PVC Coated RS Conduit and PVC Coated fittings as indicated on the Drawings
 2. Liquidtight Flexible Metal Conduit
 3. Exposed outlets - Cast Type, FD capacity (PVC Coated where coated raceway systems are indicated on the Drawings)
 4. Recessed Outlets (where permitted) - one-piece galvanized steel (expandable metal outlets not permitted)
 5. All outlet coverplates to be "in-use", weather-protected type and gasketed
 - 7) Electrical, Mechanical (HVAC) and General Equipment Storage Rooms
 1. Rigid Galvanized Steel (RGS) Conduit and fittings
 2. Flexible Metal Conduit - Lighting Fixtures and similar type equipment
 3. Liquidtight Flexible Metal Conduit - motor (and similar equipment involving close proximity to water and/or oil) connections
 4. Exposed outlets - Cast Type, FD capacity
 5. Recessed Outlets (where permitted) - one-piece galvanized steel (expandable metal outlets not permitted)
 6. Coverplates - companion type as specified and/or indicated on the Drawings
- b. Administrative Buildings and Related Type Facilities or Areas

- 1) All areas within conditioned rooms (those spaces where heating and/or air conditioning/ventilation is provided to maintain a nominal ambient temperature of 68 degrees and higher)
 - 2) General Installations
 1. Electrometallic Tubing (EMT) for concealed raceways with compression fittings (set-screw fittings are NOT permitted)
 2. Rigid Galvanized Steel (RGS) Conduit and fittings for exposed raceways
 3. PVC Conduit is NOT to be used for any application other than for approved in-floor (or other encased in concrete) applications as outlined by these Documents.
 4. Flexible Metal Conduit - Recessed Lighting Fixture connections and similar type equipment terminations
 5. Liquidtight Flexible Metal Conduit - motor (and similar equipment involving close proximity to water and/or oil) connections
 6. Exposed outlets - Cast Type, FD capacity
 7. Recessed Outlets - one-piece galvanized steel (expandable metal outlets not permitted)
 8. Coverplates - companion type as specified and/or indicated on the Drawings
 - 3) In-floor (or other encased in concrete) Installations
 1. PVC Schedule 40 for 120 volt and greater general power / branch circuits; transition to metallic raceway system for continuation in or on wall as identified above. (Note - refer to VFD cabling installation requirements for special installation considerations)
 2. EMT for Data, Instrumentation and low voltage signal (less than 50 V) circuits; transition to metallic raceway system for continuation in or on wall as identified above.
 3. All transitions from "in-floor" to above floor in any area or room where water is also supplied in the room shall utilize PVC Coated RS Conduit sweeps to provide corrosion / physical protection; extend PVC Coated raceway minimum 6" AFF.
- c. Underground and Similar Raceway Applications
- 1) Encased in Concrete Raceway Installations - (Ductbanks, Equipment Bases, etc) as identified on the Drawings
 1. Conduits 2" in diameter and smaller- PVC Schedule 40 Conduit with PVC Schedule 40 sweep radius horizontal bends and PVC Coated RS Conduit sweep radius bends for vertical transitions to above grade or concrete surface.
 2. Conduits greater than 2" in diameter - PVC Schedule 40 Conduit with RGS sweep radius horizontal bends and PVC Coated RS Conduit sweep radius bends for vertical transitions to above grade or concrete surface.
 3. Note - Refer to VFD cabling installation requirements for special installation considerations that may alter the criteria outlined above
 4. Conduit supports, spacing and concrete / reinforcement to be as specified
 - 2) Direct Burial Raceway Installations - Ductbanks, Branch Circuits and Feeders as Identified on the Drawings
 1. Conduits 2" in diameter and smaller- PVC Schedule 40 Conduit with PVC Schedule 40 sweep radius horizontal bends and PVC Coated RS Conduit sweep radius bends for vertical transitions to above grade or concrete surface.
 2. Conduits greater than 2" in diameter - PVC Schedule 40 Conduit with RGS sweep radius horizontal bends and PVC Coated RS Conduit sweep radius bends for vertical transitions to above grade or concrete surface.
 3. Note - Refer to VFD cabling installation requirements for special installation considerations that may alter the criteria outlined above
 4. Conduit spacing and protective concrete cover to be as specified or detailed on the Drawings. Note, Direct Burial installations do not use conduit "chairs" or separators; embedment is provided by screening material only.

5. Transitions from underground to building or other structure to be provided as Detailed on the Drawings
3. *Lighting Systems*: Fluorescent lighting systems shall be used in the design for the interior of the buildings; HID lighting (HPS) shall be acceptable for exterior use. Illumination levels to be as recommended by IES for the space and tasks being performed. Lighting fixtures types are to be suitable for the environments where installed and shall be located (serviceable and accessible) for routine maintenance. Provide calculations and fixture catalog data/specification sheets for review and acceptance by the Water Company.
 - a. Night-lighting / means of egress lighting fixtures shall be incorporated in the normal lighting layout / scheme to ensure that all passages and exits remain illuminated in the event of a power failure. These fixtures may be switched providing they include the lighting transfer device integral with the fixture. Separate battery-powered emergency lighting units shall also be provided to augment this system and provide Code required egress lighting in the event of a power failure on the Stand-By Power System. These units are to be powered from the local areas night-lighting circuits and wired ahead of any switching. This pass-thru/night lighting should be un-switched; other lighting in the area or room to be controlled by means of suitable occupancy sensors.
 - b. Where otherwise required by the authority having jurisdiction , provide means of egress and emergency lighting systems in conformance with NFPA 101 (the Life Safety Code)
 - c. Illuminated Exit Signs: IF REQUIRED by CODE, provide LED type and placed inside the facility per the latest requirements of NFPA 101 (the Life Safety Code) as applicable.
4. *Cables*: Those rated for 480V and below shall be listed as XHHW, XHHW-2 for general underground, damp and wet locations and other similar areas. In addition, only XHHW-2 insulated conductor material is to be used with any variable frequency drive application. Dual-rated THHN/THWN type is for use ONLY in interior, (*Administrative Buildings and Related Type Facilities or Areas as previously defined*) dry locations. Insulation shall be UL listed for at least 90 degrees centigrade but applied at its 75 degree ampacity rating (maximum). Provide specific information in the Documents outlining where each type of conductor insulation material for review and acceptance by the Water Company.
5. *Grounding*: The electrical system and equipment will be grounded in compliance with the National Electrical Code. A buried grounding grid should be provided for the new switchgear and generators. Conductors shall be No. 3/0 AWG copper, minimum, for interconnecting ground rods and for connection to transformers and MCC's and other major electrical equipment. Electrical equipment, devices, panelboards, and metallic raceways will be connected to the ground conductors.
6. *Medium Voltage Switchgear*:
 - a. *Type of Equipment*: Tin-plated copper buss (phase and ground), 5 KV, 3-phase, 3-wire plus ground operating at 60 Hz. Draw-out vacuum circuit breakers. All components are U.L. listed. Switchgear equipment shall consist of standardized, freestanding structures bolted together for form a single dead-front panel assembly containing circuit breakers, control devices, protective relay and metering units and all interlocking and miscellaneous control / interface devices.
 - b. In general, Metal-Enclosed Switchgear is considered acceptable. Provide Metal-Clad Switchgear type design where required due to specific design and/or Utility considerations.
7. *Medium Voltage Motor Controllers*:

- a. Type of Equipment: Tin-plated copper bus (phase and ground), 5 KV, 3-phase, 3-wire plus ground operating at 60Hz. All components are U.L. listed. MCC equipment shall consist of standardized, freestanding structures bolted together for form a single dead-front panel assembly containing combination motor control units; feeder units; metering, relaying, and interlocking and miscellaneous control devices.
 - b. Starters: Full-Voltage NEMA rated fusible switch / contactor type combination controllers as required. The use of IEC rated controller is prohibited. Solid-state reduced voltage motor starters shall be utilized where required due to power utility requirements, process control of hydraulic transients, and/or engine-generator sizing considerations. The Engineer shall coordinate starter types with the Water Company.
8. Low Voltage Motor Control Centers/Motor Controllers:
- a. Type of Equipment: Tin-plated copper bus (phase and ground), 600V, 3-phase, 3-wire plus ground operating at 60Hz; provide a neutral bus only in those MCC assemblies where required. All components are U.L. listed. MCC equipment shall consist of standardized, freestanding structures bolted together for form a single dead-front panel assembly containing combination motor control units; feeder units; metering, relaying, and interlocking and miscellaneous control devices and will be of the per definitions in the latest edition of NEMA ICS 3 and UL 845.
 - b. Starters: Full-Voltage NEMA rated (Size 1 minimum) combination magnetic starters shall be utilized as required. The use of IEC rated starters is prohibited. Solid-state reduced voltage motor starters may be utilized where required due to power utility requirements, process control of hydraulic transients, and/or engine-generator sizing considerations. The Engineer shall coordinate starter types with the Water Company.
 - c. Circuit Breaker Compartments and Circuit Breakers: Control center disconnects shall be three-pole, single-throw, 600-volt, molded-case circuit breakers. Circuit breakers of combination starters shall be magnetic motor circuit protector type where appropriate. Feeder circuit breakers shall be thermal-magnetic type and shall be manually operated with quick-make, quick-break, trip-free toggle mechanism.
 - d. Enclosure Type: Match existing NEMA ratings in equivalent areas of the plant. Engineer shall also propose modifications to the NEMA rating if appropriate for intended service.
9. Power Monitoring: Provide microprocessor based SEL 735 metering unit on main incoming feeder circuit breaker. Unit shall compute voltage, amperes, power factor, kilowatt-hour, etc. Communications will be via fiber-optic cable back to a port on a plant remote terminal unit (RTU). Provide SEL 710 motor protective units motor loads larger than 100 horsepower wired to plant RTU for monitoring, trending and archiving. Other SEL protective relays to be provided as determined through the design; reviewed and accepted by the Owner.
10. Miscellaneous Power Distribution:
- a. Panelboards and Switchboards: Circuit breakers will be of the "Bolt-On" type;"Push-On" / "Plug-On" type circuit breakers are not allowed. Use plated copper type bus and ensure U.L. labeling of entire system.
 - b. Provide a transient voltage surge suppresser on the main of each power distribution panel where applicable. For more specific requirements for the protection of sensitive electronic instrumentation, see Instrumentation section.
 - c. Lighting and Power Transformers: Dry type to limit maintenance items. A minimum of (2) taps will be provided above rated voltage (in 2.5% increments) and a minimum of (2) taps will be provided below rated voltage (in 2.5% increments). Open type transformer cases are not allowed. All units located in wet or chemical areas will be of sealed type construction. Provide open ventilated type enclosures for other general dry, environmentally ventilated/conditioned

spaces. All transformers to utilize copper windings; 115 degree C rated. The Engineer shall examine the need to install transformers with a higher than average Basic Impulse Level (BIL) that is not normally required in the 480V class.

APPENDIX 2 ATTACHMENT 8

POWER SYSTEM STUDY REQUIREMENTS

SHORT-CIRCUIT, PROTECTIVE COORDINATION AND ARC FLASH ANALYSIS/EVALUATION

PART 1 - GENERAL

1.01 DESCRIPTION

- A. Provide all items of labor, materials and equipment necessary for investigation, development, evaluation and report generation of the work described in this Section. The entire power distribution system, new and existing equipment which is to remain, is to be included in the Study being provided for this Project.
- B. Visit the site to determine actual conditions, equipment and settings and related elements necessary to prepare a complete oneline diagram of the entire power distribution system. This oneline diagram shall include the equipment (loads/ratings), cable and raceway information and other data associated with the installations (new and existing) to allow evaluation and calculation of the various Studies to be provided in the Report outlined herein. Field work shall be coordinated with the Owner and shall follow all applicable safety standards for the activities required. The Contractor shall review / compare the Owner's operational and safety standards with his own and provide adequate PPE for those involved in any data gathering activities as outlined by applicable Regulatory Agencies. Failure to sufficiently determine existing conditions and equipment ratings / settings shall not be considered grounds for additional compensation.
- C. Furnish a complete Short-Circuit, Protective Coordination and Arc Flash Hazard Analysis Study per the requirements set forth in the criteria established for the Project, the criteria outlined herein this document, and as identified in the current version of NFPA 70E -*Standard for Electrical Safety in the Workplace*. The arc flash hazard analysis shall be performed according to the IEEE Standard 1584, the IEEE *Guide for Performing Arc-Flash Calculations*; modified as hereinafter identified. Temporary Arc-Flash labeling of the electrical equipment shall be provided upon acceptance of the pre-final study/report for equipment being transferred to the Owner for operational acceptance during the construction effort. Final Arc-Flash Labeling shall be provided as indicated after all field start-up / acceptance testing and adjustments have been made to the over-current protective and solid-state devices; these revisions are to be included and incorporated to the oneline modeling based on final "as-built" conditions.
- D. Studies shall be provided to the Owner in the Report submittals as indicated herein this Section. The Final (Record) Report shall address all final adjustments and modifications/changes provided during the construction and acceptance start-up of the equipment provided.
- E. Drawings and Material Data Sheets / Product Information provided by the Owner is considered as generally indicative of Power System but is not to be considered as matching actual site conditions. Modifications/field changes may have occurred which were not recorded; therefore, provide field verification as necessary to validate the Power System as Work under this project in preparation of the Short-Circuit, Protective-Coordination and Arc-Flash Study and Analysis.
- F. The approach to the evaluation and analysis work included in this assignment shall include, but not be limited to the following minimum level of effort;

1. Collect system and “as-installed” data associated with all electrical equipment, feeders, and devices associated with this Study/Report. This effort shall also include obtaining the necessary load-history and available fault current from the serving Power Utility Company.
2. Determine system modes of operation by conducting interviews with Owner’s Operational Staff
3. Determine bolted short-circuit and arc fault currents
4. Determine protective device characteristics and duration of arcs
5. Document system voltages and classes of equipment
6. Evaluate existing equipment short circuit ratings against computed available fault currents.
7. Arc Flash Hazard Analysis to select working distances as outlined herein, determine incident energy for all equipment and determine flash-protection boundary zones for all affected equipment

1.02 REFERENCES

- A. ANSI - American National Standards Institute, Inc.
 1. ANSI C57.12.00 – Standard General Requirements for Liquid-Immersed Distribution, Power, and Regulating Transformers
 2. ANSI C37.13 – Standard for Low Voltage AC Power Circuit Breakers Used in Enclosures
 3. ANSI C37.010 – Standard Application Guide for AC High Voltage Circuit Breakers Rated on a Symmetrical Current Basis
 4. ANSI C 37.41 – Standard Design Tests for High Voltage Fuses, Distribution Enclosed Single-Pole Air Switches, Fuse Disconnecting Switches and Accessories.
- B. ASTM - American Society for Testing and Materials
- C. IEEE - Institute of Electrical and Electronic Engineers
 1. IEEE 141 – Recommended Practice for Electric Power Distribution and Coordination of Industrial and Commercial Power Systems
 2. IEEE 242 – Recommended Practice for Protection and Coordination of Industrial and Commercial Power Systems
 3. IEEE 399 – Recommended Practice for Industrial and Commercial Power System Analysis
 4. IEEE 1584, Latest Edition -Guide for Performing Arc-Flash Hazard Calculations
- D. IPCEA - Insulated Power Cable Engineers Association
- E. NEMA - National Electrical Manufacturers Association
- F. NESC - National Electrical Safety Code
- G. NFPA - National Fire Protection Association
 1. NFPA 70 -National Electrical Code, latest edition
 2. NFPA 70E – Standard for Electrical Safety in the Workplace, latest edition

1.03 STUDY REQUIREMENTS

- A. The Work associated with this assignment must comply with all Federal and State, municipal or other authority's laws, rules and/or regulations. The Contractor shall enlist the services of a qualified, licensed Professional Engineer (hereinafter referred to as Engineer and/or Engineer-of-Record) to conduct the actual analysis, evaluation and development of the Report and Arc Flash labeling.

- B. As previously stated, the Power System Study / Analysis shall include All (*new and existing that is to remain*) Electrical Equipment; evaluations / analyses shall be conducted by a licensed Professional (Electrical) Engineer in the State where the Project is being provided; hereinafter referred to as the Engineer-of-Record or EOR during the detailed design phase of the Project to coordinate equipment selections, evaluate / select Over Current Protective (OCP) devices and settings for coordination and potential arc flash mitigation where appropriate and determined to provide a cost/benefit.
1. In general (not limited to) and starting at the Utility, all electrical equipment including the main service transformer, Utility OCP device and system ratings shall be evaluated and included in this Study.
 2. All medium voltage equipment, motors, transformers (primary and secondary) shall be included as well as all 480 VAC low voltage equipment, motors nominally 25 HP and larger, safety disconnect switches 100 amps and above, panelboards, transformers (primary and secondary locations). 120/208-240 VAC equipment shall be included in the Study in accordance with IEEE / NFPA criteria. Where this equipment is served from transformers smaller than 125 KVA, the Study shall include the reporting data and labeling based on the acceptable criteria; labeling of this equipment is still required.
 3. Refer to other criteria and reporting requirements are outlined elsewhere in this Document.
- C. The Report(s) / calculations must be supplied to the Water Company before final equipment and specifications are considered accepted or approved. The EOR shall provide documentation for all assumptions related to machine impedances, cable impedances (both resistance and inductance), transformer impedances and other equipment values used to complete the computations where obtaining actual data is not available. The EOR shall develop fault conditions under minimum, maximum, and average power consumption scenarios based on the way the plant is to be operated. The Engineer shall also develop fault scenarios with standby power generators where included and used instead of the electric utility source. Where applicable, Load Flow calculations and Reports are to be provided as outlined in the Design Criteria for differing operational scenarios or otherwise required for the Project. Arc Flash Hazard analysis and equipment evaluations to be provided as hereinafter indicated.
- D. All oneline diagrams included in the Study / Report shall utilize naming conventions and identifiers matching the Design Documents; generic identifiers are not considered appropriate. Coordinate equipment naming / identifiers with the Owner during the design development phase of the project taking into account the existing terminology used.
1. Provide annotated onelines for the Power Distribution System identifying all equipment and naming conventions as stated above.
 2. Provide annotated onelines identifying the available short-circuit current at each piece of equipment; include this in the Section of the Report associated with this topic.
 3. Provide annotated onelines identifying the Incident Energy and Arc Flash Hazard Level at each piece of equipment; include this in the Section of the Report associated with this topic.
 4. All onelines shall be legible and readable with a minimum 10 point font size; coordinate drawing size (not to exceed 22" x 34") accordingly. Provide sleeved drawing holders where printed size is larger than 11" x 17".
- E. Short Circuit, Protective Coordination and Arc Flash Hazard Analysis Study
1. A short circuit, protective coordination and arc flash hazard analysis study shall be made for the entire distribution system in accordance with ANSI/IEEE C37.10 & C37.13, IEEE Std. 141, 242 and 399 beginning at Utility connections and ending at the largest feeder from each motor control center or panel as applicable for the system and analysis being conducted. Actual Utility data including system and equipment impedances, X/R Ratios, OCP device(s) and other applicable ratings are to be obtained by the EOR; include this

- data as provided by the Utility Company in the Report provided.
2. The protective coordination study shall consist of the following:
 - a. All protective devices contained in the scope of work shall be evaluated to provide the best possible coordination and protection where possible. The coordination study shall include computer generated log-log plots of phase overcurrent and where applicable, ground overcurrent protection devices on log-log time-current characteristic paper. Complete plots of these devices will be accurately plotted through their operating range. A oneline sketch shall be included on each plot sheet showing the device identifications and ratings. Attempts are to be made by the Engineer to obtain complete coordination on every portion of the system where possible. Appropriate maximum fault levels, transformer inrush currents, conductor insulation withstand curves and transformer damage curves / withstand points shall be plotted on each coordination plot sheet to assure adequate component protection and maximum system reliability.
 - b. Each current transformer shall be checked for saturation to insure that they accurately translate all fault currents which may be available on the system.
 - c. A complete and thorough discussion of each coordination curve sheet shall be prepared. This discussion will describe the areas where coordination is effective, as well as any instances where a lack of coordination exists. All protective relay and solid-state device settings; fuse sizes; and low-voltage circuit breaker settings shall be tabulated. Recommendations for equipment and/or conductor changes which may be necessary to improve protection and/or coordination shall also be provided in a section of the completed coordination study. The recommendations should include discussion on additional devices/replacements and adjustments to existing equipment.
 - d. A complete set of coordination curves (complete with device settings indicated on the TCC) are to be prepared starting with the Utility Company's OCP device(s) and the main distribution devices protecting the Owner's service down through and including all on-site services, feeders, sub-feeders, transformers and secondary main and branch circuit devices, shall be included in the Study. These shall be arranged to provide a uniform approach to the review and device coordination for the system and shall include a snap-shot/annotated oneline diagram on each TCC sheet outlining the devices included. Provide sufficient overlap on the TCC evaluations included to demonstrate "upstream / downstream" coordination.
 - e. The final selection and setting of overcurrent devices shall be based on this protective coordination study; coordinate these settings with overcurrent relays or primary fuses associated with the Power Company's up-stream protective devices and relative devices provided by the switchgear manufacturer
 - f. The EOR conducting the Study shall also coordinate ground fault protection provided in conjunction with the project where applied. Provide Time Current Characteristic (TCC) curves for all GFI equipment protection as outlined above.
 - g. Motor starting voltage profiles for all large motors (over 25 HP or as otherwise determined and accepted by the Owner) shall be provided based on the starter type being provided; other motors to be configured as combined loads as applicable to the application
 - h. Tabulations shall include a listing of the worst-case calculated short circuit duties as a percentage of the applied device rating (automatic transfer switches, circuit breakers, fuses, etc.); the short circuit duties shall be upward-adjusted for X/R ratios that are above the device design ratings. This tabulation shall also include indication of acceptability or, in the event of a noted deficiency, provide recommended solution for corrective action.
 - i. Points of non-coordination shall be brought to the attention of the Owner, along with recommendations by the EOR based on the manufacturer's equipment involved.
 - j. The Study shall include all existing and new equipment as included in the Scope of

Work for this assignment. The use of documentation and record information as may be provided by the Owner shall not be construed as providing all data necessary; the EOR shall be responsible to conduct or obtain field verification necessary to determine / obtain all required data in establishing the power distribution one-line diagram for the system being evaluated.

- k. Submissions and approval of this study are required as outlined below in Article 1.06 of these specifications.
3. Arc Flash Hazard Analysis
- a. The arc flash analysis shall include the incident energy and flash boundary calculations.
 - 1) Unless otherwise specified or approved in writing by the Owner, the EOR shall utilize a Working Distance of 18 inches for ALL voltage levels (low & medium voltage values); not the 18" or 24" typical distances for low voltage systems and/or 36" for medium voltage systems as otherwise permitted under NFPA-70E / IEEE.
 - 2) Calculations shall be provided for both line and load sides of all transformers and the overcurrent protective devices served from these transformers or other separately derived sources and labeling developed to identify both Incident Energy / PPE sets of values. Equipment Arc Flash Hazard labeling to be provided indicating both Incident Energy and PPE Levels associated with these analyses to properly identify and notify workers to the hazards present.
 - b. The EOR shall furnish an Arc Flash Hazard Analysis Study per the latest edition of NFPA 70E - *Standard for Electrical Safety in the Workplace*, reference Article 130.3 and as indicated in Annex D to these specifications.
 - c. The analysis shall utilize the appropriate short-circuit and clearing times associated with the over-current protective devices. Where this information is not available, alternative methods for similar devices shall be identified and submitted in the study for review and comment by the Owner.
 - d. The flash protection boundary and the incident energy shall be calculated at all significant locations in the electrical distribution system (I.E. transformers, switchboards, switchgear, motor-control centers, panelboards, busways and other associated power equipment) where work (including inspection activities) may be performed on energized parts. [i.e. infrared scanning / thermal-imaging of terminations]
 - e. The Arc-Flash Hazard Analysis shall include all medium voltage where applicable, 480/277 volt locations as well as those locations associated with the 240 volt and 208 volt systems fed from transformers greater than 112.5 KVA. Where the arc-flash energy is calculated to be a value below the PPE 0 level (or 1.2 cal/cm²) of protection, the Analysis shall provide indication; however, electrical equipment shall still be labeled as part of the Work associated with this project.
 - f. Safe working distances shall be identified for calculated fault locations based upon a calculated arc flash boundary considering an Incident Energy level of 1.2 cal/cm²; (the distance at which the incident heat energy density would be 1.2 cal/cm²). Working distances shall be based on paragraph 3.a.1 above and in accordance with the general criteria as outlined in IEEE 1584. The calculated arc flash protection boundary shall be determined using those working distances.
 - g. The Arc Flash Hazard analysis shall include calculations for maximum and minimum contributions of fault current magnitude (based on the available fault-current values, not the AIC ratings of the equipment). The minimum calculation shall assume that the Utility contribution is at a minimum and shall assume a minimum motor load contribution from the Facility. Conversely, the maximum calculation shall assume a maximum contribution from the Utility and shall assume motors to be operating under full-load operating conditions. The calculations shall include all motor and other sources that can contribute to the available fault current. The Arc-

Flash Hazard Analysis shall be performed utilizing mutually agreed upon facility operational conditions, and the final report shall describe, when applicable, how these conditions differ from worst-case bolted fault conditions.

- h. As previously noted, Arc flash computations shall include both line and load side of “main” breaker calculations. Arc Flash calculations shall be based on actual overcurrent protective device clearing time. In general, AW does not consider the use of this IEEE Exception to be appropriate. However, where the EOR proposes using a maximum clearing time of 2 seconds (*based on IEEE 1584, Appendix B. 1.2*), the Study Report shall include the EOR’s supplemental evaluation & documentation regarding the physical conditions of the area, the type of equipment involved and the work tasks anticipated in making this recommendation for consideration and acceptance by the Owner. Where it is deemed not physically or readily possible to move outside of the flash protection boundary in less than 2 seconds during an arc flash event, the maximum clearing time based on the specific location shall be utilized unless otherwise proposed by the EOR through the evaluation of the area and tasks as outlined above.
- i. Results of the Analysis shall be submitted in tabular form, include device or bus name, bolted fault and arcing fault current levels, flash protection boundary distances, personal-protective equipment classes and the arc flash incident energy levels determined. In addition, the Study shall include the EOR’s recommendations for possible reduction in the arc flash energy as well as other possible provisions for improving operation, maintenance and safety of personnel.
- j. The Report shall also include identification of the Personnel-Protective Equipment (PPE) Classes and identify minimum PPE required for each location.
- k. Arc Flash Labeling of Electrical Equipment: Provide copies of the Arc Flash Labels (Article 3.03 below) in the Report for documentation of the information being identified on the equipment in a separately tabbed section of the report. Include in this section definitions of the terms and distances outlined along with information on the various PPE equipment classifications indicated.

1.04 SHORT CIRCUIT, PROTECTIVE COORDINATION AND ARC FLASH ANALYSIS STUDY QUALIFICATIONS

- A. The short-circuit, protective device coordination and arc flash hazard analysis studies shall be conducted under the supervision and approval of a Registered Professional Electrical Engineer skilled (*minimum of 10 years of demonstrated experience in conducting power systems studies; provide qualifications upon request*) in performing and interpreting the power system studies. The final report, including copies of the Arc Flash Labels, shall be sealed and signed by the EOR.

1.05 ENGINEERING STUDY / REPORT SUBMISSIONS

- A. Submit the following Reports for AW Engineering Review and Comment.
 - 1. Preliminary – Report to contain field verified and annotated One-line Power Riser Distribution Diagram with OCP devices, device settings and cable feeders (conductor size/type and raceway size/type) identified.
 - a. As part of this Preliminary effort, consideration related to new equipment selections shall include type of device, and features needed to assure adequate withstand suitability and over-current protective features needed for protective coordination with other elements of the power distribution system and loads served. Provide initial discussion and/or indication related to proposed equipment for Owner consideration and comment.

- b. Include the overall oneline diagram along with a oneline diagram indicating the initial short-circuit values anticipated based on Utility and simplified computer modeling approach. This information will provide basic evaluation for the equipment short-circuit / withstand ratings initially being considered / developed.
2. Pre-Final - Provide a written response to Owner comments provided regarding Preliminary Study Report. Advance the Preliminary Report, providing all calculations associated with Short-Circuit AIC values and Equipment suitability, initially identified Protective Coordination settings, and preliminary Arc-Flash Hazard Analysis Report with proposed / typical ANSI Z535.* label information (**current edition*) documentation. Where considered appropriate, this report is to be presented with a Recommendations Section (supplement to the Executive Summary) identifying any proposed modifications or other changes associated with reduction of fault current, improved protective coordination and mitigation of arc-flash energy being considered / recommended by the EOR. Preliminary PPE ratings will be clearly identified in the Report for each piece of equipment to assist in Owner's review. Recommendations for any modifications and/or changes shall include estimated costs related to the materials, installation/construction, and design/engineering.
 - a. Included in this Report, Oneline Drawings for the overall Power Distribution Power Riser diagram, an annotated oneline outlining the Short-Circuit ampacity values calculated, and an annotated oneline showing the Arc Flash Incident Energy and PPE Levels calculated. Each of these oneline diagrams shall be included in their appropriate Sections of the Report.
 - b. In addition, a copy of the oneline diagram with the OCP devices indicated shall be included with the Protective Coordination TCC's. Each TCC shall include the partial oneline drawing associated with the protective coordination elements being evaluated and included.
3. Final - Provide a written response to Owner comments provided regarding Pre-Final Study Report. Finalize the information associated with the Pre-Final Report; update data, settings and other appropriate information including any accepted Recommendations and/or Modifications.
 - a. Provide three hard-copies of each submission Report as well as editable Word electronic formatted Report document with the Final submission. Power Distribution Riser Diagrams shall be provided for all analysis configurations conducted including, but not limited to, short-circuit models for minimum and maximum operational scenarios and arc flash hazard models. Include hardcopies of equipment reports and calculations performed.
 - b. Submit an electronic copy of the final Arc Flash Hazard Analysis and One-line Power Riser Diagram, complete with all associated equipment databases formatted with the engineering software used and as outlined herein.
 - c. The report shall include the following sections:
 1. Executive Summary including Introduction, Scope of Work and Results/Recommendations
 2. Short-Circuit Methodology Analysis Results and Recommendations
 3. Short-Circuit Device Evaluation Table
 4. Protective Device Coordination Methodology Analysis Results and Recommendations
 5. Annotated and revised oneline diagrams (all) as outlined in "2" above shall be provided with the Final Report.
 6. Protective Device Settings Table
 7. Time-Current Coordination Graphs and Recommendations
 8. Arc Flash Hazard Methodology Analysis Results and Recommendations including the details of the incident energy and flash protection boundary calculations, along with Arc Flash boundary distances, working distances, Incident Energy levels and Personal Protection Equipment levels.

9. Arc Flash Labeling section showing types of labels to be provided. Section will contain descriptive information as well as actual copies of the label images.
 10. One-line system diagram that shall be computer generated and will clearly identify individual equipment buses, bus numbers used in the short-circuit analysis, cable and bus connections between the equipment, calculated maximum short-circuit current at each bus location, device numbers used in the time-current coordination analysis, and other information pertinent to the computer analysis.
4. Upon acceptance of the Final Report, provide labeling of the power distribution equipment in accordance with ANSI Z535.4– Product Safety Signs and Labels; label size to be 4” x 6”. Labels to be provided as outlined in Article 3.03 below. Label materials furnished to be suitable for either the interior or exterior locations where they are to be applied; provide samples for review and approval by the Owner along with data sheets from the Manufacturer outlining these applications.

1.07 COMPUTER ANALYSIS SOFTWARE

- A. The studies shall be performed using ETAP power systems software as provided by OTI, or SKM Systems Analysis Power Tools for Windows (PTW) software program.
- B. Provide a final electronic file copy of all data, reports and the oneline diagram in electronic engineering database (ETAP or SKM) format to the Owner prior to final acceptance of the Project. This information is to be validated by the EOR as representing “As-Built” conditions including all over-current protective devices and their settings, feeder conductors and raceway information and load data; including inductive, resistive and combination loads. The files shall contain all Reports (in Microsoft Word) conducted including Short-Circuit evaluations, Protective Coordination and Load Flow Studies as well as the Arc Flash analysis values determined as well as copies of the Arc Flash labels. The EOR for the Study shall attest to this validation in writing when submitting the final electronic copy of the project.

PART 2 – PRODUCTS - Not Applicable

PART 3 - EXECUTION

3.01 FIELD INVESTIGATION / DATA COLLECTION

- A. Continuity of Service:
 1. If any service or system must be interrupted, the Contractor / Engineer shall request permission in writing stating the date, time, etc. the same will be interrupted and the areas affected. This request shall be made in sufficient time (approximately 1 week minimum in advance) for proper arrangements to be made. Written permission shall be obtained from the Owner before any interruption to electrical power is permitted.
- B. Lock-Out / Tag-Out Procedures
 1. The Contractor shall provide his own lock-out / tag-out equipment in coordination with the Owner’s program; coordinate with the Owner’s field operational and maintenance staff.
 2. The Contractor shall have in effect a written safety program that includes a lock-out / tag-out safety program in accordance with OSHA under Part 1910, Subpart S.
- C. Electrical Safety Program

1. The Contractor shall review the Owner's Electrical Safety Program and take the necessary precautions, in conjunction with his own safety program for employee protection.
 2. The Contractor is to have in effect a written electrical safety program that includes all applicable provisions of the NFPA-70E which has been adopted by OSHA under Part 1910, Subpart S.
- D. The Contractor shall provide written documentation indicating that his employees, those working on American Water projects, have been trained and certified on all provisions applicable to B and C above upon request from the Water Company.
- E. The Contractor's employees shall follow all provisions of Band C above including, but not limited to, the use of personal protective equipment (PPE), establish protective barriers, approach boundaries and documentation for such activities. Provide a written statement attesting to the above requirements prior to the start of the Field Investigation / Data Collection activities.

3.02 FIELD ADJUSTMENT

- A. The Contractor shall adjust protective devices settings based on the final accepted Study/Report provided by the Engineer; settings to be listed in a table format and submitted as part of the final O&M Manual for the equipment / system.

3.03 ARC FLASH WARNING LABELS

- A. The electrical equipment supplier or independent study engineer shall provide an ANSI Z535.4 compliant (size 4 in. x 6 in.) thermal transfer type two color die-cut arc flash label as provided by DuraLabel or Brady for each work location analyzed and included in this project. Material type to be suitable for the locations; IE indoor, outdoor, chemical resistively, etc.
- B. If the equipment will be energized prior to the application of the final labels, provide temporary labels until the final labels are applied. Temporary labels do not need to be of the materials specified above. Temporary labels shall be suitable for the environment (example 110 pound paper or 30 pound paper in a plastic "page protector"). [Note: label information to meet required criteria outlined herein for permanent labeling. Once final labels are available, remove temporary labeling and provide permanent labels as indicated.]
- C. The label shall have either an orange header with the wording, "**WARNING, ARC FLASH HAZARD**", or a red header with the wording, "**DANGER, ARC FLASH HAZARD**". The Danger signal wording shall be provided for all incident energy values calculated greater than 40 cal/cm²; Warning to be used for all values calculated below 40 cal/cm². These labels shall include the following information:
1. Location designation
 2. Nominal voltage
 3. Flash protection boundary
 4. Hazard risk category including PPE Classification
 5. Available Fault Current at this equipment location (*SS Value from study*)
 6. Incident energy
 7. Working distance
 8. Engineer, report number, revision number and issue date

Refer to Appendix for Sample Label and Information to be included

- D. Labels shall be machine printed, with no field markings
- E. Arc flash labels shall be provided in the following manner and all labels shall be based on recommended over-current device settings. Coordinate the data provided with the Arc Flash Study results and the ANSI labeling requirements. Quantities outlined below are considered minimum quantities necessary; provide additional labeling as may be required by Regulatory or Inspection Agencies at no additional cost to the project.
 - 1. For each transformer, 480 and applicable 240 and/or 208 volt panelboard, individually-mounted circuit breaker and safety disconnect device, one arc flash label shall be provided
 - 2. For each motor control center, one arc flash label shall be provided (*see footnote below*).
 - 3. For each low voltage switchboard, one arc flash label shall be provided (*see footnote below*).
 - 4. For each low or medium voltage switchgear, one arc flash label shall be provided (*see footnote below*).
 - 5. For medium voltage switches one arc flash label shall be provided (*see footnote below*).
 - 6. For each motor power terminal box, 25 horsepower and larger, one arc flash label shall be provided
 - 7. General Use Safety labels shall be installed on equipment in coordination with the Arc Flash labels. The General Use Safety labels shall warn of general electrical hazards associated with shock, arc flash, and explosions, and instruct workers to turn off power prior to work.

(Footnote – where control center, switchboard, or switchgear assemblies are dual-fed, provide on arc flash label at each main entrance device or section as well as at any “Tie” device location. For equipment that is front and rear accessible, provide the same labeling on the rear sections as outlined above.)

- F. Refer to the Appendix to this Section for examples of required labels.
- G. Labels shall be field installed by the (Contractor or Engineer) at the conclusion of the project after acceptance by the Owner.
- H. Provide written maintenance procedures and guidelines in accordance with NFPA-70E; Latest Edition

APPENDIX 2 - ATTACHMENT 9

[RESERVED]

APPENDIX 2 ATTACHMENT 10

CHEMICAL STORAGE ANALYSIS

POST TREATMENT CHEMICAL STORAGE ANALYSIS						
	Avg Pre MGD	Max Pre MGD	Avg 2nd Pass MGD	Max 2nd Pass MGD	Avg Post MGD	Max Post MGD
	24.0	28.0	4.1	4.1	9.6	11.2
	Sodium Hydrox Post 50%	Sodium Hydrox 2nd Pass 50%	Zinc Ortho Phosphate 32.5%	Sodium Hypochlorite to Filters 0.8%	Sodium Hypochlorite to Post 0.8%	Sodium Hypochlorite Total 0.8%
Active Ingredient Concentration	6.4	6.4	3.8	0.07	0.07	0.07
Units	lb/gal	lb/gal	lb/gal	lb CE/gal	lb CE/gal	lb CE/gal
Form	Liquid	Liquid	Liquid/	Liquid	Liquid	Liquid
Density Deliv. (lb/gal)	12.76	12.76	11.68	8.34	8.34	8.34
<u>Dose</u>	Dose, (mg/L) as Active Ingredient					
Minimum	2.0	5.0	0.5	0.50	1.00	
Average	3.0	10.0	1.0	2.00	1.50	
Maximum	5.0	20.0	3.0	3.00	2.50	
<u>Dose</u>	Average Flow - Pounds per Day of Active Ingredient					
Minimum	160	171	40	100	80	180
Average	240	342	80	400	120	520
Maximum	400	684	240	600	200	801
<u>Dose</u>	Maximum Flow - Pounds per day of active ingredient					
Minimum	187	171	47	117	93	210
Average	280	342	93	467	140	607
Maximum	467	684	280	701	234	934
	Average Flow Feed Rate - Volumetric Basis					
<u>Dose</u>	gal/day	gal/day	gal/day	gpm	gpm	
Minimum	25	27	11	1.0	0.8	
Average	38	54	21	4.2	1.3	
Maximum	63	107	63	6.3	2.1	
	Maximum Flow Feed Rate - Volumetric Basis					
<u>Dose</u>	gal/day	gal/day	gal/day	gpm	gpm	
Minimum	29	27	12	1.2	1.0	
Average	44	54	25	4.9	1.5	
Maximum	73	107	74	7.3	2.4	
Storage	<i>SALT: 3 lbs/Chlorine Equivalent</i>					
Units	gals	gals	gals			
Max. Dose x Avg. Flow x 30 days	1,882	3,216	1,899	54,043	18,014	72,058
Avg. Dose x Max. Flow x 30 days	1,318	1,608	738	42,034	12,610	54,644
Avg. Dose x Avg. Flow x 30 days	1,129	1,608	633	36,029	10,809	46,837
Storage Volumes						
Delivery Size	Bulk Delivery 3,448 gal		Bulk Delivery 3,768 gal	Bulk Delivery 44,000 lbs SALT		
Storage Number	Bulk Tank 1		Bulk Tank 1	Bulk Tank 2		
Min Volume Each, gal	5,172		5,653			
Notes						1
NOTES						
Note (1) Bryneer Model 10-15 to receive 25 ton delivery						

PRETREATMENT CHEMICAL STORAGE ANALYSIS

Average Flow, MGD: 24.0 Filter Waste Flow, MGD 1.2 2nd Pass Inlet, MGD 4.1
 Max Flow:, MGD 28.0 Filter Waste Flow, MGD 1.4 2nd Pass Inlet, MGD 4.1

	Coagulant Ferric Chloride 40%	Sodium Bisulfite 38%	Sulfuric Acid 50%		Polymer Non-Ionic to Waste 35.0%	Threshold Inhibitor Pre 100%	Threshold Inhibitor to 2nd Pass 100%
Active Ingredient Concentration	4.7	4.2	5.83		3.1	10.4	10.4
Units	lb/gal	lb/gal	lb/gal		lbs/gal	lb/gal	lb/gal
Form	Liquid	Liquid	Liquid/ Neat		Liquid Emulsion Neat	Liquid Neat	Liquid Neat
Density Deliv. (lb/gal)	11.68	11.09	11.66		8.8	10.4	10.4
<u>Dose</u>	Dose, (mg/L) as Active Ingredient						
Minimum	2.0	1.5	5.0		0.2	2.0	2.0
Average	3.0	3.0	10.0		0.2	3.0	3.0
Maximum	5.0	6.0	30.0		0.8	6.0	6.0
<u>Dose</u>	Average Flow - Pounds per Day of Active Ingredient						
Minimum	400	300	1,001		2	400	68
Average	600	600	2,002		2	600	103
Maximum	1,001	1,201	6,005		8	1,201	205
<u>Dose</u>	Maximum Flow - Pounds per day of active ingredient						
Minimum	467	350	1,168		2	467	68
Average	701	701	2,335		2	701	103
Maximum	1,168	1,401	7,006		9	1,401	205
<u>Dose</u>	Average Flow Feed Rate - Volumetric Basis						
Minimum	86	71	172		0.65	38.4	7
Average	129	142	343		0.65	57.6	10
Maximum	214	285	1,030		2.60	115.2	20
<u>Dose</u>	Maximum Flow Feed Rate - Volumetric Basis						
Minimum	100	83	200		0.76	44.8	7
Average	150	166	401		0.76	67.2	10
Maximum	250	332	1,202		3.03	134.4	20
Storage							
Units	gals	gals	gals		gals	gals	gals
Max. Dose x Avg. Flow x 30 days	6,429	8,548	30,899		240	3,456	592
Avg. Dose x Max. Flow x 30 days	4,500	4,986	12,016		70	2,016	296
Avg. Dose x Avg. Flow x 30 days	3,857	4,274	10,300		19	1,728	296
Storage Volumes							
Delivery Size	Bulk Delivery 3,768 gal	Bulk Delivery 3,967 gal	Bulk Delivery 3,774 gal		Drum, 55 gal 55	Bulk Delivery 4,221 gal	
Storage Number	Bulk Tank 1	Bulk Tank 1	Bulk Tank 1		Drum 1	Bulk Tank 1	
Min Volume Each, gal	5,653	5,950	10,000		or 10 PAILS @ 5 GAL	6,331	
Notes		Note 1					

NOTES

1 - Excludes feed to Filter to Waste or Brine Discharge

APPENDIX 2 ATTACHMENT 11

CAD STANDARDS

CAPTIAL IMPROVEMENT PROJECTS

Table of Contents

AWW Drafting Procedures (Process)..... PAGE

Drawing Software 3

Externally Referenced Drawings (model space)3

Layering Convention3

File Naming Procedure - XREF Drawings4

Contract Drawings.....5

File Naming Procedure (Contract Dwgs)5

Text Styles & Dimension Styles8

Hatch Patterns.....9

Design Drawing Development Schedule10

Water Company No's.11

Miscellaneous Procedures

Addendum Sketches.....11

Working Sketches12

Markups (Redlining) for Drawings.....12

Appendices

Appendix A - Abbreviations13

Software

1. AutoCad software is the preferred drawing software. The most recent version of AutoCad should be used.

Drafting Procedures

EXTERNALLY REFERENCED DRAWING

1. Begin a new drawing with the Awwborder template file, **AWWBORDER.DWT**.

AutoCAD Template Files

FILENAME	DESCRIPTION
AWWMODEL.DWT	This template is to be used for all full-scale (real world) Model Space drafting.

2. Draw all items in real world measurements in model space. Ex: a pipe that is 100 feet long shall be drawn at 100 feet.
3. Save Drawing as per AWW file naming procedure (page 2) for externally referenced drawing using the normal save command icon.

Layering Convention

All layer names shall follow the AIA National CAD Standard layering standard. Absolutely **NO** numbers will be used as layer names.

Color Scheme

Colors shall determine the line weight of the object being drawn; the color scheme shall be as follows with the first color being the heaviest and the last being the lightest. **CYAN (4), GREEN (3), RED (1), BLUE (5), WHITE (7), YELLOW (2)**. Color **MAGENTA (6)** shall be used for all existing objects. The appropriate color will correspond with the discipline of the dwg. Ex: A concrete foundation will be color (4) Cyan on the structural dwgs but will be color (7) white on the mechanical dwgs for new items. All non specific discipline items will be color (7) white. Text and dimensions shall always be color yellow (2). All bold text shall be color cyan (4). All new hatch patterns will be color 253 on all disciplines except if that item is being described or detailed then you would use a heavier color such as blue or red (new items). The color will be changed on the contract dwg (layout) to agree with the discipline of that dwg. All discipline driven items shall be color (4) cyan or color (3) green or color (1) red or color (5) blue depending on the complexity of the individual detail and its viewport scale. **EX: If a detail shows information regarding a complex steel detail and if cyan was used, the detail bleeds into other items after it was plotted, then you would use color green or red to clearly show the information after it has been plotted. This will be at the user's discretion. Typically, cyan is used for the discipline driven item. All non-discipline items will always be color (7) white. All existing items on all disciplines will**

always be color (6) magenta. The Standard .ctb file will be supplied by AW for plotting to follow the above color scheme.

File Naming Procedure

Externally Referenced (XREF) Drawings

Xref drawing files should conform to an eight.three (XXXXXXXXX.DWG) naming structure and should identify the objects being drawn as clearly as possible. The following procedure shall be used to name and save Xref drawings:

First Character	=	X
Second & Third Characters	=	Location/Building Designation AV = Altitude Valve Vault BW = Backwash Tank CB = Chemical Building CW = Clearwell ET = Elevated Tank FB = Filter Building GE = Generator GS = General Site GST = Ground Storage Tank LM=Location Map OF = Office OFS = Outfall Structure PS = Pump Station RWI=Raw Water Intake SB = Sed Basin TP=Treatment Plant WW = Washwater Tank
Fourth Character	=	Dash (-)
Fifth Character	=	Discipline code A = Architectural C = Civil/Site work E = Electrical D = Process I = Instrumentation M = Mechanical (HVAC, Plumbing, Fire Protection) R = Removals S = Structural
Sixth & Seventh Characters	=	Drawing Type DT = Detail EL = Elevation FP = Floor Plan PR = Profile RP=Roof Plan SC = Section SH = Schematic

Externally Referenced (XREF) Drawings (cont'd)

Eighth Character = Floor Level or Revision (if necessary, otherwise don't use)
Could also be the Section Number (1,2) or Elevation Direction (N, S, E or W)

For Example:

XCB-MFP1.DWG would be the Chemical Building, Mechanical first floor plan.

XAV-SSCA.DWG would be the Altitude Vault, Structural Section "A".

XFB-AE.DWG would be the Filter Building, Architectural Elevation.

Contract or Sheet Drawings

1. Begin a new drawing with the paper space template file, **AWWBORDER.DWT**. The **AWWBORDER.DWT** shall be used for all disciplines. **The AWWBORDER.dwt shall never be exploded, revised, renamed or scaled. Also, the AWWBORDER.dwt will not be xreferenced into a drawing, a new drawing shall be started each time using the AWWBORDER.dwt. Sheet sets will be acceptable.** The limits will remain at **0,0 & 36,24** and be plotted at 1:1. All attributes inside the AWWBORDER.DWT will be filled out according to AWW naming convention for new drawings. AWW uses a document management program and it is **VITAL** that the border template and block remain as is.

AutoCAD Template Files

TEMPLATE NAME	DESCRIPTION
AWWBORDER.DWT	This template is to be used for all layouts and annotation in the Paper Space environment. This template is to be used for all drawings slated to be xrefs once the title block information is deleted.

2. Enter necessary information into the AWW title block with DDATTE icon.
3. Save the drawing as per the AWW File Naming Procedure for Contract Drawings. See attached .pdf file.
4. Toggle to Model Space. Attach the required xref's.
5. Toggle back to Paper Space and create all necessary viewports with the MVIEW command while on the appropriate layer.

6. All dimensions and annotation shall be on the model space of the xref drawing following the Autocad normal standard procedure for dimensions and annotation. All text will be annotative and follow the AWW Text Style guide.

7. All contract Dwgs shall be plotted at a scale of 1:1. They will include a graphic scale and north arrow.

8. The title block shall contain all required pertinent information related to the project such as project title, location, engineer of record, date, WBS number, drawing number, sheet numbers and revision dates. In the case of CAD files the file path shall be placed on the drawing along with the plot date using AutoCAD's plot stamp.

9. Generally all drawings shall be aligned with project north to the top of the drawing sheet. A north arrow shall be placed on the drawing in a prominent location.

10. Each drawing shall display project notes in a tabular format when required. Notes shall be project specific as determined by the Project Manager or Designer. Drawing notes shall consist of, but not be limited to, items such as construction/restoration specification, reference map information, utility information etc.

If the drawing contains topographic information the drawing shall include a vertical datum note, which shall indicated the vertical datum utilized on the plan. It will also include surveyor information. Where a specific horizontal datum is utilized, a horizontal datum note shall be shown on the plan.

11. All drawing revisions made after official release of the drawing shall be dated and noted in the revision block. An Autocad generated plot stamp will be used on all plotted drawings.

12. All drawings that are issued outside of E&TS shall be updated in the title block as follows:

- (a) "Preliminary" – used for issue of any drawing prior to approval of Final Design. Drawings issued for permitting purposes shall not be stamped.
- (b) "Permit Set" – used for the issue of any drawing intended for permits.
- (c) "Bid Set" – used for the issue of any drawing intended for bidding.
- (d) "Issued for Construction" – used for issue of any drawing intended for construction.
- (e) "Record Drawing" – used for as-built drawings.

13. Standard survey note shall be added to the topo graphic sheet and read as follows: “All survey information is taken from a survey information is taken from a survey prepared by (name), (city), (state), registered card surveyor, (number #), prepared (date) for (water company)”.

14. All drawing sets shall include cover sheet with drawing index, logo, water co. name, project title, aww engineering name, and month/year.

IF the contractor uses their own title block/border due to their document management sytem, they shall insert the block named Awwblock.dwg and fill out all attributed information according to the AWW Standarads outside of the contractors border. This will allow the AWW document management tracking to take place.

File Naming Procedure

Contract Dwgs

- Design contract drawings are assigned numbers, which are based on a 3 to 4 digit company number, a 3 to 4 digit series number and a 2 to 4 digit discipline sheet number (A = Architectural, G = General, E = Electrical, H = HVAC, I = Instrumentation, M = Mechanical, P = Process, PL = Plumbing, R = Removal, S = Structural).

- For Example:

A drawing prepared for New Jersey American Water Company, Lakewood District, and is an Architectural Dwg would be 350-1234-A1, a Mechanical Dwg would be 350-1234-M1. The following sheets in the discipline would be consecutive, M2, M3, M4 etc.

- Drafting personnel in the AWW Corporate Engineering Office will assign drawing numbers. A detailed list is kept for all districts within a Water Company. Since all projects are unique, each drawing set must also have a unique number. To avoid any confusion or duplication of drawing numbers, please contact AWW Corporate Engineering for all drawing numbers. Please provide the following information when calling in: Project Name & Station (location), BP Number, Name of Consultant (if one is used), and approximate number of drawings in the set. System Engineering drafting personnel will then issue a drawing number for the contract drawings and the sequential number for manufacturer’s information drawings.

- The project design engineer prior to the start of drafting should prepare a drawing development schedule. The development schedule will provide the title of the project (line 1) and the discipline, location and type of drawing information (lines 2, 3 and 4) required to complete the title block of each drawing. Drawings should be numbered in accordance with this list.

- The electronic drawing filename will conform to an eight or nine.three (XXXXXXXXX.DWG) naming structure and **WILL EQUAL** the AWW drawing number but

without the dashes. Call AWW Corporate Engineering Cad Department for numbers (856)-727-6133

- For Example:

A drawing prepared for New Jersey-American Water Company, Lakewood District whose assigned drawing number is 350-1234-A1, would be electronically filed and saved as 3501234A1.DWG.

IF the contractor uses their own numbering system, all files shall be renamed electronically to follow the AWW standard listed above for final acceptance. The AWW design group will receive a CD containing all electronic drawing files numbered according to the AWW numbering system, including any xrefs, image files and .ctb files.

The table below lists the standard AWW text styles that are to be used when annotating drawings.

AutoCAD Text Styles

TEXT STYLE NAME	FONT	HEIGHT	DESCRIPTION
ROMANS	Roman Simplex	.1	Leaders & Notes & Dimensions
ROMAND	Roman Duplex	.15	Room Names, General Notes Title
ROMANDLG	Roman Duplex	.2	Headings, Titles
STANDARD*	Txt	N/A	Not Used

*AutoCAD Default Style – not used on AWW drawings.

AutoCAD Dimension Styles

Dimensions shall conform to the normal practices as set forth by Autocad for dimensions in model space, xrefs and viewports. All settings within the dimension variables will produce the final size in the viewports, text = .1, text style = Romans, arrow size = .125. Dimension layers shall conform to the AIA Layering standard.

HATCH PATTERNS

Standard Hatch Patterns

PATTERN	SCALE	ANGLE	DESCRIPTION
Steel			Sections through Steel Members
ANSI-37			Plans & Sections of Block Walls
AR-B816C			Elevations of Block Walls
ANSI-31			Plans of Brick Walls
AR-BRSTD			Sections of Brick Walls
BRICK			Elevations of Brick Walls
AR-CONC			Sections through Concrete
EARTH		45	Grade - New or Existing
INSUL			Sections through Wall Insulation
INSUL			Sections through Roof Insulation (other than batt)
GRATE			Grating - FRP or Aluminum
HOUND			Select fill (under slabs)
AR-SAND			Sand (i.e. Filter Media, Sub-base Material)
Aggregate			Broken Stone (under footers)
Sqshngle			Roof Shingles (elevation view)
Chainlnk			Chain link Fence (elevation view)
Chkdl			Checkered Plate (double line)
Chkds			Checkered Plate (single line)

NOTE: Scale of the hatch pattern shall be left up to the cad operator.

Design Drawing Development Schedule

AMERICAN WATER SYSTEM ENGINEERING DEPARTMENT IN-HOUSE DESIGN DRAWING DEVELOPMENT SCHEDULE

1ST LINE: PROJECT TITLE AS INDICATED IN BP MEMORANDUM

	2ND LINE	3RD LINE	4TH LINE
GENERAL	COVER SHEET		
CIVIL	CIVIL	LOCATION & VICINITY	PLANS
	CIVIL	SITE WORK & GRADING	PLANS
	CIVIL	SOIL EROSION & SED. CONTROL	PLANS
	CIVIL	SITE WORK	MISCELLANEOUS DETAILS
	CIVIL	OUTSIDE PIPING	PLANS
	CIVIL	OUTSIDE PIPING	PROFILES
REMOVALS	REMOVALS	LIMITS OF CLEARING	PLAN
	REMOVALS	PARTICULAR STRUCTURE	PLANS (at several elevations)
	REMOVALS	PARTICULAR STRUCTURE	SECTIONS
ARCHITECTURAL	ARCHITECTURAL	PARTICULAR STRUCTURE	PLANS (at several elevations)
	ARCHITECTURAL	PARTICULAR STRUCTURE	ELEVATIONS
	ARCHITECTURAL	PARTICULAR STRUCTURE	WALL SECTIONS
	ARCHITECTURAL	PARTICULAR STRUCTURE	DETAILS & SCHEDULES
STRUCTURAL	STRUCTURAL	PARTICULAR STRUCTURE	PLANS (at several elevations)
	STRUCTURAL	PARTICULAR STRUCTURE	SECTIONS
	STRUCTURAL	PARTICULAR STRUCTURE	DETAILS
MECHANICAL	PROCESS	OVERALL PLANT	SCHEMATIC
	PROCESS	OVERALL PLANT	HYDRAULIC PROFILE
	MECHANICAL	INTAKE/PUMP STATION/	PLANS (at several elevations)
	MECHANICAL	INTAKE/PUMP STATION/	SECTIONS
	MECHANICAL	CLARIFIER/FILTER BLDG./	DETAILS
	CHEMICAL PIPING	CLEARWELL/PUMP STATION	SCHEMATICS
	CHEMICAL PIPING	ETC.	PLANS (at several elevations)
	CHEMICAL PIPING	ETC.	SECTIONS & DETAILS
	PLUMBING	ETC.	PLANS
	PLUMBING	ETC.	SECTIONS
	PLUMBING	ETC.	DETAILS
ELECTRICAL	INSTRUMENTATION	OVERALL PLANT	PROCESS & INST. DIAGRAM
	INSTRUMENTATION	OVERALL PLANT	MOUNTING DETAILS
	ELECTRICAL	OVERALL PLANT	LEGENDS
	ELECTRICAL	OVERALL PLANT	MISCELLANEOUS DETAILS
	ELECTRICAL	OVERALL PLANT	SITE PLAN
	ELECTRICAL	OVERALL PLANT	ONE LINE DIAGRAM
	ELECTRICAL	OVERALL PLANT	SCHEMATIC DIAGRAMS
	ELECTRICAL	PARTICULAR STRUCTURE	PLANS (at several elevations)
	ELECTRICAL	PARTICULAR STRUCTURE	SECTIONS & DETAILS
	ELECTRICAL	PARTICULAR STRUCTURE	CONDUIT SCHEMATIC
	ELECTRICAL	PARTICULAR STRUCTURE	CABLE & CONDUIT SCHEDULE

NOTES:

Water Company No's.
Contact AWWSC Engineering for Drawing Prefixes
(856)-727-6133

Miscellaneous Procedures

Addendum Sketches

Addendum Sketches are 8 1/2" x 11" (A-size) drawings that are prepared during the bid phase to inform all potential contractors of a change in design. The need for such sketches usually arises during the contractors' review and bid preparation for a project. The Design Engineer for the specific project usually provides input for the Addendum Sketch.

An 8 1/2" x 11" attributed title block has been created and saved as 81-2X11A.DWG and should be inserted **into** a modified or newly prepared plan, section or detail. The size of the sketch has been selected for ease in faxing to the contractors. If a large area of an original drawing is affected by the change/clarification, the entire D-size sheet will be revised and reissued to the all bidding contractors. All clarifying plans, sections or details must also be added to the original bid set of documents for incorporation into the As-built or Record set. Each affected bid set drawing should be updated in a timely manner and the revision should be noted in the Revision block of the title block. Annotation should include: the Addendum number, the drafter's initial, and the current date. Leave space for the approving engineer to initial the revision.

The Addendum Sketch title block contains the following information: Title of Sketch (4 lines), Drafter's Initials, Project Engineer's Initials, Date Sketch was prepared, Project BP Number, Scale of Sketch, Addendum Sketch Number, Sketch Revision Date, and Reference Drawing Number. The Reference Drawing Number is the drawing number of the original design drawing in the bid set where the plan, section or detail was drawn. The Addendum Sketches are assigned drawing numbers in the following format: ADD-001, ADD-002, ADD-003, etc. Senior Drafting Personnel will assign drawing numbers. The original sketch will be filed with the Senior Design Drafter and a copy will be sent to the Approving Engineer for further markup or development.

Working Sketches

Working Sketches are 8 1/2" x 11" (A-size) drawings that are prepared after the project has gone to bid and has been awarded to a contractor. The need for such sketches usually arises during construction and should provide answers to the contractor's questions regarding field changes to the original design. The Design Engineer and/or the Construction Engineer for the specific project usually provide input for the Working Sketch.

An 8 1/2" x 11" attributed titleblock has been created and saved as N:\ACADCOM\BORDERS\81-2X11W.DWG and should be inserted **into** a modified or newly prepared plan, section or detail. The size of the sketch has been selected for ease in faxing to the contractor. If a large area of an original drawing is affected by the change/clarification, the entire D-size sheet will be revised and reissued to the contractor. All clarifying plans, sections or details must also be added to the original bid set of documents for incorporation into the As-built or Record set. Each affected bid set drawing should be updated in a timely manner and the revision should be noted in the Revision block of the title block. Annotation should include: a description of the change, the drafter's initial, and the current date. Leave space for the approving engineer to initial the revision.

The Working Sketch title block contains the following information: Title of Sketch (4 lines), Drafter's Initials, Project Engineer's Initials, Date Sketch was prepared, Project BP Number, Scale of Sketch, Working Sketch Number, Sketch Revision Date, and Reference Drawing Number. The Reference Drawing Number is the drawing number of the original design drawing in the bid set where the plan, section or detail was drawn. The Working Sketches are assigned drawing numbers in the following format: WS-001, WS-002, WS-003, etc. Senior Drafting Personnel will assign drawing numbers. The original sketch will be filed with the Senior Design Drafter and a copy will be sent to the Approving Engineer for further markup or development.

Redlining Procedure For Contract Drawings

Check prints of design contract drawings should be reviewed by the drafting group as well as by the engineering group before they are sent to external agencies for their review, comments or action. The following should be used as a guideline for redlining these drawings in a concise and consistent manner.

- Red Ink - should be used to indicate all revisions and corrections to a drawing
- Green Ink - should be used to indicate any desired deletions to a drawing
- Yellow Ink - should be used to indicate that any new or revised work has been done correctly
- Blue Ink - should be used by drafting personnel to indicate that a redlined item has been incorporated into the drawing. This will also assist personnel when reviewing the updated check print.

- Pencil - should be used to indicate notes or directions to drafting (things that drafting should do, but not things that should appear on the final drawing - i.e. “Move this electrical cabinet over 3 feet to the right”).

Appendix A

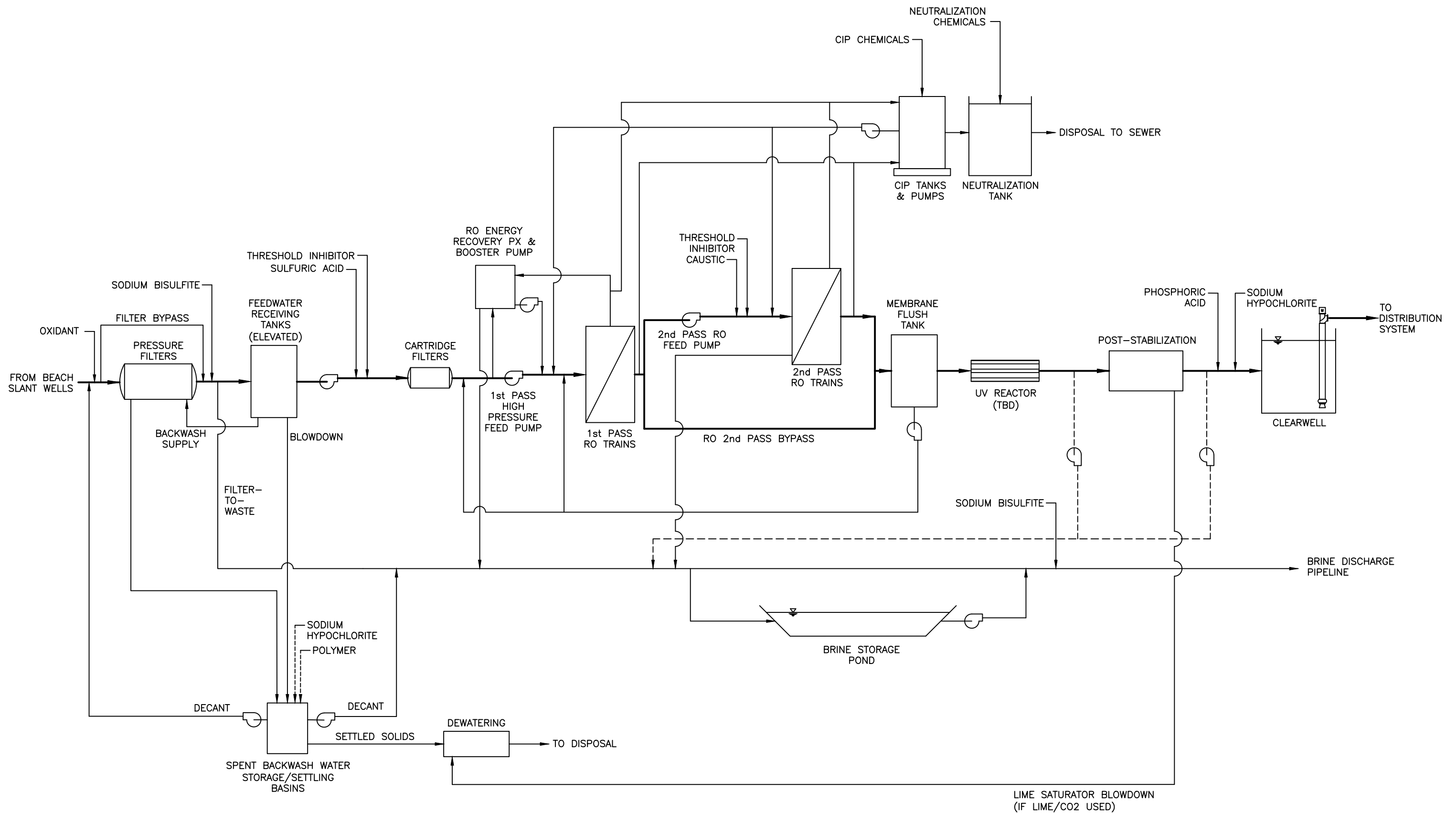
AWW Abbreviations

<u>Abbreviation</u>	<u>Description</u>
A.B.	Anchor Bolt
ADJ	Adjacent
ALUM.	Aluminum
ANSI	American National Standards Institute
APPROX.	Approximate
ARCH.	Architectural
AMP	Ampere
ASME	American Society of Mechanical Engineers
ASSY	Assembly
ASTM	American Society for Testing and Materials
UTO.	Automatic
AUX.	Auxiliary
AVG	Average
BLDG	Building
B.O.M.	Bill of Material
B.O.C.	Bottom of concrete
B.O.S.	Bottom of steel
BR	Bronze
BR	Brass
BTM	Bottom
C	Channel
°C	Centigrade, or Celsius
C to C	Center to Center
CFM	Cubic feet per minute
CHKD	Checked/Checkered (as in plate)
CI	Cast Iron pipe
CL.	Clearance
CM	Centimeter
COL.	Column
C.O.	Cleanout
CONC.	Concrete
CONSTR.	Construction
CONT.	Continued
CPLG	Coupling

CU.	Cubic
DEG(°)	Degrees
DIA.	Diameter
D.I.P.	Ductile Iron Pipe
DIM.	Dimension
DISCH.	Discharge
DN	Down
DPI	Differential Pressure Indicator
DWG	Drawing
E	East
EA.	Each
EA	Exhaust Air
E.F.	Each face
EL.	Elevation
ELL	Elbow
EQUIP.	Equipment
E.S.	Each Side
E.W.	Each way
EXIST.	Existing
EXPAN.	Expansion
F	Fan
°F	Fahrenheit
FD	Floor drain
FIG.	Figure
FL.	Floor
FLG	Flange
FLGD	Flanged
FPS	Feet per second
FS	Far side
FT(‘)	Foot or feet
FTG	Fitting
GAL.	Gallon(s)
GALV.	Galvanized
GPM	Gallons per minute
GND	Ground (as in electrical)
H	Height
HB	Hose Bibb
HEX	Hexagon(al)
HORIZ.	Horizontal
HP	Horsepower
HVAC	Heating, ventilation, and air conditioning
HZ	Hertz (frequency)
I.D.	Inside Diameter
IN.(“)	Inches
INV.	Invert (inside bottom of pipe)
JT.	Joint
KG	Kilogram

KVA	Kilovolt amperes
KW	Kilowatts
L	Length
LBS	Pounds
LR	Long Radius (of elbow)
M	Meter
MATL	Material
MAX.	Maximum
MCC	Motor Control Center
MECH.	Mechanical
MFR.	Manufacturer
MH	Manhole
MJ	Mechanical Joint (Pipe)
MIN.	Minimum
MISC.	Miscellaneous
MM	Millimeter
MVA	Megavolt amperes
N	North
N/A	Not applicable
NC.	Normally Closed
N.O.	Normally Open
NO.	Number
NOM.	Nominal
NPS	National pipe size
NPT	National pipe thread
NS	Near Side
NTS	Not to scale
OA	Outside air
O.D.	Outside Diameter
OH	Overhead
OPN'G.	Opening
ORIG.	Original
O.S.D.	Open Site Drain
P&ID	Process & Instrumentation Diagram
PE	Plain End (Pipe, etc.)
PERP.	Perpendicular
PL	Plate
PRESS.	Pressure
PRV	Pressure reducing/regulating valve
PSI	Pound per square inch
PSIA	Pound per square inch absolute
PSIG	Pound per square inch gauge
PVC	Polyvinyl chloride
QTY	Quantity
QUAD.	Quadrant
RED.	Reducing/Reducer
REINF.	Reinforcing/Reinforcement

REQ'D.	Required
REV.	Revision
RPM	Revolutions per minute
S	South
SCH or SCHED.	Schedule
SHT	Sheet
SLV	Sleeve
SQ.	Square
SR	Short Radius (of elbow)
S.S.	Stainless Steel
STD	Standard
STRUCT.	Structure/Structural
SUCT.	Suction
TEMP.	Temperature
THRU	Through
T.O.C.	Top of concrete
T.O.P.	Top of pipe
T.O.S.	Top of steel
TYP.	Typical
UG	Underground
UH	Unit heater
V	Volts
VERT.	Vertical
W	Watts
W	West
W	Width



THIS SCHEMATIC SHOWS OVERALL DESIRED PROCESSES, BUT IT NOT SUFFICIENTLY DETAILED TO SHOW ALL PIPING AND PROCESSES NECESSARY FOR A FULLY FUNCTIONING SYSTEM. THE DESIGN BUILDER IS ENCOURAGED TO INCLUDE FEATURES TO ENHANCE PLANT OPERABILITY.

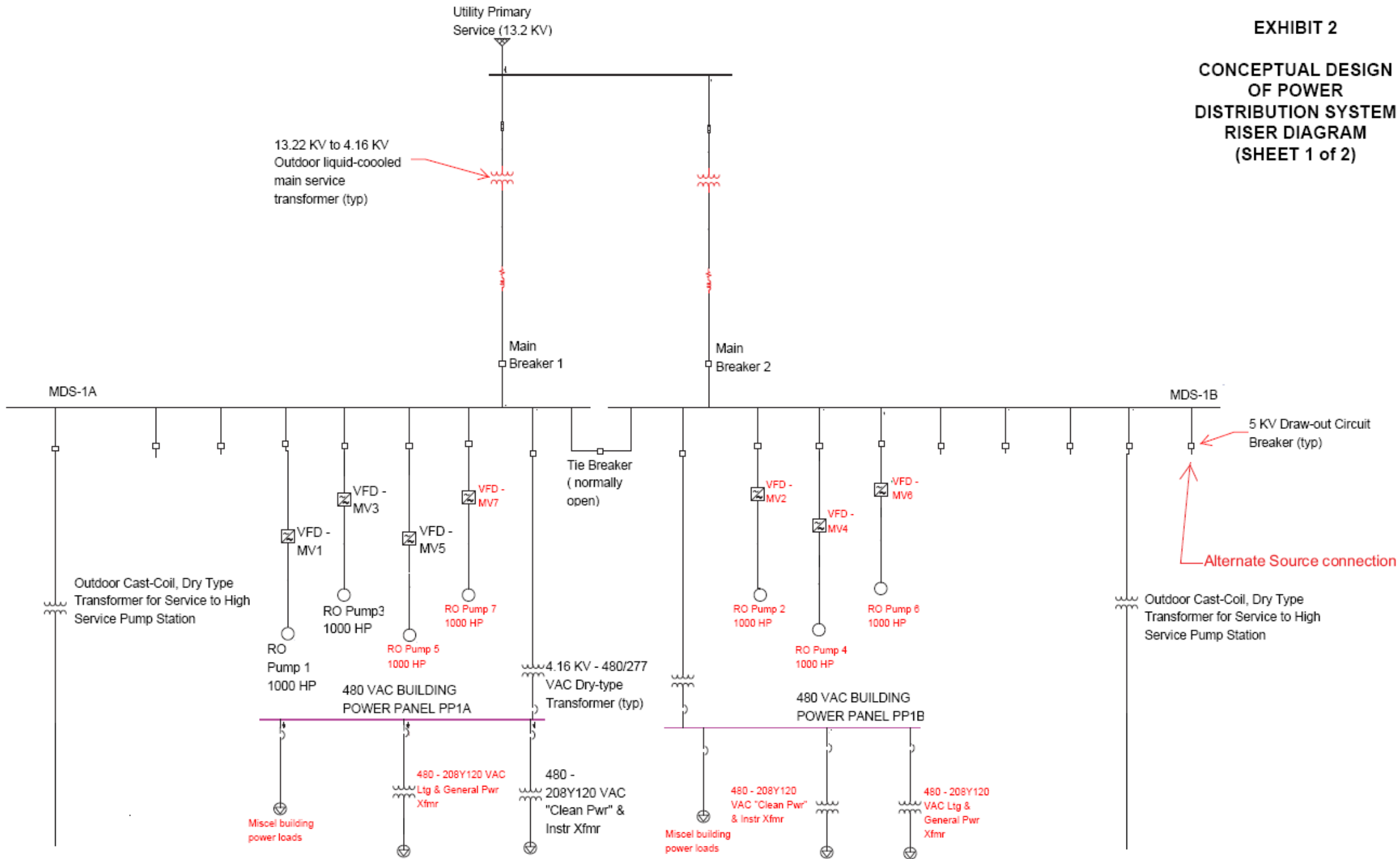
EXHIBIT 1
Preliminary Process
Flow Diagram

Monterey Peninsula WSP	
Drawn by E. Y. Idica, P.E.	Jun 2013
Design by C. C. Trussell, P.E.	Jun 2013
Design by S. Creel, P.E.	Jun 2013
Review by R. R. Trussell, P.E.	Jun 2013

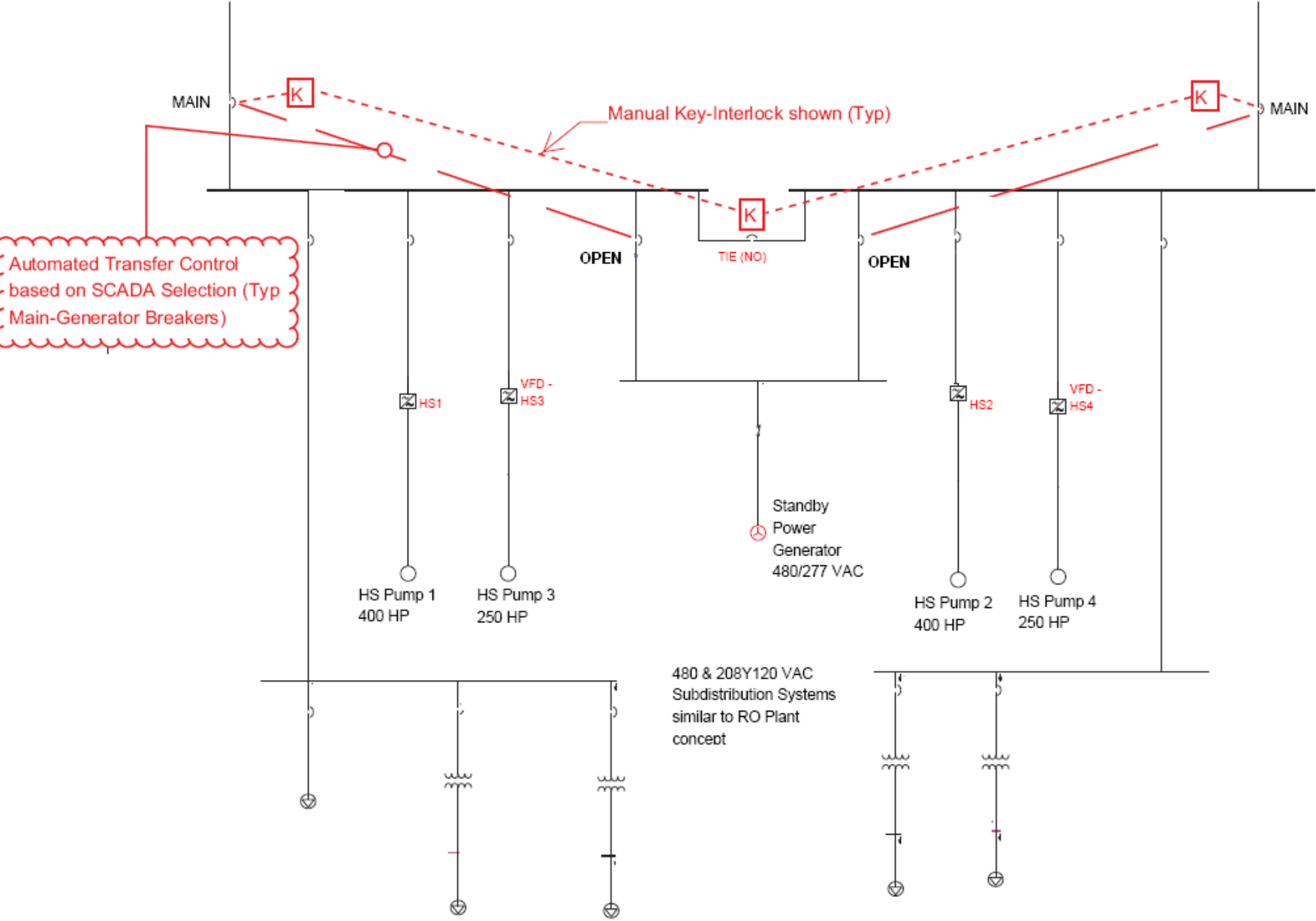


6/13/2013

EXHIBIT 2
CONCEPTUAL DESIGN
OF POWER
DISTRIBUTION SYSTEM
RISER DIAGRAM
(SHEET 1 of 2)



CONCEPTUAL DESIGN
OF POWER
DISTRIBUTION SYSTEM
RISER DIAGRAM
(SHEET 2 of 2)



HIGH SERVICE PUMP STATION - ONELINE DIAGRAM

Appendix 3

Governmental Approvals

Appendix 3

Governmental Approvals

3.1 Purpose and Objectives

The purpose of this Appendix is to provide a preliminary outline of the Governmental Approvals that are expected to be required for the design, construction and operation of the Project. Section 3.2 of this Appendix identifies Owner-designated Governmental Approvals. Section 3.3 identifies Governmental Approvals that are expected to be required to be obtained by the Design-Builder for the performance of the Design-Build Work. Notwithstanding the preliminary listing of Governmental Approvals in Section 3.3 of this Appendix, the Design-Builder shall be responsible for identifying and obtaining all Governmental Approvals (other than the Owner-designated Governmental Approvals) necessary for the performance of the Design-Build Work.

The Design-Builder shall be responsible for complying with the terms and conditions of all Governmental Approvals, including the Owner-designated Governmental Approvals.

3.2 Owner-Designated Governmental Approvals

Table 3-1 sets forth the Owner-designated Governmental Approvals that Owner shall be responsible for obtaining in connection with the Project. The Design-Builder's obligations with respect to assisting the Owner in obtaining the Owner-designated Governmental Approvals are set forth in Section 3.6 of the Design-Build Agreement.

Table 3-1

CAW-Designated Governmental Approvals

Federal Agencies	
Regulatory Agency	Regulatory Permit, Authorization or Approval
U.S. Fish and Wildlife Service (USFWS), Ecological Services Branch	Biological Opinion or letter of concurrence and Incidental Take Statement as a result of coordination under Section 7 Endangered Species Act, (ESA)
	Fish and Wildlife Coordination Act (16 U.S.C. 661-667e; the Act of March 10, 1934; ch. 55; 48 stat. 401)
U.S. Army Corps of Engineers (USACE)	Individual or Nationwide Permit in accordance with Section 404 Clean Water Act (33 U.S.C. Section 1344)

State Agencies	
Regulatory Agency	Regulatory Permit, Authorization or Approval
California Public Utilities Commission (CPUC)	Certificate of Public Convenience and Necessity (PUC Article 1)
California Department of Fish and Wildlife (CDFW)	Streambed Alteration Agreement (Fish & Game Code Section 1600) Incidental Take Permit in accordance with the California Endangered Species Act (CESA) (Fish & Game Code Section 2081)
California Coastal Commission (CCC)	Coastal Development Permit in accordance with the California Coastal Act (Pub. Res. Code Section 30000 et seq.)
California Department of Parks and Recreation Office of Historic Preservation	Coordination under Section 106 of the National Historic Preservation Act (NHPA) (16 USC 470 et seq.)
Regional Water Quality Control Board for the Central Coast Region	National Pollutant Discharge Elimination System (NPDES) permit in accordance with Clean Water Act Section 402 (33 U.S.C. Section 1342)
Local/Regional Agencies	
Regulatory Agency	Regulatory Permit, Authorization or Approval
Monterey Peninsula Water Management District (MPWMD)	Water System Expansion Permit in accordance with Ordinance 96 of the MPWMD Board of Directors
Monterey Regional Wastewater PCA	Brine Line Connection to PCA Outfall

[Note: To be finalized based on successful Proposal. If the Proposer’s design requires any modification to these Governmental Approvals, the Proposer shall assume the risk and responsibility with respect to obtaining such modifications and the appropriate Governmental Approvals will be moved to Table 3-2]

3.3 All Other Governmental Approvals

Table 3-2 identified Governmental Approvals that are expected to be required to be obtained by the Design-Builder for the performance of the Design-Build Work. The Design-Builder shall prepare and make all filings, applications and reports and take all other action necessary to obtain and maintain, and shall obtain and maintain, all Governmental Approvals set forth in Table 3-2.

Table 3-2

Governmental Approvals

Federal Agencies	
State Agencies	
Regulatory Agency	Regulatory Permit, Authorization or Approval
Regional Water Quality Control Board (RWQCB)	National Pollutant Discharge Elimination System (NPDES) General Permit For Storm Water Discharges Associated With Construction Activity (WQO No. 2009-0009-DWQ)
	Waste Discharge Requirements (WDR) per Porter-Cologne Water Quality Control Act. (Water Code Section 13000 et seq.)
	Water Quality Certification in accordance with Section 401 Clean Water Act (33 U.S.C. Section 1341)
California Department of Public Health (CDPH)	Permit to Operate a Public Water System (Health & Safety Code Section 116525)
Local/Regional Agencies	
Regulatory Agency	Regulatory Permit, Authorization or Approval
Monterey County	Encroachment Permit (Monterey County Code Title 14 Chapter 14.040)
	Use Permit (Monterey County Code Chapter 21.74)
	Combined Development Permit Process (Monterey County Code Chapter 21.76)
	Grading Permit (Monterey County Code Chapter 16.08)
	Erosion Control Plan (Monterey County Code Chapter 16.12)
	Permit to Construct Desalination Treatment Facilities (Monterey County Code Chapter 10.72)
	Protected Tree Removal Permit (Monterey County Code Chapter 16.60)
Monterey Bay Unified Air Pollution Control District (MBUAPCD)	Authority to Construct in accordance with Local Rule 3.1
	Permit to Operate in accordance with Local Rule 3.2

3.4 [Additional Information]

Additional information on required Governmental Approvals can be found in the January 9, 2013 Memorandum from RBF Consulting titled Permitting Status Update, and in the California American Water Company Coastal Water Project Final Environmental Impact Report, October 30, 2009, including Section 3.7 Permits, Approvals, and Regulatory Requirements, and Table 3-14, Potential Permits and Approvals for the CWP. The January 9, 2013 Memorandum from RBF Consulting is included as **Attachment 1** to this Appendix 3.

3.5 Proposal Requirements

In its Proposal, the Design-Builder shall provide an updated version of Tables 3-1 and 3-2 to identify each applicable Governmental Approval the Design-Builder expects to be required for the performance of the Design-Build Work. The updated listing of Governmental Approvals shall be included in Section E of the Technical Proposal as described in Section 4.5.3 of the RFP.]

Appendix 3 - Attachment 1

Memorandum from RBF Consulting

MEMORANDUM

To: Richard Svindland, California American Water
From: Kevin Thomas and Paul Findley, RBF Consulting
Date: January 9, 2013
Subject: **Permitting Status Update**

Background

Since July 2004, CAW has been working with the regulatory community and other stakeholders to develop the most environmentally sound and technically feasible project. This included an extensive Permit Coordination Center and public outreach program that was conducted when the Project was known as the Coastal Water Project, with over 50 public meetings and a series of regulatory agency workshops. CAW successfully obtained all necessary regulatory permits for the Moss Landing Desalination Pilot Plant, which operated for 12 months through late 2009. In 2011, nearly all discretionary permits were submitted or obtained for the prior, similar "2010 Monterey Regional Desalination Project". In 2010 and 2012, Final Environmental Assessment/Finding of No Significant Impact (EA/FONSI) NEPA documents were submitted to the U.S. Army for the Monterey Presidio Pipeline Crossing (March 2012) and the Aquifer Storage and Recovery Facilities (September 2010) at Fort Ord.

Monterey Peninsula Water Supply Project Permitting

The prior permitting work noted above provides CAW with a good foundation for regulatory permitting of the proposed Project. Current regulatory permitting activities include:

- 1) The CPUC CEQA process includes regulatory agency scoping as part of the Notice of Preparation (NOP) and related agency discussions to better understand and respond to permitting concerns. The December October 2012 NOP Scoping included written comments from key regulatory agencies and related environmental stakeholder organizations;
- 2) The CPUC CEQA process will include various technical studies that, together with a certified Subsequent EIR, will be essential components of the full-scale regulatory permitting process;
- 3) The list of regulatory permits and permitting agencies that were identified in the Coastal Water Project EIR is attached. It is anticipated that this list will be updated as part of the Subsequent EIR currently underway, and that permitting activities will be guided by that list and by the recommendations of that EIR;
- 4) CAW has been meeting with stakeholders and regulatory agencies since 2004, and most recently has met with key interest groups toward resolving Salinas Basin water rights concerns;
- 5) CAW has successfully obtained landowner consent from CEMEX for the test well, and continues negotiations with CEMEX regarding full-scale lease and access;

- 6) CAW has successfully closed escrow on acquiring the desalination plant site;
- 7) CAW is substantially complete with obtaining lease approvals from the U.S. Army for the Monterey Presidio Pipeline easement and for the ASR wells at Fort Ord;
- 8) CAW has had discussions with the City of Seaside and FORA concerning permitting and acquisition of a site or sites to accommodate the Terminal Reservoir and ASRPS.
- 9) Since May 2012, CAW has been exploring various design and siting options for the proposed test well, to demonstrate technical, environmental and permit feasibility of the subsurface slant well intake concept, generally located in north Marina at the CEMEX property.
- 10) Specific test well permitting activities have included the following:
 - a. Evaluation of test well sites from south of Reservation Road to north of Salinas River, including several potential locations and configurations at CEMEX, resulting in the currently proposed test well concept;
 - b. Several regulatory agency briefings for the proposed test well (held in September and October 2012);
 - c. Regulatory permit applications are in process for the following agencies and anticipated permits/approvals:
 - i. California Coastal Commission – Coastal Development Permit
 - ii. City of Marina – Coastal Development Permit, CEQA Lead Agency (for test well)
 - iii. County of Monterey – Coastal Development Permit (potential, depending on HDD launch and staging area on back side of dunes)
 - iv. State Lands Commission – lease
 - v. U.S. Army Corps of Engineers – Clean Water Act Section 404 compliance, Rivers and Harbors Act Section 10 Permit, NEPA Lead Agency
 - vi. Regional Water Quality Control Board – Central Coast Region – NPDES/WDR Permit, and Clean Water Act Section 401 Certification
 - vii. Monterey Bay National Marine Sanctuary – authorization and/or consultation as part of Coastal Act and Clean Water Act compliance
 - viii. U.S. Fish and Wildlife Service – Section 7 consultation through the U.S. Army Corps of Engineers
 - ix. California Department of Fish and Wildlife – consultation through the City of Marina CEQA compliance process
 - x. County of Monterey – Well Construction Permit (ministerial)
 - xi. State Historic Preservation Officer – consultation through the U.S. Army Corps of Engineers

Monterey Bay Regional Desalination Project Permitting Matrix

Agency or Department	Permit or Approval	Contact Information	CAW-only	Test Wells	Regional Desalination Project											Status / Notes (Date Updated: 10-28-11)	
					Brackish Source Water Wells	Brackish Source Water Pipeline	Desal Plant	Brine Discharge Pipeline	Product Water Pipeline	MCWD Tie-in Pipeline	Transmission Pipeline	Monterey Pipeline	Seaside Pipeline	Terminal Reservoir	ASR Pipeline and Wells		
FEDERAL AGENCIES																	
U.S. Environmental Protection Agency (USEPA)	Class V Underground Injection Control Program (Part C, Safe Drinking Water Act)		✓													X	
U.S. Fish and Wildlife Service (USFWS)	Endangered Species Act compliance (ESA Section 7 consultation)																Not required
	Fish and Wildlife Coordination Act (16 U.S.C. 661-667e; the Act of March 10, 1934, ch. 55, 48 stat. 401)																Not required
National Oceanic & Atmospheric Administration (NOAA) – Fisheries	Endangered Species Act compliance (ESA Section 7 consultation or ESA Section 10 approvals)	Jacqueline Pearson Meyer 777 Sonoma Ave, Room 325, Santa Rosa, CA 93941															
Monterey Bay National Marine Sanctuary	Review and coordination for all RWQCB 404, Section 10 and NPDES permits	Brad Damitz MBNMS Main Office, 299 Foam St. Monterey 93944			X	X	X	X	X	X	X	X	X	X	X	X	Consultation only; permitting through other state and federal agencies. Started coordination; conducted meeting. Submitted draft authorization permit application to MBNMS on 5/23/11.
	Authorization Permit				X?												
Presidio of Monterey	Coordination for Rights of Entry	Darcy Brewer, U.S. Army Presidio of Monterey 1759 Lewis Road, Suite 210, Monterey, CA 93944											X			X	
Fort Ord Reuse Authority / Army (FORA)	Coordination with FORA for Right of Entry (FOST/FOSL)	Stan Cook 100 12th St, Bld 2880, Marina, CA 93933	✓											X	X	X	No FORA right of entry required for MCWD facilities; only required for Seaside Pipeline, Terminal Reservoir and ASR wells and Pipeline.
U.S. Army Corps of Engineers (ACOE)	Nationwide Section 404 Permit (CWA, 33 USC 1344)		✓														No impacts to Waters of the U.S.
	Section 10, Rivers and Harbors Act Permit (33 USC 403)																No impacts to Waters of the U.S.
Federal Aviation Administration	Form SF-7460-1, Notice of Proposed Construction and Alteration for Airport Airspace Aeronautical Study																Permit only required if structures > 73 feet tall
STATE AGENCIES																	
California Public Utilities Commission	Certificate of Public Convenience and Necessity (PUC Article 1)	Andrew Barnsdale 605 Van Ness Ave. San Francisco, CA 94102	✓									X	X	X	X	X	Completed
State Water Resources Control Board, Central Coast Regional Water Quality Control Board	General Construction Activity Storm Water Permit (WQO 99-08-DWQ)	Mike Higgins - mhiggins@waterboards.ca.gov, 805-542-4649		X	X	X	X	X	X	X	X	X	X	X	X	X	Use State General Permit for construction; started coordination
	401 Water Quality Certification (CWA Section 401)																Not required; no 404 Permit required
	Waste Discharge Requirements. (Water Code 13000 et seq.)			X	X	X	X	X	X	X	X	X	X	X	X	X	Use low-threat General Permit for test well and pipeline testing; started coordination.
	National Pollutant Discharge Elimination System (NPDES) Permit (CWA Section 402)						X	X									Started coordination. Met with RWQCB and MRWPCA to discuss NPDES requirements.
	Facility Operations Stormwater Permit						X?										Use State General Permit for industrial sites
California State Lands Commission	Rights-of-Way (Land Use Lease) (California Public Resource Code Section 1900); Lease amendment	Jane Smith - jane.smith@slc.ca.gov, 916-574-1892 100 Howe Ave., Ste 100-South.							X?								Coordinating with SLC for jurisdiction determination.
California Coastal Commission	Coastal Development Permit (Public Resources Code 30000 et seq.)			X	X	X	X	X	X	X	X	X	X	X	X	X	Submitted Coastal Development Permit for the Monterey Bay Regional Desalination Project on April 1, 2011. Acquired all letters of concurrence from Local Coastal Programs. Submitted response to CCC Notice of Incomplete for RDP on 5/31. Submitted CDP for the Test Well Program on April 14, 2011. CCC continued the Test Slant well application at the August 2011 meeting. Continued coordinating with CCC.
California Department of Fish and Game (CDFG)	Streambed Alteration Agreement (California Fish and Game Code Section 1602)												X				Alignment requiring permit has been deleted
	California Endangered Species Act Section 2081 Incidental Take Permits (CESA Title 14, Section 783.2)	7329 Silverado Trail, Napa, CA 94558	✓												X		
	California Endangered Species Act Section 2081 Incidental Take Permits (CESA Title 14, Section 783.2) - Letter of Concurrence re: no permit required			X	X	X	X	X	X	X	X	X	X	X	X	X	No take required for any areas EXCEPT the Terminal Reservoir site.
California Department of Public Health (CDPH)	Permit to Operate a Public Water System (California Health and Safety Code Section 116525)	Jan Sweigart 1 Lower Ragdale, Bdg 1, Ste 120, Monterey, 93940			X	X	X	X	X	X	X	X	X	X	X	X	
California Department of Transportation (Caltrans)	Encroachment Permit (Streets and Highway Code Section 660)	Steve Senet - 805-549-3206 Steve.senet@dot.ca.gov 50 Higuera St, San Luis Obispo 93401				X				X	X	X	X				Submitted information package to Steve Senet at Caltrans on 3/4/11. He has provided a new contact, Peter Hendrix, to begin coordinating with. A meeting will be set up in Fall 2011.
California Department of Parks and Recreation	Encroachment, easement, or property acquisition for any project component	Ken Gray - 831-649-2862 kgray@parks.ca.gov 2211 Garden Road, Monterey 93940								X	X	X	X	X	X	X	Right of Entry permits and encroachment permits will be required. Info package submitted to Ken Gray 5/23/11.
California State Historic Preservation Office (SHPO)	Section 106 Consultation; National Historic Preservation Act (16 USC 470)			X	X	X	X	X	X	X	X	X	X	X	X	X	

Monterey Bay Regional Desalination Project Permitting Matrix

Agency or Department	Permit or Approval	Contact Information	CAW-only	Test Wells	Regional Desalination Project											Status / Notes (Date Updated: 10-28-11)		
					Brackish Source Water Wells	Brackish Source Water Pipeline	Desal Plant	Brine Discharge Pipeline	Product Water Pipeline	MCWWD Tie-in Pipeline	Transmission Pipeline	Monterey Pipeline	Seaside Pipeline	Terminal Reservoir	ASR Pipeline and Wells			
LOCAL AGENCIES																		
Monterey County Public Works Department	Encroachment Permit (Monterey County Code (MCC) Title 14 Chapter 14.040)	Laura Lawrence - lawrence@co.monterey.ca.us, 831-755-5148 168 W. Alisal St, 2nd Floor Salinas, CA 93901			X?	X?	X	X?	X?								Submitted information package to John Ford on 3/17/11. Coordinating with Laura Lawrence to confirm permit requirements from all Monterey County departments.	
Monterey County Health Department, Environmental Health Division	Well Construction Permit (MCC, Title 15 Chapter 15.08, Water Wells)			X	X												X	Started coordinating with Department for we requirements.
	Hazardous Materials Business Plan (Health and Safety Code Chapter 6.95)							X										Submitted general information package to Monterey County 3/17/11; John Ford provided Laura Lawrence as the new County contact.
	Hazardous Materials Inventory (Health and Safety Code Chapter 6.95)							X										Submitted draft application November 2009. Met with the County Health Department.
	Permit to Construct & Operate Desalination Facility (MCC Chapter 10.72)							X										Need for this permit is currently uncertain
Monterey County Planning and Building Inspection Department	Hazardous Material/Waste Permit							X										
	Variation on Monterey County Noise Ordinance (MCC Chapter 10.72)																	
Monterey Peninsula Regional Park District	Use Permit (MCC Chapter 21.72 Title 21)																	MCWRA/MCWD exempt from having to acquire Use and Building Permits from local agencies.
	Grading Permit (M.C.C., Grading and Erosion Control Ordinance, Chapter 16.08 – 16.12)					X	X	X	X	X								
Monterey Peninsula Regional Park District	Erosion Control Permit (MCC, Grading and Erosion Control Ordinance, Chapter 16.08 – 16.12)					X	X	X	X	X								
	Encroachment Permit; Right of Entry	Tim Jensen 60 Garden Court, #325, Monterey 93940								X	X	X	X	X				
Monterey Regional Water Pollution Control Agency	Easement							X	X									On-going coordination
Monterey Regional Waste Management District	Participation agreements / Sewer Connection Permit							X	X									On-going coordination
	Electric Power Purchase Agreement							X										Required if pipeline is in Charlie Benson Lane.
Monterey Bay Unified Air Pollution Control District (MBUAPCD)	Construction Easement								X									Confirm that permit is not required; get letter of concurrence
	Authority To Construct. (Local district rules, per Health and Safety Code 42300 et seq.)	Jean Getchell - 831-647-9411 x227 jgetchell@mbuapcd.org 24580 Silver Cloud Ct, Monterey, 93940			X?	X?	X?	X?	X?	X?	X?	X?	X?	X?	X?	X?	X?	
Transportation Agency of Monterey County	Permit To Operate. (Local district rules)							X?										Confirm that permit is not required; get letter of concurrence
	Easement	Debra Hale 55-B Plaza Circle, Salinas 93901							X	X	X	X?	X?					
City of Marina	Grading Permits					X												Started coordination with the City of Marina.
	Encroachment Permit					X	X			X	X?							
	Use Permits																	MCWRA/MCWD exempt from having to acquire Use and Building Permits from local agencies.
City of Sand City	Building and Grading Permits																	MCWRA/MCWD exempt from having to acquire Use and Building Permits from local agencies.
	Encroachment Permit										X							
City of Seaside	Building and Grading Permits		✓										X	X	X	X	X	ASR wells on federal lands; permit from Seaside not required.
	Encroachment Permit		✓								X?		X	X	X	X	X	ASR wells on federal lands; permit from Seaside not required.
	Use Permit		✓												X	X	X	ASR wells on federal lands; permit from Seaside not required.
City of Monterey	Building and Grading Permits																	
	Encroachment Permit		✓										X					
City of Pacific Grove	Building and Grading Permits																	
	Encroachment Permit		✓										X					
Seaside Groundwater Basin Watermaster	Permit for injection/extraction		✓															X
Monterey Peninsula Water Management District (MPWMD)	Water System Expansion Permit (MPWMD Board of Directors Ordinance 96)		✓															X
Underground Services Alert (USA)	Utility clearance before subsurface work					X	X	X	X	X	X	X	X	X	X	X	X	X
CAW and Local Water Agencies	Participation/purchase agreements					X	X	X	X	X	X	X	X	X	X	X	X	Call 2 days before you dig.
PRIVATE ENTITIES																		
CEMEX	Land use agreement			X	X													
Armstrong Family	Land use agreement			X	X	X	X											
Landowners	Land lease/sale; Easements and encroachment agreements				X	X	X	X	X	X	X	X	X	X	X	X	X	X

Notes:
 1. Permits for brine discharge pipeline are for the construction and operation of a pipeline required to connect the desal plant with the SVWRP outfall. Revised permitting for new outfall discharges are not included.
 2. The cogen plant is a separate project. Power will be purchased from them and therefore no permitting is required for this aspect of the project.
 3. X? means we believe we need a permit but we don't yet know because design is not complete. During final design the X? will either go away or become X.

Appendix 4

General Design-Build Work Requirements

Appendix 4

General Design-Build Work Requirements

4.1. SCOPE OF DESIGN-BUILDER SERVICES

In addition to the work identified in the Design-Build Agreement, the following services shall be provided by the Design-Builder:

A. SCOPE OF SERVICES DURING DESIGN

1. Preparation and maintenance of a progress schedule throughout the design phase. The schedule can be in either Gantt chart or CPM form and must include all work items as defined in the Request for Proposal. The schedule shall compare actual to scheduled activities and be updated monthly once an award of the Design-Build Agreement is made. As a minimum, the schedule must include specific dates for the following milestones:
 - a. Submission of information prior to review meetings. At least one week shall be allotted in the schedule for review of information by the Owner prior to any meeting.
 - b. Each specific review meeting.
 - c. Completion of permit applications for each specific permit.
 - d. Design phase completion.
 - e. Receipt of each specific permit. The Design-Builder shall ensure that the schedule reflects typical or legal review periods required by each respective regulatory agency to ensure receipt of permits by the required date.
2. Attendance at periodic meetings including all design phase and construction progress meetings with the Owner at their offices located in Pacific Grove, California, or at the Project Site. Information shall be provided to Owner at least seven (7) working days prior to any meeting. It is expected that, at a minimum, monthly design meetings will be required during the design phase including an initial Project meeting. The initial Project meeting will be coupled with a partnering meeting mentioned below. Other design phase meetings include progressive review of design documents (15%, 30%, 60%, and 90% complete) and preparation of permit applications.
3. Within thirty (30) days after the Contract Date, a one day partnering conference will be held in accordance with Appendix 6.
4. Performance of a constructability and value engineering review by the Design-Builder with participation of Owner. The value engineering review shall review each element of construction work with consideration given to feasible methods of construction,

constraints to construction (materials, labor, specialty construction, weather, plant operations, other, etc.), design details, time required to complete each element of work, and possible alternatives which would reduce costs. Pursuant to the Governance Committee Agreement, the value engineering process will be undertaken at the 30% design level.

5. All land survey work, including basic control as necessary to adequately complete the design and filter permit applications, and provide construction layouts. At a minimum, property lines, topographic information and location of existing above ground and underground features/structures are to be included.
6. All geotechnical investigations including soil borings, rock cores, and auger probing as necessary to provide a geotechnical report to adequately complete the design and to estimate and plan construction earthwork.
7. All environmental activities as necessary to adequately complete the design and to prepare permit applications.
8. Total interaction and coordination with all Utility companies to design and specify proper service for the proposed improvement and to coordinate the relocation of existing Utilities as required. The Design-Builder shall also determine if any additional capital or usage fees will be imposed by any specific Utility.
9. Determining which local, State, and federal permits are required for this Project, preparing necessary permit applications, and providing technical input as required in securing these permits. The Design-Builder shall also provide the Owner with information regarding the approximate length of review time for each permit, and any special requirements that could delay this process (e.g., public hearings). Except for extraordinary revisions required by regulatory agencies, the Design-Builder is expected to revise reports, plans, and specifications as necessary to secure permits as part of the basic lump sum proposal. The permit applications will be formally submitted and paid for by the Owner.
10. Preparation and maintenance of a "Design Memorandum". The Design Memorandum is a summary of design data presented in outline format along with other pertinent Project information. The primary intent of the memorandum is to allow the Owner to review and comment on the design early in the design schedule. The Design Memorandum shall be updated throughout the design, and resubmitted as necessary at each subsequent review meeting as well as being submitted with permit applications, where applicable. The Design Memorandum is often used as the Engineer's Report in permit applications. A summary of the information to be included in the memorandum is outlined in the Attachments.
11. Preparation of a narrative description of the operation of the proposed facilities to be used by plant operations personnel to familiarize themselves with the operation, capabilities, and limitations of the proposed improvements. The narrative shall be an extension of the process sections from the Design Memorandum, but in text format. It shall explain the

intent and function of each unit process in addition to the system as a whole, and it shall include the detailed written control strategies (functional descriptions) which were prepared for the Design Memorandum submission. Preparation of the narrative shall not begin until the Design Memorandum is finalized and accepted. The narrative shall be submitted as a separate document for review at the 60% Design Meeting. It shall serve as the foundation of the O&M Manual discussed in the Construction Administration section of this Appendix.

12. Preparation of a complete and coordinated set of design drawings for all Engineering disciplines with an adequate level of detail to allow for construction by a general contractor. Drawings used for permit applications and bidding require the signature and seal of a licensed professional Engineer in the applicable State. The drawing sets require segregation by major discipline: site, architectural, structural, mechanical, electrical, instrumentation, etc. Drawings shall not contain extensive notes and written instructions to the general contractor which are more appropriate for the Design-Build Agreement and the Appendices. Standard detail drawings shall exclude items which are not applicable to the current Project. CAD Standards shall be followed. CAD standards are included in Appendix 2, Attachment 11.
13. Prepare technical specifications, Divisions 2 through 16 (or Divisions 2 through 50) in the CSI Spec-Text format, and preparation of a master list of required shop drawings/submittals. Specifications shall reflect only the scope of work for this Project. Standard specifications shall be modified to exclude items not applicable to this Project.
14. Specifications shall be prepared using the most current version of Microsoft Word. If your standard specifications are in a format other than Microsoft Word, they must first be converted to Microsoft Word format, thoroughly checked to ensure that a complete conversion was accomplished (including all tables, charts, headers, footers, etc.), then edited for this Project as appropriate within Microsoft Word. The text shall be 12 point Times New Roman font. An electronic file name for each specification section shall include a descriptive name preceding a 5-digit specification section number followed by the Microsoft Word file extension (e.g., PROJECT 11500.doc).
15. Provide a total of twelve (12) sets of drawings, design memorandum, specifications, and reports in printed form and also in electronic form (PDF) for Owner review prior to review meetings.
16. Provide design notes and calculations at the end of the design phase in electronic (PDF) format.
17. Maintain electronic communication capabilities throughout the design, construction, commissioning, and acceptance phases of the Project. Maintain a web based Project management and file sharing service to allow the Owner to access Project data and documents including drawings, submittals, etc. Access shall be password protected and shall continue through the warranty period.

B. SCOPE OF SERVICES DURING CONSTRUCTION/TESTING & COMMISSIONING

1. Design professional shall attend construction progress meetings, shall participate in resolution of construction problems related to the design, and shall review and interpret the design.
2. Design professional shall perform Project Site inspections of the Design-Build Work in progress in order to certify that the Design-Build Work is proceeding in accordance with the Design-Build Agreement. Perform additional Project Site inspections as needed for startup/commissioning, Acceptance Testing, and troubleshooting. Provide the services of a California licensed Engineer as needed to complete construction certifications and satisfy other regulatory and local agencies closeout requirements.
3. Design professional shall perform shop drawing review and approvals including review and approval of resubmittals and maintenance of a shop drawing log indicating dates received, returned, status, date needed on-site, current responsible party, etc. A complete and comprehensive shop drawing log shall be prepared prior to procurement that shall be updated and distributed monthly. Long lead, critical and overdue items shall be highlighted.
4. Design professional shall be responsible for preparation of supplementary detailed working drawings, specifications, and written instructions as necessary through the construction period to interpret the documents and resolve changes that arise during construction and startup/commissioning.
5. Provide the services of an instrumentation and control (I&C) staff Engineer or Subcontractor to witness the factory Acceptance Test (FAT) of the assembled I&C system prior to the systems shipment from the factory to the Project Site. The FAT is anticipated to extend for an approximate three (3) day period to accomplish two separate goals. The first goal is to ensure that the system has been assembled properly and is in proper working order. This will include testing of each individual I/O point and should be witnessed by the I&C staff Engineer. The second goal is to simulate and test the control logic, and this portion of the FAT should be attended by the design Project manager/Engineer (the "Design Project Manager/Engineer") or someone familiar with the details of the process design and operation of the facility.
6. Provide the services of an I&C staff Engineer for at least four (4) site visits to review and inspect the instrumentation and wiring of field mounted instruments, resolution of problems, initial calibration and testing, and system startup. Trip reports shall be filed within 7 working days of each visit.
7. Provide services of the Design Project Manager/Engineer who will participate in and observe initial operation, startup/commissioning, and Acceptance Testing of each treatment process, equipment, system and review operation and performance tests required by the Design-Build Agreement and the Appendices. Written reports shall be authored by the Engineer after review of operation/performance data/reports. Provide any

additional Engineering services required for on-site startup and resolution of initial operating problems. Engineers from all disciplines shall be made available to resolve startup issues as required and to resolve problems which may arise during construction period. The Design Project Manager/Engineer will assist the Owner's Representative in the preparation of the punch list and recommend Acceptance of the Design-Build Improvements by the Owner.

8. Engineer shall prepare and submit electronic record drawings within two (2) months of startup or Substantial Completion, whichever is earlier. Record drawings shall be furnished in both PDF and .dwg formats. The record .dwg files shall confirm to American Water's CAD standards. If it is found that the final drawings do not conform to American Water's CAD standards, the Design-Builder shall revise the files at the Design-Builder's cost. Data, information, sketches and working drawings to be incorporated with the record drawings shall be provided to the Owner by the Design-Builder upon completion. The record drawings shall include all above and below grade changes from the original design drawings for all Engineering disciplines. Changes made to reflect the as-installed conditions shall be made in the same level of detail and to the same degree of drafting quality as the original design drawings. The I&C Engineer must review record drawings prepared by the wiring contractors to verify their accuracy prior to substantial completion, and shall document his review in writing.
9. Prepare Operation and Maintenance Manual (O&M Manual). The hardcopy O&M Manual is described in Section V, Item D of this Appendix.
10. At Final Completion, provide electronic Project file system using self running CD presentation menu software to provide rapid access to PDF files of submittals, operational narrative, control strategies, final Design Memorandum, Governmental Approvals, specifications, record drawings, equipment O&M manuals, and Project photographs. Autorun files shall require no license fees and shall require no other software. American Water has used CD Front End PRO by VisualVision on previous Projects. Provide six (6) electronic copies of the electronic Project file system on individual CD, DVD, or flashdrives. Format shall be collaboratively developed prior to implementation.
11. Design-Builder shall prepare standard operating procedures that include the operational narrative, schematics, one line diagrams, P&ID drawings and complete step by step description of the start up and shutdown procedure for all systems and processes. Engineer shall review and provide quality control for this effort.
12. Design-Builder shall prepare lock out – tag out procedures for the control of hazardous energy in mechanical, electrical, hydraulic, pneumatic, thermal and other energy sources in accordance with OSHA regulations and policies. Engineer shall review and provide quality control for this effort.
13. Design-Builder shall prepare maintenance data sheets for every piece of equipment furnished in accordance with the Owner's computerized maintenance management system (CMMS). Engineer shall review and provide quality control for this effort.

14. Design-Builder shall prepare a comprehensive and detailed Utility account estimate in accordance with the Owner's Utility and property unit accounting system. A list of the Utility accounts is provided in Appendix 3.
15. Design-Builder shall provide the services of the Design Project Manager/Engineer for a one (1) day inspection of the facilities approximately ten (10) months after they are placed into operation. The Design Project Manager/Engineer shall provide a written report summarizing warranty repairs that are necessary, and any operational modifications that are recommended to optimize performance.

4.2. SAFETY

A. SAFETY AND PROTECTION

1. Design-Builder shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Design-Build Work. Design-Builder shall take all necessary precautions for the safety of, and shall provide the necessary protection to prevent damage, injury, or loss to:
 - All persons on the Project Site or who may be affected by the Design-Build Work;
 - All Design-Build Work and materials and equipment to be incorporated therein, whether in storage on or off the Project Site; and
 - Other property at the Project Site or adjacent thereto, including trees, shrubs, lawns, walks, pavements, roadways, structures, Utilities and underground facilities not designated for removal, relocation, or replacement in the course of construction.
2. Design-Builder shall comply with Applicable Law relating to the safety of persons or property, or to the protection of persons or property from damage, injury, or loss; and shall erect and maintain all necessary safeguards for such safety and protection. Design-Builder shall notify owners of adjacent property and of underground facilities and Utility owners when prosecution of the Design-Build Work may affect them, and shall cooperate with them in the protection, removal, relocation, and replacement of their property.

Design-Builder shall comply with the applicable requirements of Owner's safety program. The following Owner safety programs are applicable to the Design-Build Work:

American Water – Focus on Safety, Safety Bulletin dated October 2012, “Pipe Cutting Requirements – Update”, Application to Contractors and Subcontractors. (SEE ATTACHMENT 1)

Design-Builder shall be solely responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the Design-Build Work. If Design-Builder notices any conflicts, errors, ambiguities, or discrepancies with Owner's safety program, Design-Builder shall promptly give Owner written notice, and confirm written resolution thereof by Owner is acceptable to Design-Builder.

Design-Builder shall inform Owner of the specific requirements of Design-Builder's safety program with which Owner's employees and representatives must comply while at the Project Site.

3. All damage, injury, or loss to any property referred to in paragraph 1.a or 1.b caused, directly or indirectly, in whole or in part, by Design-Builder, any Subcontractor, supplier, or any other individual or entity directly or indirectly employed by any of them to perform any of the Design-Build Work, or anyone for whose acts any of them may be liable, shall be remedied by Design-Builder.
4. Design-Builder's duties and responsibilities for safety and for protection of the construction shall continue until such time as all the Design-Build Work is completed and Owner has issued a notice to Design-Builder in accordance with Section 5.4 of the Design-Build Agreement that the Design-Build Work is acceptable (except as otherwise expressly provided in connection with Substantial Completion).

B. SAFETY REPRESENTATIVE

Design-Builder shall designate a qualified and experienced safety representative at the Project Site whose duties and responsibilities shall be the prevention of accidents and the maintaining and supervising of safety precautions and programs.

C. HAZARD COMMUNICATIONS PROGRAMS

Design-Builder shall be responsible for coordinating any exchange of material safety data sheets or other hazard communication information required to be made available to or exchanged between or among employers at the Project Site in accordance with Applicable Law.

D. EMERGENCIES

In emergencies affecting the safety or protection of persons or the Design-Build Work or property at the Project Site or adjacent thereto, Design-Builder is obligated to act to prevent threatened damage, injury or loss. Design-Builder shall give Owner prompt written notice if Design-Builder believes that any significant changes in the Design-Build Work or variations from the Design-Build Agreement have been caused thereby or are required as a result thereof. If a change in the Design-Build Agreement is required because of the action taken by Design-Builder in response to such an emergency, a Change Order will be issued.

4.3. TESTING AND COMMISSIONING

A. DESCRIPTION

1. Design-Builder shall:
 - Provide assistance in connection with the start-up, testing, refining and adjusting of any equipment or system.

- Assist Owner in training staff to operate and maintain the Design-Build Work.
 - Assist Owner in developing systems and procedures for control of the operation and maintenance of and record keeping for the Design-Build Work.
2. This Section covers testing in accordance with the Design-Build Agreement and the Appendices, as shown on the drawings, and as necessary for a complete and satisfactory installation. Testing shall include equipment checkout, equipment and systems testing and startup, and equipment, systems and plant commissioning. Equipment shall be considered for this specification as any separate and individual equipment, component, part or structure.
 3. No equipment, system or subsystem shall be checked, started up or placed into service unless all components of that system or subsystem required to be available and in service, including instrumentation, safety and other ancillary and pre-requisite systems, are complete and operable as intended by the contract documents.
 4. Unless specified elsewhere in the contract documents, provide all labor, special tools, special testing devices or equipment, chemicals, lubricants, operating fluids, fuel, electricity, water, filters, and other expendables required for checkout, startup and commissioning.
 5. No equipment, system or subsystem shall be commissioned prior to the completion of training of the Owner's personnel, receipt by the Owner of applicable approved O&M Manuals, and receipt by Owner of applicable spare parts and special equipment required for the equipment, system or subsystem.

B. PIPELINES

All pipelines, valves, appurtenances, etc. installed per the Design-Build Agreement shall be tested in the manner described by the technical specifications. Unless otherwise stated, all pipelines shall be hydrostatically tested, with no leakage, at a pressure at least equal to the maximum operating pressure of the pipeline.

C. WATER CONTAINING VESSELS

Prior to backfilling around water containing vessels, fill said vessels with water for a period of at least 7 days in order to insure vessels are watertight. If any vessel leaks, it shall be repaired to the satisfaction of the Owner and retested until no leakage occurs.

D. LIQUID CHEMICAL STORAGE TANKS

Prior to filling bulk storage tanks, batch and day tanks with appropriate chemicals, each tank shall be filled with water for a period of at least 7 days in order to insure each tank is watertight. If any tank leaks, it shall be replaced or repaired by a factory-trained representative to the satisfaction of the Owner, and retested until no leakage occurs.

E. DAMPPROOFING AND PAINTING

During the application of dampproofing and painting, ensure that the manufacturer's representative check the dry mil thickness of each coating and certify to the Owner in writing that the thickness is in compliance with the Design-Build Agreement and the Appendices. If deficiencies in the dry mil thickness of any coat are found, correct by the application of an additional coat(s) to the said deficient area. The certificate shall also state that all surfaces were properly cleaned prior to the application of dampproofing and paint, specified meetings and inspections were made, the quantity of dampproofing and paint were applied in accordance with their recommendations, and all other requirements stated in the Design-Build Agreement and the Appendices have been satisfactorily completed.

F. HVAC SYSTEMS

Checkout, startup and commissioning of heating, ventilation and air conditioning systems are dependent upon the time of year that the checkout, startup and commissioning is initiated. Return to the Project Site with manufacturer's representatives at the beginning of the next appropriate season (whichever is applicable) to checkout and commission the systems.

G. EQUIPMENT CHECKOUT

Develop and maintain a detailed equipment checkout schedule. The schedule shall become a part of the overall Commissioning Plan. Check and certify with equipment supplier and/or manufacturer's representative, that all equipment is in accordance with the applicable technical specifications. The intent of equipment checkout is to certify that equipment has been properly installed and is functioning such that it may be safely operated to facilitate further equipment testing, system testing or other performed checkout and testing. If no specific requirements are specified, the check out and certify that the installation is complete, correct and meets the equipment manufacturer's installation requirements. Written certification shall be provided. Maintain all responsibilities for equipment until such equipment is commissioned and turned over to the Owner.

H. EQUIPMENT TESTING

Develop and maintain a detailed equipment testing schedule. The schedule shall become a part of the overall Commissioning Plan. Determine if equipment testing shall immediately follow checkout, or whether system testing or ancillary systems are required to be complete in order to properly complete equipment testing. The intent of equipment testing is to certify that equipment is operating and functioning within the performance requirements of the technical specifications. Equipment testing shall be completed and documented in accordance with the technical specifications and the manufacturer's requirements. Written certification shall be provided. All testing verifications and data shall be documented and attached to the certification. Maintain all responsibilities for equipment until such equipment is commissioned within a system and turned over to the Owner.

I. INSTRUMENTATION AND CONTROL TESTING

1. Factory Acceptance Test (FAT): Prior to scheduling the FAT, the system integrator shall determine through their own internal quality assurance program that the system is ready for shipment and will pass the FAT. The Owner and Design-Builder shall witness a complete FAT of the instrumentation and control system prior to its shipment to the Project Site. The Design-Builder shall provide written approval for shipment following acceptance of the FAT.
 - The purpose of the FAT is to verify the functionality, performance, and stability of the hardware and software.
 - The FAT shall be conducted by the system integrator using simulated inputs to assure all I/O are provided and all inputs, outputs and application software are functioning according to the intent of the plans, specifications, and Basis of Design Report. The test procedure shall include simulated system faults and failures. The factor test shall be staged in two parts: the first to review all I/O and hardware the second to demonstrate the functionality of the system, including each control loop.
 - The FAT shall demonstrate all graphics, report generation and alarm functions of the system.
 - Provide at least three (3) weeks notification to the Owner prior to the FAT. Provide a written FAT test plan to the Owner at least 7 days prior to the FAT.
2. Operational Ready Test (ORT): Following installation of the process control system components and prior to startup, the entire system shall be certified (inspected, wired, calibrated, tested and documented) that it is installed and ready for the ORT.
 - Each loop shall be checked for proper installation and calibration using prepared forms. The system integrator shall maintain the loop status reports at the Project Site and make them available to the Owner at any time.
 - Upon successful completion of the ORT, the system integrator shall submit a record copy of the test results to the Owner.
3. Functional Demonstration Test (FDT)
 - The FDT shall be witnessed by the Owner and shall consist of a loop by loop demonstration of the functionality and operability of the control system. Live field data shall be used to the extent possible. The test shall be scheduled and coordinated with Owner's staff to minimize the impact on plant operations.
 - Upon successful completion of the FDT, the system integrator shall submit a record copy of the test results to the Owner.

4. Site Acceptance Test (SAT)

- After completion of the ORT and FDT, the system shall undergo a 30-day SAT under conditions of full plant performance without a single non-field repairable malfunction.
- Owner shall have full use of the system. Only Owner's staff shall be allowed to operate equipment associated with live plant processes. Plant operations remain the responsibility of the Owner.
- Any malfunction during the SAT shall be analyzed and corrections made. Any malfunction during the 30 day test which cannot be corrected within 24 hours of occurrence, or more than two similar failures of any duration, will be considered as a non-field repairable malfunction.
- All database, process controller logic, and graphical interface system data points must be fully functioning.
- All reports must be functioning and providing accurate results.
- No software or hardware modifications shall be made to the system without prior approval.
- Following successful completion of the 30 day test, and subsequent review and approval of test documentation, the instrumentation and control system shall be considered substantially complete and the warranty period shall commence.

J. SYSTEM TESTING

1. Develop and maintain a detailed system testing schedule. The schedule shall become a part of the Commissioning Plan. The intent of system testing is to certify that all equipment within a system has been properly integrated and operate and function in concert with other equipment to meet the performance requirements for the entire system. As a minimum, verify and certify that all equipment and components within a system meet the technical specifications for materials of construction for the intended service, performance range and settings, and all equipment within a system has been checked out, tested and certified for further testing and startup. Where appropriate, water shall be used in lieu of the intended chemical or process fluid for the system. Equipment and devices shall be tested, calibrated and documented in accordance with the technical specifications and the manufacturer's requirements. Written certification shall be provided. All testing verifications, data and calibration results shall be documented and attached to the certification. Maintain all responsibilities for systems until such system is commissioned and turned over to the Owner.
2. Subsequent to individual system testing, operate systems to facilitate other testing and training of Owner personnel. Operate and maintain the equipment and systems, but said operation shall not constitute the acceptance of the systems or commencement of any warranty periods. Operation and maintenance of the systems shall not impact the Owner's continuing operations.

K. SYSTEMS START-UP

1. As part of the Commissioning Plan or in order to comply with a request by the Owner for partial utilization of any part of the Design-Build Work, start-up systems utilizing the appropriate chemical or process fluid. Prior to start-up of any system, confirm that all equipment and components within a system have been tested and certified, and that all pre-requisite systems, analyzers and safety systems and devices are functioning and available for service.
2. During system start up, chemical or process fluid shall be introduced to the system. Equipment shall be retested as appropriate and calibration verified. As defined elsewhere, individual systems shall be operated until acceptable to the Owner.

L. COMMISSIONING OF THE WORK

1. General

- As a prerequisite to the Owner's issuance of the certificate of Substantial Completion, start up equipment and systems in a sequence and manner to place into service all the Design-Build Work. Conduct performance testing as described hereafter. Perform all tests with own forces and such equipment representatives and other experts as may be required by the Design-Build Agreement and the Appendices or necessary for a successful test. Provide sufficient technical and/or supervisory personnel to be fully responsible for all operations and coordination of the tests from their beginning to their satisfactory.
- Include as a part of the Fixed Design-Build Price, all operating costs, until the Design-Build Improvements are put into operation by the Owner to deliver potable water. Operating costs shall be understood to include, but not be limited to, the costs of: labor, fuel, heating, electrical power and lubricants. Owner will be responsible for the costs of all purchased treatment chemicals. The Design-Builder will be responsible for maintenance during the testing period and for repair of any damage resulting from the testing procedure. At all times, have sufficient personnel to handle an emergency. Provide reimbursement to the Owner should he have to make repairs with his own forces for damage caused by the Design-Builder's actions or inactions.
- Wages and salaries as may be required by any and all tests specified herein shall be paid for by the Design-Builder and included in the Fixed Design-Build Price. Such wages and salaries shall include any premium time costs incurred to complete the tests as scheduled or as required.
- Dispose of all water used during the tests, in addition to wastes resulting from the tests. The method of disposing the water and wastes shall be in accordance with all Applicable Law and shall be subject to approval by the Owner. Pumping water for testing into the distribution system is not allowed until its quality meets requirements for public water supplies. Costs for the disposal of water and wastes shall be included in the Fixed Design-Build Price.

- Include costs for the above and below mentioned tests in unit and Fixed Design-Build Price for the Project.

2. Commissioning Plan

The Design-Builder shall prepare a detailed commissioning plan (the “Commissioning Plan”) and shall develop the general sequencing of the testing. In general the sequence shall focus on the testing of individual pieces of equipment prior to testing entire systems including automatic control systems.

3. Prior To Commissioning

At least 30 days prior to the proposed testing, Design-Builder shall conduct a meeting with the Owner to discuss the Commissioning Plan and to finalize roles, responsibilities, proposed schedules and required documentation of the tests. Such discussions shall in no way relieve the Contractor of the responsible of conducting the test expeditiously and with an adequate number of personnel to handle all emergencies. Subsequent to the meeting and before testing begins, make changes to the Commissioning Plan as determined at the meeting, and issue the final Commissioning Plan. No testing shall begin until the final Plan is issued to all parties.

4. Mechanical Performance Demonstration (MPD)

The Design-Builder shall provide the Owner at least 14 days written notice prior to the commencement of mechanical performance demonstration and training. Demonstrate to the Owner, that the manual and automatic controls, performance over full operative range, efficiency, safety items, alarms, etc., of each mechanical and electrical item of equipment will operate in accordance with the design intent as indicated by the Drawings and/or described in the Design-Build Agreement and the Appendices. At this time, continue to provide instruction and continue to train the Owner's personnel in the operation of all equipment, controls, safety devices, etc.

5. Initial Plant Performance Tests (IPPT)

After the mechanical performance demonstration has been successfully completed, in the opinion of the Owner, the Design-Builder shall commence the initial plant performance test. The test shall consist of a preliminary 24-hour operation test of the facility or subsystem. The 24-hour test shall commence after all Design-Build Work has been started up and operating integrally with all systems. If, in the opinion of the Owner, the results of the operational test are satisfactory, the Owner will give written notice to proceed with the final mechanical performance tests. If, in the opinion of the Owner, the results of the operational test are unsatisfactory, the Owner shall provide a written list of deficiencies requiring correction prior to retest. The Owner reserves the right to have any portion of or the entire operational test until, in the opinion of the Owner, the facilities are completely operational.

6. Run-In Plant Performance Tests (RIPPT)

Run-In Plant Performance Tests shall cover a continuous **14 day** period while the facility is in continuous normal operation and delivering potable water to the distribution system. Plant flows

shall be at least 50% of design capacity for seven (7) days, and at least 90% of design capacity for seven (7) days.

During the RIPPT, demonstrate to the satisfaction of the Owner, that all equipment is coordinated and operating properly; that all controls, safety features, and alarms operate satisfactorily in coordination with the equipment installed; and that installed equipment complies in all respects mechanically and electrically with applicable Design Documents. Provide sufficient technical and/or supervisory personnel to be fully responsible for mechanical operation of the facilities.

The Owner's staff shall operate the Design-Build Improvements while water is being delivered to the distribution system. Upon completion of the test period, correct all items from the written list of operating problems, equipment malfunctions, or other deficiencies related to plant operations and retest the affected system. The retesting shall be performed for a time period sufficient to demonstrate the proper operation of the system. This time period will not exceed two-weeks.

7. Acceptance Testing (AT)

Acceptance Testing is to be performed immediately after successful completion of the Run-In Plant Performance Test (RIPPT). The Acceptance Testing Standards and Requirements are defined in Appendix 7.

4.4. TRAINING

A. DESCRIPTION

1. Design-Builder shall supervise and provide training on the operation and maintenance of the equipment and systems of the Project to Owner's staff such that staff is capable of operating the facilities safely and competently.
2. Training shall be provided for to up to 15 persons.

B. TRAINING LOCATION AND FACILITIES

Training shall be provided at the Owner's facilities located in Pacific Grove, California or on the Project Site. Owner shall provide access to Projectors, internet, and telephones at their facilities in Pacific Grove.

C. SUBMITTALS

1. The Design-Builder shall submit draft training plan by the 30% design submittal. The Design-Builder shall finalize the plan based on Owner review and comment and submit no later than 60% design submittal. Plan shall include training schedule.
2. Generic lesson plans shall be developed and submitted for Owner review.

D. SCOPE OF TRAINING

1. Training shall be provided on individual pieces of equipment, systems, and plant operation as a whole.
2. Training sessions shall be managed by Design-Builder and individual sessions shall be limited to 2 hours or less per class except as identified below.
3. Training shall utilize best practices for adult learning.
4. Training plan shall address both operation and maintenance.
5. Duration of training shall be commensurate with the complexity of the equipment or system.

E. QUALIFICATIONS OF INSTRUCTORS

1. Instructors shall be experienced and qualified to provide training.
2. Design-Builder shall submit qualifications of training providers to Owner for approval. Provide at least three (3) references for design-build instructor(s).
3. Design-Builder shall manage vendors to ensure that vendor instructors are qualified to instruct on proper operation and maintenance.

F. TRAINING MATERIALS

1. Design-Builder shall provide suitable instructional materials including books, pamphlets, and videos as part of the scope of training.
2. Training materials shall include the Basis of Design Report, the Project drawings and specifications, and vendor submittals.
3. Training materials shall include the Operation and Maintenance Manual and standard operating procedures.

G. TRAINING SCHEDULE

1. Training shall be provided during design, construction, commissioning, and post-commissioning. Training shall be scheduled such that all necessary training can be provided prior to the Acceptance Test. The time available for training during Commissioning is limited and compressing training during the Commissioning phase is not acceptable.
2. Owner's staff availability for training is limited and training must be coordinated with Owner. Owner's staff typically have 8 hours per week available for training.

3. Scheduling of training shall follow the mutually agreed Plan. Training shall be finalized at least 14 days prior to presentation.

H. DOCUMENTATION OF TRAINING

Design-Builder shall manage and document the training provided to Owner's staff. Class attendance shall be taken. Training received by each person shall be recorded. Monthly training reports shall be submitted to Owner on progress of training provided and planned training for the next three months.

I. DESIGN PROFESSIONAL ROLE IN TRAINING

1. The design professional shall provide training to Owner's staff during design to familiarize them with the Project and the processes.
2. The design professional shall oversee the training program and ensure that training materials accurately reflect the Project scope.

J. TRAINING BY VENDORS MANAGED BY DESIGN-BUILDER

1. Vendor training must address the following items at a minimum. It is recommended that model or demonstration equipment be made available to train staff. Design-Builder staff, familiar with the equipment at the Project are to co-present with the vendor trainer to identify site specific references such as instrumentation, alarms, and implications of equipment failure.
 1. Health and Safety Warnings
 2. Settings and Adjustments
 3. Start up steps and procedures
 4. Instrumentation and controls
 5. Normal operation procedures
 6. Local control
 7. Calibration
 8. Disassembly
 9. Reassembly
 10. Alignment
 11. Alarm settings
 12. Lubrication (materials, schedule, points)
 13. Preventive maintenance procedures
 14. Maintenance schedule

K. TRAINING BY VENDORS MANAGED BY DESIGN-BUILDER

The vendor training must address the following items at a minimum. It is recommended that model or demonstration equipment be made available to train staff. Design-Builder staff, familiar with the equipment at the Project are to co-present with the vendor trainer to identify site specific references such as instrumentation, alarms, and implications of equipment failure.

L. REVERSE OSMOSIS TRAINING

1. The Design-Builder shall supervise and manage training provided to Owner's staff on reverse osmosis process. Each training session shall be 6 to 8 hours in length. Class size shall be limited to 10 persons and two sessions per class are required.
2. The following classes shall be provided.
 - Introduction to Reverse Osmosis
 - Interpretation of water quality analyses
 - Seawater Reverse Osmosis Operation and Training

M. INSTRUMENTATION AND CONTROL SYSTEM TRAINING

1. The Design-Builder shall provide training on the operation of the instrumentation and control system. Operating training has the following goals
 - Use workstations, touch screens and keyboards
 - Retrieve and interpret all standard displays including graphics, overview displays, group displays, trends, point summaries, and alarm summaries,
 - Enter data manually
 - Change control parameters and setpoint values
 - Assume manual control of equipment and control it from the HMI
 - Print reports
 - Acknowledge alarms
 - Respond to hardware and software error
 - Historical data collection, retrieval, and archival
 - Capability and configurability of reports, alarm reporting, passwords, and system hardware configuration
 - Database backup and recovery

2. The Design-Builder shall provide maintenance training. This training equips Owner staff with the skills to diagnose, trouble shoot, and make repairs such as replacing fuses and circuit boards. As a minimum, maintenance training shall include
 - Power up and shutdown of all hardware devices
 - Perform schedule maintenance functions
 - Setup and use off line diagnostics to determine hardware failures
 - Use workstations, keypad, or keyboards to retrieve and interpret displays which provide online diagnostic information
 - Remove and replace all removable boards/modules
 - Maintenance training shall be at least 75% hands-on training.
3. Administrative training: provide training to personnel who need to make access changes to the Control System. This training includes:
 - Log on and log out to the HMI and OIT
 - Setting and clearing passwords
 - Configuring access levels for various parameters and set points

N. VIDEOGRAPHING OF TRAINING

1. Video recording of training sessions will be performed to the extent permitted. Video recording shall be organized and managed by Design-Builder.
2. Video recordings shall be transcribed to DVD for use by Owner.
3. Videographing shall be performed by someone with at least 5 years experience in making professional commercial/industrial video. Video shall include editing. Design-Builder shall provide suitable lighting and control of sound to provide a useful and well made training tool. Microphones shall be used as needed to provide audio input to videos.

O. TRAINING ON STANDARD OPERATING PROCEDURES

1. Design-Builder has responsibility to prepare standard operating procedures (SOP) used to start, stop, and operate various processes and the facility as a whole.
2. Design-Builder must provide training on SOPs.
3. SOPs shall be prepared ahead of providing training on SOPs.

4.5. DISINFECTION OF WATER MAINS

A. SUMMARY

Section Includes: Requirements for disinfection of water mains, including chemical feed lines.

B. REFERENCES

1. American National Institute:
 - ANSI/NSF Standard 60, Listing of Certified Drinking Water Treatment Chemicals – Health Effects.
2. American Water Works Association:
 - AWWA B300, Standard for Hypochlorites.
 - AWWA B301, Standard for Liquid Chlorine.
 - AWWA C600, Standard for Installation of Ductile Iron Water Mains and their Appurtenances.
 - AWWA C651, Standard for Disinfecting Water Mains.
 - AWWA Manual M12, Simplified Procedure for Water Examination.

C. SUBMITTALS

1. Bacteriological Test Results: See bacteriological tests below.
2. Wastewater Disposal Plan:
 - The Design-Builder shall develop a plan for safe disposal of chlorinated wastewater from disinfection/testing of pipelines, structures, etc. Submit the plan to the Engineer for review and to (Owner) or (State Department of Environmental Protection) for review and approval at least two weeks in advance of disinfection/testing activities. Do not perform disinfection/testing prior to receipt of approval from the (Owner) or (State Department of Environmental Protection).
 - The disposal plan shall include provisions for neutralizing chlorine and any other contaminants to levels acceptable to (Owner) or (State Department of Environmental Protection).
 - Specific methods and devices designed to prevent erosion and subsequent sedimentation at the point(s) of discharge shall also be included in the Design-Builder's plan.

D. QUALITY ASSURANCE

1. Bacteriological Tests:

- Required Number of Samples:
 - 1) Raw Water Main: One sample
 - 2) Filter Influent: One sample each filter
 - 3) Filter Effluent: One sample each filter
 - 4) Filter Washwater: One each line
 - 5) Plant Water Service: One sample
 - 6) Well: One sample
 - 7) Well Discharge: One sample
 - 8) Backwash Water: One sample
 - 9) Finish Water Main: One sample

E. DELIVERY, STORAGE, AND HANDLING

1. Transport, handle, and store specified disinfection products in manner recommended by respective manufacturers to prevent contamination and deterioration of products.
2. When handling disinfection products, due caution is advisable. Wear gloves, apron, goggles, and suitable vapor mask.

F. PROJECT CONDITIONS

1. Environmental Requirements:
 - Do not test or disinfect water mains if air temperature is expected to fall below 35 degrees F.
 - Keep pipe interior clean. Close open end of pipe with water tight plug when pipe laying is not in progress.
2. Operational Requirements:
 - Notify Owner a minimum of 24 hours in advance of any flushing operation.
 - Owner’s representative must be present for operating valves required to fill mains. Valves may only be operated by Owner’s personnel.
 - Flushing will be monitored by the Owner.

G. MATERIALS

1. Hypochlorites: AWWA Standard B300.
2. Liquid Chlorine: AWWA Standard B301.
3. Provide NSF Standard 60 certified products per Listing of Certified Drinking Water Treatment Chemicals – Health Effects.

H. WATER MAIN DISINFECTION

1. Disinfect water main installed under the Design-Build Agreement before placing in service.
2. Form of chlorine for disinfection: With Owner's approval, follow either of these two designated methods of procedure.
 - Liquid Chlorine: Apply chlorine gas-water mixture with solution feed chlorinating device in combination with booster pump for injecting chlorine gas-water mixture into main to be disinfected. Use only if Design-Builder can demonstrate to Owner that person supervising operation is thoroughly familiar and experienced in handling chlorine gas, suitable equipment is used, and proper safety equipment is available. Provide device with means to prevent backflow of water into chlorine cylinder. Design-Builder to comply with all local, State, and Federal regulatory requirements.
 - Calcium Hypochlorite Solution: Prepare chlorine-water solution of 1 percent available chlorine using granular calcium hypochlorite. Inject or pump solution into pipeline. Prepare chlorine-water solution of 1 percent available chlorine by mixing approximately 1 pound of calcium hypochlorite with 8 gallons of water.
3. Preparation
 - Preliminary Flushing: Prior to disinfection, thoroughly flush section of water main being disinfected with available water pressure and outlets.
 - Flush after pressure and leakage tests are complete.
4. Chlorination:
 - Chlorine Application: Apply hypochlorite solution to water main with gasoline or electrically-powered chemical feed pump. For smaller applications, prepare solution in a barrel and pump into main with hand pump, such as a hydraulic test pump. Apply at dosage rate resulting in chlorine concentration in water in pipe is a minimum of 25 mg/l free chlorine. Table below gives amount of calcium hypochlorite and quantity of 1 percent hypochlorite solution required to produce 25 mg/l chlorine concentrate in 100 feet of pipe:

CALCIUM HYPOCHLORITE AND CHLORINE SOLUTION REQUIRED TO PRODUCE 25 MG/L CONCENTRATION IN 100-FEET OF PIPE						
Pipe Size Inches	Contents in 100-ft.		Section Gals.	Quantity of Calcium Hypochlorite		1% Chlorine Solution Gallons
	Cu.Ft.	Lbs.		Ounces	Pounds	

**CALCIUM HYPOCHLORITE AND CHLORINE SOLUTION REQUIRED
TO PRODUCE 25 MG/L CONCENTRATION IN 100-FEET OF PIPE**

Pipe Size Inches	Contents in 100-ft.		Section Gals.	Quantity of Calcium Hypochlorite		1% Chlorine Solution Gallons
3	4.90	306	37	1/5	0.012	0.09
4	8.73	545	66	1/3	0.021	0.16
6	19.65	1,227	147	3/4	0.046	0.36
8	34.90	2,178	261	1-3/8	0.083	0.65
10	54.28	3,388	406	2-1/8	0.131	1.02
12	78.48	4,899	587	3-0	0.185	1.44
16	139.98	8,738	1,047	5-3/8	0.334	2.60
20	218.06	13,611	1,631	7-3/4	0.486	4.08
24	314.16	19,603	2,350	11-5/32	0.698	5.88
30	490.87	30,630	3,672	16-3/32	1.090	9.19
36	706.86	44,108	5,287	25-1/8	1.570	13.23
42	962.11	60,036	7,197	34-5/16	2.144	17.99
48	1,256.64	78,414	9,400	44-13/16	2.801	23.50
54	1,590.43	99,243	11,896	56-23/32	3.544	29.74
66	2,375.83	148,252	17,771	84-23/32	5.295	44.43

Feet of Pipe in Which 1 Ounce of Calcium Hypochlorite Will Produce 25 mg/l Available Chlorine

3"	4"	6"	8"	10"	12"	16"	20"	24"	30"	36"	42"	48"	54"	66"
576	324	144	79	51	36	20	13	9	6	4	3	2	1.8	1.2

- Point of Application:** Apply chlorinating agent at high end of pipeline section being chlorinated and through a corporation stop inserted in top of new pipe. If water for preparation of chlorine solution is supplied from tap on existing pipeline, provide a physical break between injector supply and injector or pump.

- Rate of Application: Pump chlorine solution slowly into new pipeline. Do not cease chlorine application until entire main is filled with chlorine solution. If required by Engineer, measure chlorine residual at several points along section of main being disinfected to ensure that proper dosage and distribution of chlorine solution is obtained.
- Prevention of Reverse Flow: Exercise great care in manipulating valves, so strong chlorine solution in line being treated will not flow back into adjoining water distribution system.
- Retention Period and Chlorine Concentration: Retain chlorinated water in main for at least 24 hours. Operate all valves and hydrants in section in order to disinfect appurtenances. At end of this 24 hour period, maintain 10 mg/l chlorine residual throughout length of main.
- Final Flushing: Following chlorination, thoroughly flush heavily chlorinated water from main at its extremities until replacement water throughout its length, is tested comparable to quality of water in existing distribution system.
- Flushing Water: Owner will provide water for flushing, however, do not operate valves on water distribution system without presence of duly qualified representative of Owner.

5. Bacteriological Tests:

- After final flushing and before each treated water main is placed in service, collect samples from end of line. Test samples for bacteriological quality in accordance with standard methods to show absence of coliform organisms. Take samples of water that has been standing in main for at least 16 hours after final flushing has been completed. All required tests will be made by Owner at no expense to the Design-Builder. The Design-Builder shall assist the Owner in collecting samples for Owner's tests.

6. Redisinfection:

- If initial disinfection fails to produce satisfactory bacteriological samples, reflush and resample main. If check samples show presence of coliform organisms, rechlorinate main as specified previously. Design-Builder shall reimburse the Owner for costs associated with retesting the lines.

7. Design-Builder shall be responsible for furnishing all water required for disinfection and flushing of waterlines and any additional disinfecting or flushing, required.

8. Include costs for disinfection of water main in the Fixed Design-Build Price. No separate payment will be made for disinfection.

I. WATER MAIN CONNECTION DISINFECTION

1. General: If not possible to disinfect piping, valves, and fittings installed at certain connections in manner specified in Article 3.1, Design-Builder will proceed as follows:

2. Installation of Connections: During installation, observe every precaution to prevent foreign material and trench water from entering piping connections, fittings, and valves.
3. Disinfection: Swab interior of piping connections, fittings, and valves with 5 percent hypochlorite solution. Obtain 5 percent hypochlorite solution by mixing approximately 3 pounds of granulated calcium hypochlorite with 5 gallons of water.
4. Flushing: After pipe, fittings, and valves have been swabbed, thoroughly flush with water in a manner to be addressed in the wastewater disposal plan. During installation, use extreme care to ensure foreign material is kept out of pipe.

4.6. DISINFECTION OF STRUCTURES AND EQUIPMENT

A. SUMMARY

Section Includes: Requirements for disinfection of plant structures and equipment.

B. REFERENCES

1. American National Standards Institute:
 - ANSI/NSF Standard 60, Listing of Certified Drinking Water Treatment Chemicals – Health Effects.
2. American Water Works Association:
 - AWWA B300, Standard for Hypochlorites.
 - AWWA B301, Standard for Liquid Chlorine.
 - AWWA C653, Disinfection of Water Treatment Plants.

C. SCHEDULE OF DISINFECTION

1. Coordination: Equipment is to be disinfected just prior to the Final Mechanical Performance Tests.
2. Items to be Disinfected:
 - Mixing and Vacuum Chambers
 - Clarifiers
 - Filters Influent Flume
 - Filters
 - Clearwells including ceiling

D. SUBMITTALS

1. Bacteriological Test Results: In accordance with Section 4.6(E).
2. Wastewater Disposal Plan:
 - The Design-Builder shall develop a plan for safe disposal of chlorinated wastewater from disinfection/testing of pipelines, structures, etc. Submit the plan to the Engineer for review and to (Owner) or (State Department of Environmental Protection) for review and approval at least two weeks in advance of disinfection/testing activities. Do not perform disinfection/testing prior to receipt of approval from Owner or State Department of Environmental Protection.
 - The disposal plan shall include provisions for neutralizing chlorine and any other contaminants to levels acceptable to Owner.
 - Specific methods and devices designed to prevent erosion and subsequent sedimentation at the point(s) of discharge shall also be included in the Design-Builder's plan.

E. QUALITY ASSURANCE

1. Bacteriological Tests:
2. Number of Samples Required:
 - Mixing and Vacuum Chambers– one sample each unit
 - Clarifiers– one sample each
 - Filters Influent Flume - one sample
 - Filters -- one sample each
 - Clearwells including ceiling -- two samples each clearwell

F. PRODUCT DELIVERY, STORAGE AND HANDLING

1. Transport, handle and store disinfection products in a manner recommended by respective manufacturers to prevent contamination and deterioration of products.
2. When handling disinfection products, due caution is advisable. Wear gloves, apron, goggles, and suitable vapor mask.

G. MATERIALS

1. Hypochlorites: Standard AWWA B300.
2. Liquid Chlorine: Standard AWWA B301.

3. Provide NSF Standard 60 certified products per Listing of Certified Drinking Water Treatment Chemicals – Health Effects.

H. FLUSHING AND DISINFECTING WATER

1. Obtain flushing and disinfecting water for disinfection of structure at water treatment plant from Owner.
2. Incur all costs in utilizing and disposing of flushing and disinfecting water.
3. Owner will not charge for water used to initially flush and disinfect a structure. If any structure has to be reflashed and/or re-disinfected, cost of obtaining this additional water from Owner will be at Design-Builder's expense.
4. Include costs for disinfection of structures and equipment in unit or lump sum prices bid for work as no separate payment will be made for disinfection.
5. Bacteriological Tests: All required tests will be made by Owner at no expense to the Design-Builder. The Design-Builder shall assist the Owner in collecting samples for Owner's tests.

I. CLEANING AND PRELIMINARY FLUSHING

Clean items to be disinfected of dirt, debris, residual formed on sides of items, and any other foreign material. Thoroughly flush with water prior to disinfection.

J. CHLORINATION

1. General: After being thoroughly flushed, disinfect specified structure by chlorination.
2. Form of Chlorine: Apply chlorine in a chlorine gas-water mixture, calcium hypochlorite solution, or chlorine spray solution.
3. Methods of Application:
 - General: Submit methods of application to Engineer for approval.
 - Chlorine Gas-Water Mixture: Apply chlorine gas-water mixture by means of a solution feed chlorination device. Provide device with means to prevent backflow of water into chlorine cylinder.
 - Calcium Hypochlorite Solution: Inject or pump a solution consisting of 5 percent calcium hypochlorite powder and 95 percent water by weight into the lines.
 - Chlorine Spray Solution: Apply chlorine spray solution, having a concentration of at least 200 ppm. Apply uniformly to all interior surfaces, including equipment by fruit tree sprayers, fire hoses, or other approved equipment. After spraying, fill holding basin to a depth of 6 inches with water containing at least 50 ppm chlorine.

K. POINTS OF APPLICATION

If chlorine spray solution is not going to be used for basins, inject disinfecting solution into water as it enters each basin or inject into influent main.

L. RATE OF APPLICATION

Control water to be used in disinfection process to flow slowly into basins.

M. PREVENTION OF REVERSE FLOW

Exercise great care that strong chlorine solution in areas being treated will not flow back into water supply where water for disinfection is being obtained.

N. RETENTION PERIOD AND CHLORINE CONCENTRATION

Retain chlorinated water in above specified items at least twenty four (24) hours. After chlorine treated water has been retained for required time, the chlorine residual is to be at least 25.0 ppm. Should initial procedure fail to result in specified conditions, repeat chlorination procedure at no additional expense until results are obtained.

O. FINAL FLUSHING

Following chlorination, completely flush all treated water from above specified items until replacement water throughout each facility, upon test, is proven to have a combined chlorine residual of approximately 2.0 ppm.

P. CHLORINE CONCENTRATION AFTER DISINFECTION

After disinfection and during subsequent mechanical performance tests, maintain chlorine residual in all units of plant at a concentration satisfactory to Engineer. If chlorine residual drops to zero (0), Engineer has option to require redisinfection of any or all units of the Design-Build Improvements at no additional cost to Owner.

4.7. SUBMITTALS

A. PRELIMINARY PROGRESS SCHEDULE

The Design-Builder shall prepare and submit to the Owner for approval, a preliminary schedule. This submittal is to be made within ten (10) days from the Contract Date. The method of schedule preparation required is generally referred to as the critical path method (CPM).

This CPM schedule will be a computer-generated construction schedule, using Primavera Project Planner (P3), a Project management and control software developed by Primavera Systems, Inc., or the latest version of Microsoft Project.

In developing the Project schedule, the Design-Builder shall utilize the precedence diagramming method (PDM) option of P3 or Microsoft Project. The work day to calendar date correlation of the construction schedule shall be based on a 40-hour work week with adequate allowance for holidays, adverse weather and all other special requirements of the work.

The Design-Builder will be required to submit with the preliminary progress schedule, and all subsequent updates, a software generated back-up file. This back-up file must contain all descriptions, durations, logic, constraints, coding, cost information, and any other information required for computer analysis and generation of schedule and cost reports and plots. If resource loading is utilized, all resource loading, minimum and maximum limits, and any other information required for computer analysis must be provided.

The schedule shall include, as a minimum, the following separate activities:

1. Preliminary design, final design.
2. Physical construction (includes mobilization, demobilization, setup time, lags, etc.).
3. Issuance by Design-Builder of purchase orders for material and equipment and submittal of shop drawings and samples to the Owner.
4. Review by Engineer for each submittal of samples and shop drawings.
5. Fabrication time for materials and equipment.
6. Delivery of materials and equipment.
7. Installation of materials and equipment.
8. Testing, start-up and training for individual pieces of equipment or entire systems as appropriate.
9. Winter affected activities.
10. Outages or interruptions of Owner's facilities required to perform work.
11. Demolition or removal work under this Contract.

Activity durations shall represent the best estimate of elapsed time considering the scope of the Design-Build Work involved in the activity and the resources planned for accomplishing the activity expressed in working days.

Activity descriptions shall clearly define the scope of work associated with each activity. If activity descriptions contained in the schedule are not sufficient to describe the work, a supplemental narrative description is to be provided.

The construction work shall be detailed to an extent that progress can be readily monitored on a daily basis. In general, the construction work shall be detailed such that no construction activity shall have a duration greater than fifteen (15) work days.

Each activity shall be coded by the Design-Builder as necessary for proper and efficient utilization of the schedule. As a minimum, each activity shall be coded by:

1. Activity type (i.e., submittal, Engineer's review, delivery, construction, etc.).
2. Responsibility (i.e., Design-Builder, Engineer, subcontractor A, subcontractor B, Owner, etc.).

3. Area (i.e., Building A, Building B, sitework, etc.).
4. Task Order (i.e., Owner assigned number required for monthly invoicing requirements).

The above schedule development requirements are a minimum and the Design-Builder shall develop the schedule as necessary to properly control and manage the Project.

The preliminary progress schedule shall be submitted in a network analysis format and shall include, as a minimum, a graphic representation of all significant activities and events involved in the construction of the Project, and a written statement explanatory thereof for a complete understanding of the diagram. The Design-Builder may furnish a pure logic diagram with a detailed predecessor/successor analysis report.

The network graphic representation and statement must clearly depict and describe the sequence of activities planned by the Design-Builder, their interdependence and the times estimated to perform each activity. The network shall be submitted on sheets 24" x 36" or larger and may be divided into as many separate sheets as required.

Accompanying the network graphic representation of the construction schedule, the following computer generated schedule reports shall be submitted as part of the network analysis:

Detailed Activity Report - This report shall be sorted by activity number and shall include, as a minimum, the following information:

- a. activity number
- b. activity description
- c. estimated duration
- d. early start date (calendar dated)
- e. early finish date (calendar dated)
- f. latest allowable start date (calendar dated)
- g. latest allowable finish date (calendar dated)
- h. total float
- i. activity codes
- j. detailed predecessor(s) and successor(s)
- k. free float

Early Start Report - This report shall be sorted by activity type in an early start order.

Critical Path Report - This report shall be sorted by total float in an early start order.

Activity Cost Values - This report shall list the activity number, description and cost value assigned to it. Once approved, the Design-Builder will be provided work order numbers to be assigned to each activity for input into the schedule codes.

B. OPERATING AND MAINTENANCE INSTRUCTION MANUALS

1. The Design-Builder shall prepare complete written O&M Manuals covering each item of equipment finished or modified under this Design-Build Agreement. The Design-Builder shall submit in duplicate, at least eight (8) weeks prior to initial start-up, a draft form of the manual for review by the Engineer. After the manual has been approved, **four (4)** hard copies and one (1) electronic copy of the O&M Manuals shall be furnished to the Engineer. The final copies shall be received by the Engineer prior to start-up operations.
2. The O&M Manual shall include, but not be limited to, the following information: detailed description of the process and operating procedures as applicable; instruction for all components of the equipment whether manufactured by the supplier or not, including valves, controllers and other miscellaneous components; recommended lubrication and maintenance procedures and schedules including a detailed schedule of the manufacturer's preventative maintenance requirements; appropriate parts lists; exploded and/or sectional views; internal and external wiring and piping diagrams numbered to correspond to the installation; and all other pertinent information of value to obtain peak performance.
3. Equipment manufacturer's O&M Manuals which Design-Builder shall procure from the manufacturer shall include the following:
 1. Plant Specific Operating Instructions
 2. Maintenance and Lubrication Schedules and Lubricant Recommendations including recommended preventive maintenance schedules listed as daily, weekly, monthly, quarterly, semi annually and annually.
 3. Recommended Spare Parts List
 4. Plant Specific Troubleshooting guides with solutions recommended.
 5. Start-up Procedures
 6. Shut-down Procedure including extended shut-down recommendations.
 7. Emergency Operations
 8. Overhaul Procedures
 9. Selected drawings and exploded views.
 10. Internal wiring and piping diagrams.
 11. Complete catalog of parts used in final assembly of equipment.
 12. Service Centers List
 13. Manufacturer's name, contract number, model number and serial number of the equipment on the cover of each manufacturer's manual.
 14. Other pertinent information of value to obtain peak performance.

4. Equipment manufacturer's manuals shall be written for average journey men mechanics without prior knowledge of the specific equipment.
5. The O&M Manuals shall be assembled in **four (4)** sets and bound in 3 or 4 inch post type, first quality, hard cover, heavy duty three post binders and one (1) electronic copy of CD. One or more numbered volumes shall be provided as required. Each item of equipment shall be placed in a logical sequential order, as listed or ordered in the Design-Build Agreement and Appendices.
6. Provide a table of contents at the front of each volume showing the equipment items in the order in which they appear in the volume. Each equipment item shall include the functional name, applicable specification section(s) and the plant sheet listing, if any.
7. The preventive maintenance schedule shall be bound in the front of each section immediately following the index tab sheet. The schedule shall be identified with respect to the piece of equipment it is referring to.

Sheet size shall be 8½ x 11-inches.

Imprint on the front cover and spine of each binder the following:

Owner
Project Title
Operations and Maintenance Manual
Volume No. -----

8. Prior to release of final payments, revise and resubmit copies of the instructions to accord with any changes in procedures or equipment made during start-up or initial operation. Resubmittals are also required for changes made during the guarantee period.

4.8. TEMPORARY CONSTRUCTION FACILITIES

A. WATER SUPPLY & DISPOSAL

If reasonably available, water for the purpose of this Design-Build Agreement will be supplied to the Design-Builder by the Owner. The Design-Builder shall furnish and install all necessary meters, temporary piping and valves in connection with such water supply.

The Owner reserves the right to impose limitations upon the Design-Builder's use of water as the Owner, in its sole discretion, determines may be necessary to assure it of its continued ability to meet the demands of its customers and the volumes and pressures required for fire protection. Any water required by the Design-Builder in excess of the quantities the Owner provides to the Design-Builder must be furnished by the Design-Builder at his own cost.

Design-Builder will be responsible for disposal of all wastewater (including dechlorinating highly concentrated wastes that are the result of disinfection) from the sites.

B. TEMPORARY HEAT/AIR CONDITIONING

The Design-Builder shall provide approved type heating or air conditioning apparatus with the necessary power in order to protect the work. The stored materials and finished work shall be protected at all times from damage by the weather elements.

C. ELECTRICAL SUPPLY

The Design-Builder shall pay all fees, obtain necessary permits and have meter installed for power and light as may be required for the prosecution of his work. Owner shall pay for all fees and costs to have permanent power provided to the site. Design-Builder shall be responsible for all temporary electrical power (furnishing and installing) that is needed to perform construction, but not permanent power and not power for use for startup and testing.

D. TEMPORARY LIGHTING

The Design-Builder shall provide and maintain incandescent lighting for construction operations and lighting to exterior staging and storage areas after dark for security purposes as may be necessary.

E. BARRIERS

The Design-Builder shall provide barriers to prevent unauthorized entry to construction areas and to protect existing facilities and adjacent properties from damage from construction operations and demolition. Provide barricades and covered walkways required by governing authorities for public rights-of-way and for public access to existing buildings. Provide protection for plant life designated to remain. Replace damaged plant life.

F. FENCING AND SECURITY

Design-Builder shall be responsible for protection of the Project Site, and all Design-Build Work, materials, equipment, and existing facilities thereon, against vandals and other unauthorized persons.

No claim shall be made against Owner by reason of any act of an employee or trespasser, and Design-Builder shall make good all damage to Owner's property resulting from Design-Builder's failure to provide security measures as specified.

Security measures shall be at least equal to those usually provided by Owner to protect Owner's existing facilities during normal operation, but shall also include such additional security fencing, barricades, lighting, watchman services, and other measures as required to protect the Site.

All existing fences affected by the Design-Build Work shall be maintained by Design-Builder until completion of the Design-Build Work. Fences which interfere with construction operations shall not be relocated or dismantled until written permission is obtained from the owner of the fence, and the period the fence may be left relocated or dismantled has been agreed upon. Where

fences must be maintained across the construction easement, adequate gates shall be installed. Gates shall be kept closed and locked at all times when not in use.

On completion of the Design-Build Work across any tract of land, Design-Builder shall restore all fences to their original or to a better condition and to their original locations.

G. PARKING

Arrange for temporary gravel parking areas to accommodate construction personnel. When site space is not adequate, provide additional off-site parking. Designate two parking spaces each for the Owner, and Resident Project Representative.

H. PROGRESS CLEANING

Design-Builder shall keep the premises free at all times from accumulations of waste materials and rubbish. Design-Builder shall provide adequate trash receptacles about the Site and shall promptly empty the containers when filled.

Construction materials, such as concrete forms and scaffolding, shall be neatly stacked when not in use. Design-Builder shall promptly remove splattered concrete, asphalt, oil, paint, corrosive liquids, and cleaning solutions from surfaces to prevent marring or other damage.

Volatile wastes shall be properly stored in covered metal containers and removed daily.

Wastes shall not be buried or burned on the Site or disposed of into storm drains, sanitary sewers, streams, or waterways. All wastes shall be removed from the Site and disposed of in a manner complying with local ordinances and antipollution laws.

Adequate cleanup will be a condition for recommendation of progress payment applications. Remove debris and rubbish from pipe chases, plenums, attics, crawl spaces, and other closed or remote spaces, prior to enclosing the space. Broom and vacuum clean interior areas prior to start of surface finishing, and continue cleaning to eliminate dust.

Prior to Substantial Completion, Design-Builder shall clean the Site and make it ready for utilization by Owner. At completion of Construction, Design-Builder shall remove all tools, appliances, construction equipment, temporary construction and machinery, and surplus materials and shall restore to original condition all property not designated for alteration by the Design-Build Agreement and Appendices.

I. SANITARY FACILITIES

The Design-Builder shall provide suitable temporary facilities and enclosures for the use of workmen and shall maintain same in a sanitary condition.

The Design-Builder is advised that the Owner is in the business of providing potable water and the Design-Builder's sanitary arrangements shall not endanger the Owner's facilities.

J. FIELD OFFICES

The Design-Builder shall provide, at a location designated or otherwise approved by the Owner, field offices for the Design-Builder and the Resident Project Representative (RPR). Unless otherwise approved, the Design-Builder's field office shall be large enough, and furnished, to conduct progress meetings. The Design-Builder's field office is to be an official place of business for the Design-Builder at which an authorized agent of the Design-Builder will be present while work is in progress. The record documents required to be maintained by the Design-Builder shall be kept at the Design-Builder's field office.

The Design-Builder shall provide a separate field office for the RPR and visiting Owner's personnel. The office shall be not less than 256 square feet (8' x 32') and be provided with an outside entrance door with a substantial lock; glazed windows suitable for light and ventilation; and adequate heating, air conditioning, and lighting facilities. Design-Builder shall pay all electricity and heating bills. At a minimum this shall include the following:

- (2) desks (built-in type, one at each end of trailer),
- (2) free standing desks(30"x60"), (2) office chairs & (4) padded folding chairs
- (3) 4-drawer file cabinets
- drawing table, drafting stool, plan rack and plan hangers
- (1) small (2'x4') and (1) large (4'x6') white boards, with markers and erasers
- wall shelves - minimum 16 lineal feet of 12" wide wood shelving
- (2) wastebaskets
- telephone service: 2 services, one for voice telephone, one for facsimile machine. Telephone with speakers attachment for conference calls, speed dial capabilities and answering machine (integral or separate). (NOTE: Design-Builder to arrange and pay for hook-up, Owner to pay subsequent monthly phone bills.)
- copying machine – desktop unit is acceptable, Design-Builder to service and maintain throughout the Project.
- High Speed internet connection: 1 service (DSL , cable, or equivalent), for internet connectivity and electronic communications to the RPR. Design-Builder to arrange and pay for hook-up and monthly charges.
- water, hot and cold at sink. Water service and drains to be frostproof.
- sanitary facilities: flush type water closet with accessories including a wall mirror, paper towel holder and paper holder. Facilities shall be connected to the local sanitary sewer system or a holding tank provided. Facilities shall be stocked and maintained by the Design-Builder.
- weekly janitorial service. Design-Builder shall employ a professional cleaning service.
- fire extinguisher, and first-aid kit
- electric water cooler with hot and cold water faucets and an accessory refrigerator
- digital video camera (from cash allowance)
- one (1) new Windows laptop computer, including docking station, with a Universal Serial Bus (USB) with Internet access and the following features (from cash allowance):

- CD ROM Drive
- DVD Drive
- Wi-Fi
- 24" monitor (minimum)
- Color ink jet printer/scanner/fax
- Licensed copies of:
 - Lotus Notes
 - Microsoft Office
 - Microsoft Project

The computer and digital video camera shall be maintained by the Design-Builder during the Design-Build Period and provided to the Owner at the completion of the Project.

The Design-Builder shall be responsible for cleaning and upkeep of the RPR's space or field office.

The field offices shall be maintained until final acceptance of the Project unless otherwise approved by the Owner.

A 24-inch by 35-inch plywood sign shall be erected on the outside wall of the field office in a location determined by the Owner. The sign shall be painted white with blue, 3-inch high lettering, neatly arranged as follows:

Field Offices
 CALIFORNIA AMERICAN WATER COMPANY
 AND
 DESIGN-BUILDER

K. DUST CONTROL

1. Design-Builder shall take all necessary measure to control dust from his operations, and to prevent spillage of excavated materials on public roads.
2. Design-Builder shall remove all spillage of excavated materials, debris or dust from public roads by methods approved by the Owner.
3. Design-Builder shall sprinkle water at locations and in such quantities and at such frequencies as may be required by the Owner to control dust and prevent it from becoming a nuisance to the surrounding area.
4. Dust control and cleaning measures shall be provided at no additional cost to the Owner.

L. USE OF PROJECT SITE

Design-Builder shall construct and maintain suitable and safe crossings over trenches or provide detours as necessary to care for public and private traffic. Provide flagmen at junctions of public traffic and Design-Builder vehicles and equipment.

M. PROJECT SIGN

1. The Design-Builder shall erect a sign at the Project Site identifying the Project. The sign shall be erected prior to mobilization and shall be in accordance with the Design-Build Agreement and the Appendices and details included in this Section. The Project sign and sign panel shall be furnished, erected and maintained by the Design-Builder at the location designated by the Owner. Wording and colors shall be identified by the Owner.
2. The Project sign shall be fabricated, erected and maintained by the Design-Builder in accordance with the following specifications:
 - Sign Panel: The sign panel shall be constructed of $\frac{3}{4}$ inch minimum thickness marine plywood rebated into a 2 inch by 4 inch wood frame. All fasteners used in the construction of the sign shall be of a rustproof nature.
 - Painting: All supports, trim and back of the sign panel shall be painted with at least two (2) coats of the same paint used for the sign face. All paint used shall be exterior grade paint, suitable for use on wood signs.
 - Sign Supports: The supports for the Project sign shall be at least two 4 inch by 4 inch treated wood posts. The sign panel shall be securely fastened to the sign supports with at least six (6) $\frac{3}{8}$ " galvanized bolts, nuts and washers. The positioning and alignment of the sign shall be as determined by the Owner.

4.9. PRODUCTS

A. PROTECTION OF MATERIAL AND EQUIPMENT

All electrical and mechanical equipment shall be stored in a warm, dry shelter with proper ventilation. Under no circumstances shall motors, electrical control equipment or any other electrical or mechanical equipment be stored under polyethylene plastic covers or tarpaulins. When space is available inside existing structures, and the Owner approves, the Design-Builder will be allowed to store equipment inside them. Should such space not be available, the Design-Builder shall construct a shelter with a source of heat and proper ventilation as approved by the Owner for the storage of equipment.

The interior of all pipe and accessories shall be kept free from dirt and foreign matter at all times.

After valves and hydrants have been inspected, the Design-Builder shall properly store them prior to use. In order to prevent entry of foreign material that could cause damage to the seating surfaces, the valves and hydrants shall be stored in a fully closed position unless recommended otherwise by the manufacturer. Resilient seated valves shall be stored in accordance with the manufacturer's recommendations. This may include storage with protective covers for rubber seats and in marginally open condition. Valves and hydrants should be stored indoors.

If valves must be stored outdoors, the Design-Builder shall protect the operating mechanism, such as gears, motor, actuators and cylinders, from weather elements. Valve ports and flanges must be protected from the weather and foreign materials. If valves are subject to freezing

temperatures, all water must be removed from the valve interior and the valve closed tightly before storage, unless specifically recommended otherwise by the manufacturer. Valves shall be stored on pallets with the discs in a vertical position to prevent rainwater from accumulating on top of the disc, seeping into the valve body cavity and freezing and cracking the casting.

B. SERVICING EQUIPMENT

The Design-Builder shall check all equipment upon acceptance to determine if oil reservoirs are full and areas to be greased are properly packed with grease. The Design-Builder will provide the proper grease or oil for use in lubricating the required areas in the equipment. Any service to equipment while in storage, or installed pending acceptance, is the responsibility of the Design-Builder and shall be performed per manufacturer's requirements, industry standards or as stated specifically in the technical specifications.

C. GENERAL

Unless otherwise specifically provided for in the Design-Build Agreement and the Appendices, all equipment, materials and articles incorporated in the work shall be new, in current production and the best grade obtainable consistent with general construction usage.

D. COORDINATION OF DIMENSIONS

The Design-Builder shall verify and make necessary corrections to construction dimensions so that all specified and/or alternative equipment, can be installed and will function within the intent of the Design-Build Agreement and the Appendices.

E. SAFETY AND HEALTH REQUIREMENTS

All materials, equipment, fixtures and devices furnished shall comply with Applicable Law.

All equipment furnished and installed under this Contract shall be equipped with suitable and approved safety guards and devices required for the safety of the public and operating personnel. Such guards and safety devices shall be in accord with the latest requirements of safety codes approved by the American National Standards Institute as well as the safety requirements of Applicable Law. Where said safety codes of the ANSI are incompatible with Applicable Law, Applicable Law shall prevail.

F. INSTALLATION

Material and equipment shall be installed in accordance with the appropriate Sections of the Design-Build Agreement and the Appendices.

G. SERVICES OF MANUFACTURER'S REPRESENTATIVE

The Design-Builder shall arrange for a qualified service representative from each company, manufacturing or supplying certain equipment as required by the individual Specification Sections to perform the duties herein described.

After installation of the applicable equipment has been completed and the equipment is presumably ready for operation, but before it is operated by others, the representative shall inspect, operate, test, and adjust the equipment. The inspection shall include, but shall not be limited to, the following points as applicable:

- soundness (without cracked or otherwise damaged parts)
- completeness in all details, as specified
- correctness of setting, alignment, and relative arrangement of various parts
- adequacy and correctness of packing, sealing and lubricants

The operation, testing, and adjustment shall be as required to prove that the equipment is left in proper condition for satisfactory operation under the conditions specified.

On completion of his Work, the manufacturer's or supplier's representative shall submit to the Owner a complete signed report of the result of his inspection, operation, adjustments, and tests. The report shall include detailed descriptions of the points inspected, tests and adjustments made, quantitative results obtained if such are specified, and suggestions for precautions to be taken to ensure proper maintenance. The report also shall include a certificate that the equipment conforms to the requirements of the Design-Build Agreement and Appendices and is ready for permanent operation and that nothing in the installation will render the manufacturer's warranty null and void.

After the Owner has reviewed the reports from the manufacturers' representatives, the Design-Builder shall make arrangements to have the manufacturers' representatives present when the mechanical performance tests are made.

4.10. PROJECT CLOSEOUT

A. CLOSEOUT PROCEDURES

Submit written certification that Design-Build Agreement and Appendices have been reviewed, Work has been inspected, and that Work is complete in accordance with Design-Build Agreement and Appendices and ready for Owner's inspection. Provide submittals to Owner that are required by governing or other authorities. Submit Application for final payment identifying total adjusted Contract sum, previous payments, and sum remaining due.

B. FINAL CLEANING

Execute final cleaning prior to final inspection. Clean interior and exterior glass and surfaces exposed to view; remove temporary labels, stains and foreign substances, polish transparent and glossy surfaces, vacuum carpeted and soft surfaces. Clean equipment and fixtures to a sanitary condition. Clean debris from roofs, gutters, downspouts, and drainage systems. Clean site; sweep paved areas, rake clean landscape surfaces. Remove waste and surplus materials, rubbish, and construction facilities from the site.

C. PROJECT RECORD DOCUMENTS

Maintain on site, one set of the following record documents; record actual revisions to the Design-Build:

- contract drawings
- specifications
- addenda
- change orders and other modifications to the Design-Build Agreement
- reviewed shop drawings, product data, and samples

Store record documents separate from documents used for construction. Record information concurrent with construction progress.

Specifications: Legibly mark and record at each product section description of actual products installed, including the following:

- manufacturer's name and product model and number
- product substitutions or alternates utilized
- changes made by addenda and modifications

Record Documents and Shop Drawings: Legibly mark each item to record actual construction including:

- Measured depths of foundations in relation to finish floor datum.
- Measured horizontal and vertical locations of underground utilities and appurtenances, referenced to permanent surface improvements.
- Measured locations of internal utilities and appurtenances concealed in construction, referenced to visible and accessible features of the Design-Build Work.
- Field changes of dimension and detail.
- Details not on original drawings.

Submit the final Requisition to the Owner in accordance with Section 5.4 of the Design-Build Agreement.

Record Drawings shall be submitted as follows:

- 2 sets of electronic files in AutoCAD format on CD
- 2 sets of paper copies (24 x 36)
- 2 sets of paper copies (11 x 17)

D. SPARE PARTS AND MAINTENANCE MATERIALS

Provide products, spare parts, maintenance and extra materials in quantities specified in individual specification sections. Design-Builder shall confirm with Owner during the design phase the requirements for spare parts.

Deliver to the Project Site and place in location as directed by Owner; obtain receipt prior to final payment.

Appendix 4 - Attachment 1

Safety Bulletin – October 2012

Pipe Cutting Requirements - Update

In June American Water issued interim requirements for the use of cut off saws. These interim requirements included prohibiting the use of diamond tipped blades in cut off saws. Since that time a work group was established to evaluate the use of pipe cutting tools and techniques.

This work group consisted of operations personnel and operational risk management staff. This workgroup represented a highly collaborative effort involving the review and research of pipe cutting tools. Additionally, several demonstrations of alternative pipe cutting tools were held.

As a result of their efforts, the work group established new pipe cutting requirements for American Water that were approved by state vice-presidents of operations. This effort was a collaborative process that evaluated safety, first and foremost, as well as operational considerations. Below is an update and summary of the new requirements designed to lower exposures to the potential hazards associated with the use of cut off saws.

- As communicated on June 1, 2012, the use of diamond tipped blades is prohibited in any cut-off saw application. Only abrasive blades will be used with cut-off saws.
- The use of cut-off and ring saws is banned in excavations and trenches. This is effective as soon as practical (upon attainment of approved, alternative cutting tools), and no later than January 1, 2013.
- The use of cut-off saws is only authorized for cutting pipe outside of a trench or excavation and must be limited to applications where alternative cutting methods are unsafe or not feasible or practical.
- Ring saws are allowed for cutting pipe outside an excavation only.
- To protect against kick back, cut off or ring saw blades cannot be re-introduced into a previous cut. For pipe cutting, the maximum pipe diameter that can be cut with a continuous or single pass cut will be dependent on work set up and blade size.
- Cut-off saws may be used for pavement cutting if equipped with approved abrasive blades and the saw is properly mounted in a cart approved by the manufacturer, and designed specifically for the saw model in use. If operational conditions are such that a cart cannot be used, the cart requirement is waived for that portion of the work only.

FOCUS ON SAFETY



AMERICAN WATER

- Alternative cutting tools approved for use in excavations and trenches include:
 - Chain saws specifically approved and equipped with appropriate cutting chain for the pipe material,
 - Diamond Wire Guillotine saws,
 - Manual, pneumatic, and hydraulic powered wheel and snap cutters
 - Reciprocating saws, and
 - Hand saws
- Appropriate Personal Protective Equipment (PPE), must be worn for protection from the hazards associated with the cutting tool and process. PPE includes, as a minimum with all pipe cutting tools: safety glasses or goggles, gloves, safety shoes, hardhat, and Class II or III reflective garment (when in the road right-of-way). Additional PPE including face shield and hearing protection is required when using reciprocating, cut off, chain, ring or guillotine saws.
- All pipe inside an excavation is required to be supported before making any cuts to prevent pinching of the cutting tool
- Employees using gas, hydraulic and/or pneumatic powered saws to cut pipe will receive training/re-training by December 31 of this year. Delivery of new saws may impact this schedule. Only trained employees will be authorized to use this equipment.
- A job safety analysis must be prepared and reviewed with employees as part of their training prior to using cut-off or ring saws for any approved purpose. Should specific hazards or safety concerns exist at the jobsite, these will also be reviewed and mitigated to the extent possible prior to commencement of work.
- In addition to the above requirements, all manufacturer requirements and safety warnings must be followed.
- American Water Procurement has obtained substantially discounted pricing from Stanley Tools (hydraulic powered chain saws), and ICS (hydraulic and gasoline powered chain saws). These chain saws must be purchased through Grainger to receive the American Water discount.
- A health and safety practice will be issued outlining these requirements and other applicable safety considerations.
- As we transition to these new requirements, the June 1, 2012 interim requirements remain in effect.

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APPLICATION TO CONTRACTORS AND SUBCONTRACTORS

Contractors and subcontractors performing work for American Water will conform to the following requirements. To the extent necessary, agreements and related statements of work will be amended to enforce the requirements.

- The use of cut-off and ring saws is prohibited in any trench or excavation.
- The use of diamond tipped blades is prohibited in any cut-off saw application. Only abrasive blades will be used with cut-off saws.
- The use of cut-off saws is only authorized for cutting pipe outside of a trench or excavation and should be limited to applications where alternative cutting methods are unsafe or not feasible or practical. All manufacturers' recommendations, warnings and safeguards must be followed.
- Ring saws are allowed for cutting pipe outside an excavation only on pipe diameters that allow for a single pass cut. All manufacturers' recommendations, warnings and safeguards must be followed.
- Cut-off and Ring saws may be used for pavement cutting if equipped with approved abrasive blades and the saw is properly mounted in a cart approved by the manufacturer and designed specifically for the saw model in use. If operational conditions are such that a cart cannot be used, the cart requirement is waived for that portion of the work only. All manufacturers' recommendations, warnings and safeguards must be followed.
- Contractors will be notified of these requirements by December 31, 2012 and expected to conform to these requirements no later than March 31, 2013.
- It remains the contractor/subcontractor's responsibility to train their respective employees on the proper use and application of all equipment, to follow manufacturer recommendations and to comply with all applicable Federal, State and local health and safety regulations.

In advance of your cooperation, thank you for ensuring we work safely and return home to our families each night without incident or injury.

Appendix 5

Design-Build Quality Management Plan and Quality Control Requirements

Appendix 5

Design-Build Quality Management Plan and Quality Control Requirements

5.1 PURPOSE

The purpose of this Appendix is to describe the minimum requirements for the Design-Build Quality Management Plan, including quality assurance (“QA”) and quality control (“QC”) procedures that shall be implemented during the Design-Build Period. Quality assurance and quality control (“QA/QC”) shall include inspection, sampling and testing, and other requirements. **[Note: this Appendix to be modified based upon the Design-Build Quality Management Plan submitted by the selected Proposer.]**

5.2 OWNER’S QUALITY OBJECTIVES

The Design-Build Quality Management Plan, including QA/QC, shall be consistent with and support the following overall quality objectives established by the Owner:

- Ensure that the permitting, design, construction and testing of the Project are consistent with the Contract Standards.
- Provide for high-quality workmanship.
- Integrate and coordinate Governmental Approval specialists, environmental scientists, designers, Engineers, construction contractors, and operators into all review phases of the Design-Build Work.
- Develop and implement systems to ensure that problems are discovered early, resolved in a timely manner, and do not recur.
- Provide independent oversight equipped with adequate resources to ensure that quality is not compromised by production goals. During the permitting and design phase, independent oversight is defined as having QA/QC personnel separate from and independent of the design production team on whose work QA/QC functions are being performed. During the construction phase, the lead Engineering personnel involved in making design decisions shall remain involved (including receiving periodic updates on the progress of the construction and making site visits during key points in the construction related to their respective design expertise) to ensure quality assurance.
- Ensure implementation of the QA/QC functions by the use of specified procedures and audit functions.

5.3 DESIGN-BUILD QUALITY MANAGEMENT PLAN DEVELOPMENT AND IMPLEMENTATION

5.3.1 General Requirements

The development and implementation of the Design-Build Quality Management Plan shall be the responsibility of the Design-Builder. The Design-Build Quality Management Plan shall integrate the permitting, design, construction, commissioning and testing phases of the Project during the Design-Build Period and shall include detailed QA and QC programs as attachments. Other

Design-Build Quality Management Plan requirements are defined in Section 5.4 of this Appendix.

The Design-Build Quality Management Plan shall include:

- Provision of adequate resources dedicated exclusively to the plan's implementation. QA/QC staff must function independently of production staff and be empowered to enforce the plan's objectives, define quality expectations, independently verify quality, proactively identify any potential causes of unacceptable quality of work and provide safeguards to avoid any unacceptable quality of work, and if not fully successful, investigate any causes of unacceptable quality of work and implement immediate corrective action.
- Provision of adequate design Engineering personnel resources dedicated during the construction to provide full oversight of construction activities.
- A clear definition and understanding of roles and responsibilities and quality standards among all parties performing the Design-Build Work, including Subcontractors, to ensure that the expected quality standards are met.

The Design-Build Quality Management Plan components for permitting and design shall address procedures for such phases of the Design-Build Work in detail. The construction portion of the Design-Build Quality Management Plan shall include sufficient information to define roles and responsibilities for firms and key individuals, document submittal protocols, inspection procedures, and systems to ensure corrective action.

5.3.2 Owner's Review of Design-Build Quality Management Plan

Within 15 days following the Contract Date, the Design-Builder shall submit to the Owner for the Owner's review its Design-Build Quality Management Plan that describes how QA/QC will be provided and managed for all design and permitting activities. The Owner shall have 15 days to respond with questions and comments. A revised Design-Build Quality Management Plan, incorporating the Owner's comments and fully addressing any areas of non-compliance of the Design-Build Quality Management Plan with the requirements of this Appendix 5 and any other applicable Contract Standards, shall be submitted to the Owner within 15 days of receipt of the Owner's comments.

At least 60 days prior to the expected Construction Date, the Design-Builder shall submit, for the Owner's review, its Design-Build Quality Management Plan that describes how QA/QC will be provided and managed for all construction activities. The Owner shall have 30 days to respond with questions and comments. A revised Design-Build Quality Management Plan, incorporating the Owner comments and fully addressing any areas of non-compliance of the Design-Build Quality Management Plan with the requirements of this Appendix 5 and any other applicable Contract Standards, shall be submitted to the Owner prior to the Construction Date and shall be a precondition to the start of construction activities.

Revisions and updates to the Design-Builder's Design-Build Quality Management Plan may be proposed by the Design-Builder as the Design-Build Work progresses. Changes to the Design-Build Quality Management Plan that do not fully comply with the requirements of this Appendix 5 and any other applicable Contract Standards will require the approval of the Owner. Without

exception, such proposed revisions or updates shall be provided to the Owner no later than 30 days prior to the start of the Design-Build Work to which the revision applies. The Owner will complete its review and respond within 30 days of receiving the proposed Design-Build Quality Management Plan change. These revisions and updates may occur in one or more iterations. The Design-Builder shall not initiate any of the Design-Build Work that is impacted by such a non-complying program change unless and until the Owner has reviewed and accepted the Design-Build Quality Management Plan change.

Changes to the Design-Build Quality Management Plan that fully comply with the requirements of this Appendix 5 and any other applicable Contract Standards will not require the approval of the Owner, but shall be provided to the Owner for review and comment. The Owner will complete its review and respond within 15 days of receiving the proposed Design-Build Quality Management Plan change that complies with this Appendix 5.

5.4 MINIMUM REQUIREMENTS FOR DESIGN-BUILD QUALITY MANAGEMENT PLAN

5.4.1 General Requirements

In addition to the requirements in subsection 5.3.1 of this Appendix, the Design-Build Quality Management Plan shall include, at a minimum, the following information for each phase of the Design-Build Work:

- The Design-Builder's overall quality approach, including its QA/QC philosophy, approach for each phase, and a discussion of methods that will be used to assure that contracting and subcontracting relationships will support the Design-Builder's and the Owner's quality objectives.
- Minimum staffing and resource commitments for QA/QC activities for each phase, including fully explained responsibilities and authorities.
- Organization charts for each phase showing the relationship and reporting plan for the QA/QC Manager, special inspectors, field Engineers, design Engineers, Subcontractors, the Owner, and others. This shall include descriptions of the relationships of QA/QC staff to the monitored organizations performing the Design-Build Work.
- Designation of the QA/QC Manager's authority on behalf of the Design-Builder to take actions to assure the Design-Build Work meets the Contract Standards and requirements of the Design-Build Quality Management Plan.
- Definition of design change process during construction describing the sequence of events to implement a design change and documentation of the design change, all consistent with the Owner's rights as described in Appendix 5 and Article III of the Design-Build Agreement.
- A description of the Design-Builder's procedures to proactively identify any potential causes of unacceptable quality of Design-Build Work and provide safeguards to avoid any unacceptable quality of Design-Build Work, and if not fully successful, investigate any causes of unacceptable quality of Design-Build Work and implement immediate corrective action.

- Procedures for ensuring environmental mitigation and monitoring requirements are successfully implemented.
- Procedures for ensuring applicable Governmental Approval requirements are met.
- A description of the Design-Builder's process to identify, document, and reach concurrence on corrective action.
- Other QA/QC procedures and documentation requirements in detail.
- QA/QC documentation and report requirements in detail, including frequency of reporting.
- All other applicable requirements of the Design-Build Agreement.

5.4.2 Requirements for QA/QC Manager

For each phase of the Design-Build Work, the QA/QC Manager, who shall not be otherwise involved in the daily Design-Build Work, shall:

- Be responsible for developing and implementing the Design-Build Quality Management Plan.
- Be a registered professional Engineer in the State.
- Have served as the QA/QC Manager for at least one other Project of similar size and scope.
- Have a minimum of 10 years of experience in desalination facility design and commissioning activities.

5.4.3 Requirements for Governmental Approvals

The Design-Build Quality Management Plan shall, at a minimum, address the following:

- Roles and responsibilities for obtaining Government Approvals.
- Standards and methods to be used.
- Procedures for ensuring that requirements of Governmental Approvals are incorporated into Design Documents and for verifying compliance during construction.

5.4.4 Requirements for Design Phase

The Design-Build Quality Management Plan shall identify the roles, responsibilities, and procedures necessary to ensure that design quality is maintained during the development, review and approval processes. For each segment of the design work (including but not limited to civil, process, electrical, mechanical, HVAC, structural, geotechnical, etc.) identify the individual(s) serving as the Engineer-of-Record. The Design-Build Quality Management Plan shall include procedures for ensuring that all Contract Standards are incorporated into the Design-Build Work and for verifying compliance until Acceptance has been achieved. Controls shall be established to coordinate design development activities. Coordination shall include all internal and external parties involved in the design development and review process, including inter-discipline

reviews, and the verification process used to ensure that changes are clearly and consistently shown on all affected Design Documents. Methods shall be incorporated to ensure that all design issues and reviewer comments are identified and tracked, until they have been addressed and incorporated into the design.

Measures shall be taken to ensure that designs are not released to construction until authorized and approved by the Engineer-of-Record. Design Documents shall clearly show detailed quality requirements such as: construction tolerances, requirements from applicable codes, standards which are to be followed during construction, equipment model numbers, code material requirements, and any test reports or certifications required from the manufacturers.

5.4.5 Requirements for Construction Phase

The Design-Builder shall be responsible for controlling the quality of all Design-Build Work, including work of its Subcontractors and suppliers, and for ensuring that the required quality is achieved. The Design-Build Quality Management Plan shall describe the approach to on-site quality, off-site quality, the construction QA/QC organization, and the methods and procedures used to assure that quality is achieved during all stages of construction and testing. The Design-Build Quality Management Plan shall detail the QA/QC submittals for construction, ensure quality of all materials and equipment, and clearly define QA/QC activities, including responsible parties, roles, responsibility, and work products ensuring that the Design-Build Work is constructed as specified and required. These requirements shall be written with sufficient clarity to allow the Owner to verify that the Design-Build Quality Management Plan is being fully implemented, all work is inspected, and that all deficiencies are being identified and resolved.

The Design-Build Quality Management Plan shall describe the role of the Design-Builder's Engineer-of-Record and Subcontractors' registered Engineer(s), as applicable, during construction. There shall be full oversight of the construction under the direction of the Design-Builder or a Subcontractor responsible for the design of that portion of the Project. The firm responsible for each portion of the design shall be required to certify that the construction of the Project was consistent with the Contract Standards and with the Design Documents. A procedure for ensuring performance of this oversight, for documenting its performance, and for obtaining certifications by the firms responsible for the design shall be included.

The Design-Build Quality Management Plan shall include the details of the Design-Builder's Construction Quality Control Program ("CQCP"). Instructions for performing inspections must be clearly defined, including the work attributes to be inspected, the acceptance criteria, frequency of inspections, and the requirements for documenting the inspection results. The CQCP shall require inspection during construction by inspectors who are not responsible, in whole or in part, for the scheduling or construction of the Design-Build Work being inspected. Inspection records must be kept current, have sufficient detail to enable the Owner Engineer to identify inspections which have been performed, and the results of these inspections. Inspections must be made throughout the period of construction, including the initial construction, in-process inspections, final inspections, and testing during construction. The CQCP shall describe methods to be implemented to identify and track all unsatisfactory, deviating, and nonconforming work until the required repair, rework, or replacement is performed, and the work has been re-inspected and accepted. The CQCP shall detail the means and methods for

identifying and correcting all construction deficiencies such that construction quality meets the Contract Standards and the Design Documents. The Owner shall be informed of all unsatisfactory conditions that the Design-Builder will rectify and for any nonconforming conditions for which the Design-Builder intends to request the Owner's acceptance in accordance with the Design-Build Agreement.

The CQCP shall ensure the quality of all material and equipment. Procedures shall be used to verify that the procurement documents meet all Contract Standards and the Design Documents, and that quality has been controlled during the manufacture and testing of all equipment which is being fabricated especially for the Project. The CQCP shall require written documentation of inspection of all material and equipment to ensure that it meets all Contract Standards and the Design Documents. Documentation such as material test reports, certifications, and equipment tests results must be received by the Owner Engineer to demonstrate compliance with all Contract Standards and the Design Documents. The CQCP shall include monitoring procedures to ensure that material and equipment is being stored and maintained according to requirements of the designer and the manufacturer.

Procedures and controls shall be provided to ensure that inspections are being performed using the latest Design Documents and approved shop drawings. Procedures shall ensure that an adequate number of inspection personnel are available at all times, and that all inspectors are qualified, trained, and proficient in performing inspections for the Design-Build Work to which they are assigned.

The Design-Builder shall provide full-time construction management and full and comprehensive construction administration for the Design-Build Work. Construction inspectors, who shall be provided with the latest Design Documents released to construction, shall perform initial verification of procurement and construction activities, so that any conflicts will be identified at an early stage. The CQCP shall clearly identify the circumstances under which the Design-Builder's registered soils or geotechnical Engineer and the Engineer-of-Record will be involved in construction quality oversight.

The Design-Builder shall perform all testing and inspections as required by the Contract Standards, approved design documents, applicable codes, regulations, and standards (such as ACI and ASTM) which may be referenced in various sections of Appendix 2. Section 1.2(O) of the Design-Build Agreement shall govern any conflicts or inconsistency in the stringency of test requirements.

All construction testing shall be performed by individuals who are qualified and experienced in providing these testing services. Equipment used to perform tests shall be calibrated according to requirements in the testing procedure. The Design-Builder shall hire a certified independent testing laboratory to perform all laboratory testing. The laboratory selected shall be authorized to operate in the State, certified under the State's National Environmental Laboratory Accreditation Program, as applicable, and shall be subject to the approval of the Owner. Design-Builder requests for laboratory approval shall be made by the Design-Builder in a timely manner, in writing, to the Owner and Owner Engineer. The Owner shall have 15 days from receipt of such request to respond. Laboratory tests include the proposed concrete mix design, concrete aggregate tests, strength of concrete field test cylinders, gradation, and moisture density relationship of soils. The certified testing laboratory(s) must also perform on-site tests that the Design-Builder is not experienced, qualified, or certified to perform or that require independent

testing under the Contract Standards. On-site tests include: concrete slump, concrete air entrainment, concrete temperature, casting of concrete test cylinder specimens, in-place testing of concrete strength, compaction density testing of soils, coating thickness measurements, structural bolting torque, etc.

In addition to all of the above requirements, the CQCP and the Design-Builder's construction quality control activities shall comply with the requirements of Attachment 5A of this Appendix for construction of the Project.

Attachment 5A

Additional Construction Quality Control Requirements

PART 1 – GENERAL

1.1 SITE INVESTIGATION AND CONTROL

- A. The Design-Builder shall check and verify all dimensions and conditions in the field continuously during construction. The Design-Builder shall be solely responsible for any inaccuracies built into the Design-Build Work due to the Design-Builder's (including Subcontractor's) failure to comply with this requirement.
- B. The Design-Builder shall inspect related and appurtenant Design-Build Work and report in writing to the Owner any conditions which will prevent proper completion of the Design-Build Work. Failure to report any such conditions shall constitute acceptance of all site conditions, and any required removal, repair, or replacement caused by unsuitable conditions shall be performed by the Design-Builder at the Design-Builder's sole cost and expense.

1.2 INSPECTION OF DESIGN-BUILD WORK

- A. All Design-Build Work performed by the Design-Builder shall be inspected by the Design-Builder. All nonconforming Design-Build Work and any safety hazards in the work area shall be noted and promptly corrected. The Design-Builder is responsible for the Design-Build Work to be performed safely and in conformance with the Design-Build Agreement.
- B. The Owner, its employees, agents, representatives and contractors shall be permitted access to all parts of the Design-Build Work, including plants where materials or equipment are manufactured or fabricated.
- C. The presence of the Owner, its employees, agents, representatives and contractors shall not relieve the Design-Builder of the responsibility for the proper execution of the Design-Build Work in accordance with all requirements of the Design-Build Agreement. Compliance is the responsibility of the Design-Builder. No act or omission on the part of the Owner, its employees, agents, representative and contractors shall be construed as relieving the Design-Builder of this responsibility.
- D. All materials and articles furnished by the Design-Builder shall be subject to documented inspection, by qualified personnel, and no materials or articles shall be used in the Design-Build Work until they have been inspected and accepted by the QA/QC Manager or other designated representative. Any Design-Build Work covered in the absence of inspection shall be subject to uncovering as set forth in Section 3.14 of the Design-Build Agreement.

1.3 TIME OF INSPECTION AND TESTS

- A. Whenever the Design-Builder is ready to backfill, bury, cast in concrete or otherwise cover any Design-Build Work under the Design-Build Agreement, the Owner shall be notified before such covering and completion, and the Owner shall notify the Design-

Builder of a requested inspection of any such Design-Build Work as set forth in subsection 3.14(E) of the Design-Build Agreement. Failure of the Design-Builder to properly notify the Owner, as required by subsection 3.14(E) of the Design-Build Agreement, in advance of any such covering or completion shall be reasonable cause for the Owner to request the Design-Builder take apart or uncover for inspection or testing any previously covered or completed Design-Build Work in accordance with subsection 3.14(E) of the Design-Build Agreement. The costs of any uncovering, taking apart, remedial or corrective work required and all costs of such delays, including the impact on other portions of the Design-Build Work, shall be borne as set forth in subsection 3.14(E) of the Design-Build Agreement.

1.4 SAMPLING AND TESTING

- A. Except as otherwise required, all sampling and testing shall be in accordance with the methods prescribed in the current standards of the ASTM, as applicable to the class and nature of the article or materials considered. The Owner reserves the right to use any generally accepted system of inspection that, in the opinion of the Owner, will ensure the Owner that the quality of the workmanship is in full accord with the Design-Build Agreement.
- B. The Owner reserves the right to make independent investigations and tests as specified in the following paragraph. The failure of any portion of the Design-Build Work to meet any of the Contract Standards shall be reasonable cause for the Owner to require the removal or correction and reconstruction of any such Design-Build Work.
- C. In addition to any other inspection or quality assurance provisions that may be specified, the Owner shall have the right to independently select, test, and analyze, additional test specimens of any or all of the materials to be used pursuant to subsection 3.14(B) of the Design-Build Agreement. Results of such tests and analyses shall be considered along with the tests or analyses made by the Design-Builder to determine compliance with the applicable specifications for the materials so tested or analyzed provided that wherever any portion of the Design-Build Work, as a result of such independent testing or investigation by the Owner, fails to meet the requirements of the Design-Build Agreement, all costs of such independent inspection and investigation and all costs of removal, correction, reconstruction, or repair of any such Design-Build Work shall be borne by the Design-Builder in accordance with subsections 3.14(E) and 3.15(A) of the Design-Build Agreement.

1.5 RIGHT OF REJECTION

- A. The Owner shall have the right at all times and places to reject any articles or materials to be furnished hereunder which, in any respect, fail to meet the requirements of the Design-Build Agreement, regardless of whether the defects in such articles or materials are detected at the point of manufacture or after completion of the Design-Build Work at the Project Site. If the Owner, through an oversight or otherwise, has accepted materials or work which are defective or in any way contrary to the Design-Build Agreement, such materials, no matter in what stage or condition of manufacture, delivery, or erection, may be rejected.
- B. The Design-Builder shall promptly remove or replace rejected articles or materials from

the Project Site after notification of rejection.

- C. All costs of removal and replacement of rejected articles or materials, as specified therein, shall be borne by the Design-Builder.
- D. The Design-Builder shall not be entitled to any adjustment to the Scheduled Acceptance Date due to the Owner's rejection of articles or materials that fail to meet the requirements of the Design-Build Agreement.

1.6 TESTING SERVICES

- 1. The Owner shall have the right to inspect work performed by the Owner-approved independent testing laboratory utilized by the Design-Builder, both at the Project Site and at the laboratory. This shall include inspection of the independent testing laboratory's internal quality assurance records (quality assurance manual, equipment calibrations, proficiency sample performance, etc.).
 - 2. The Design-Builder shall obtain the Owner's acceptance of the testing firm before having services performed, and pay all costs for these testing services
 - 3. Testing services provided by the Owner, if any, are for the sole benefit of the Owner; however, test results shall be available to the Design-Builder. Testing necessary to satisfy the Design-Builder's internal QA/QC procedures shall be the sole responsibility of the Design-Builder.
- B. Unless otherwise specified, the Design-Builder shall provide all testing services in connection with the following materials as required, for review by the Owner:
- 1. Concrete materials and mix designs.
 - 2. Masonry units, masonry grout, mortar materials, and design mixtures.
 - 3. Asphaltic concrete materials and design mixtures.
 - 4. Embankment, fill, and backfill materials.
 - 5. QC testing of all precast concrete.
 - 6. Holiday testing of pipeline coatings.
 - 7. Air testing of field-welded joints for steel pipe and fabricated specials.
 - 8. All other tests and Engineering data required for the Owner's review of materials and equipment proposed to be used in the Design-Build Work.
 - 9. Concrete strength tests.
 - 10. Test of masonry prisms.
 - 11. Field control test of masonry.
 - 12. Asphaltic concrete.
 - 13. Magnetic particle or dye penetrant testing of field welds for steel pipe and fabricated specials.
 - 14. Moisture-density and relative-density tests on embankment, fill, and backfill materials.

15. In-place field density test on embankments, fills, and backfill.
 16. Other materials and equipment as specified herein.
 17. Testing, including sampling, shall be performed by the Design-Builder or the testing firm's laboratory personnel, in the general manner and frequency required by the Contract Standards and the Design Documents.
 18. The testing firm's laboratory shall perform all laboratory tests within a reasonable time, consistent with the specified standards, and shall furnish a written report of each test.
 19. The Design-Builder shall furnish all sample materials and cooperate in the testing activities, including sampling, and shall interrupt the Design-Build Work when necessary to allow testing, including sampling, to be performed. The Design-Builder shall have no claim for an increase in contract price or contract times due to such interruption. When testing activities, including sampling, are performed in the field by the testing firm's laboratory personnel, the Design-Builder shall furnish personnel and facilities to assist in the activities.
- C. Written reports of tests and Engineering data regarding materials and equipment proposed to be used in the Design-Build Work shall be submitted by the Design-Builder for the Owner's review.
1. The testing firm retained by the Design-Builder for material testing shall furnish five copies of a written report for each test. Three copies of each test report shall be transmitted directly to the Owner in a sealed envelope, within three Working Days after each test is completed. Two copies of each test report shall be transmitted to the Design-Builder. The Design-Builder shall consecutively number each report for each type of test.
 2. The Owner shall furnish one copy of each field and laboratory QA/QC test conducted by the Owner to the Design-Builder.

PART 2 - EXECUTION

2.1 INSTALLATION

- A. Inspection: The Design-Builder shall inspect materials or equipment upon the arrival on the jobsite and immediately prior to installation and remove damaged and defective items from the jobsite. The Owner shall be provided the opportunity to observe any such Design-Builder inspections in accordance with Section 3.14 of the Design-Build Agreement.
- B. Measurements: The Design-Builder shall verify measurements and dimensions of the work as an integral step of starting each installation.
- C. Manufacturer's Instructions: Where installations include manufactured products, the Design-Builder shall comply with manufacturer's applicable instructions and recommendations for installation, to whatever extent these are more explicit or more stringent than applicable requirements indicated in the Design-Build Agreement so as not to violate manufacturers' warranty conditions.

Appendix 6

Design-Build Work Review Procedures

APPENDIX 6

DESIGN-BUILD WORK REVIEW PROCEDURES

6.1 PURPOSE

The purpose of this Appendix is to set forth the procedures for the Owner's review of each aspect of the Design-Build Work to verify that the Project has been designed and constructed in accordance with the Design and Construction Requirements set forth in Appendix 2, the General Design-Build Work Requirements set forth in Appendix 4, and the terms and conditions of the Design-Build Agreement.

6.2 PARTNERING SESSION and INITIAL MEETING

Within thirty (30) days after the Contract Date, two consecutive one-day meetings will be held. The first day, a conference attended by Design-Builder, the Owner, and others shall be held with the assistance of a facilitator in order to establish a partnering relationship amongst the parties as to the Design-Build Work. At such conference, the parties shall develop common Project objectives in the form of a partnering charter and shall develop working arrangements for periodic meetings amongst the parties, including subsequent partnering meetings, and for the rapid resolution of issues that may develop. Owner and Design-Builder shall mutually agree on the selection of the Facilitator. The cost of the facilitator and the cost of the meeting facilities for all partnering sessions will be paid for by the Owner. Each party shall be responsible for the travel and living expenses of their employees and their subcontractors or consultants designated to attend the meeting.

On the second day, Design-Builder, the Owner and others shall attend another meeting to discuss the schedules, design issues, applications for payments and other submittals, maintaining required records and Project procedures and community relations.

6.3 DOCUMENT SUBMITTAL PROTOCOL

No later than 30 days following the Contract Date, the Design-Builder shall submit to the Owner a document submittal protocol ("Protocol"). The Protocol shall identify the key document submittal packages to be prepared by the Design-Builder and the expected submittal dates to the Owner. The Protocol shall also identify the frequency of the Design-Builder's design progress meetings during various phases of the design. The Protocol shall require the Design-Builder to submit a minimum of one original and four paper copies of each document submittal with two electronic copies of each submittal on CD disks, to the Owner, the Owner Engineer and the Contract Administrator. The Design-Builder may propose to create a Project web site, accessible to the Owner and its designees, for posting all submittals and other reference information. All major submittals shall be accompanied by a transmittal letter which states the: (i) date; (ii) "Monterey Peninsula Water Supply Project Desalination Infrastructure"; (iii) Design-Builder's name and address; (iv) identification number of each shop drawing, piece of data and sample submitted; and (v) notification of any deviations from the Design and Construction Requirements of Appendix 2.

At a minimum, the Protocol shall require the Design-Builder to include all submittals that are required to obtain the Governmental Approvals and the following Design-Build Work submittals and design package submittals:

A. Design-Build Work Submittals

- Communication Plan
- Vulnerability Assessment
- Manufacturer's warranties, certifications and other data
- Site-specific Health and Safety Plan
- Regulated Substances Management Program
- Emergency/Spill Response Plan
- Monthly Progress Schedule Updates
- Security Plan submittals

B. Design Package Submittals

Design package submittals will be defined in detail in the Protocol submittal. The submittals will be organized in a fashion to best meet the critical schedule requirements of design, permitting and construction activities. A general description of the organization of submittals follows:

- 1) Technical Submittal #1 (typical of a 15% overall design completion) including the following:
 - A. Draft Design Memorandum/Basis of Design Report;
 1. Following format provided in Appendix 2;
 2. Tabbed sections with concise text, tabular format, equipment schedules
 3. Identify equipment and equipment manufacturers
 - B. Topographic Survey of Site
 - C. Preliminary Site Plan showing structures and roadways
 - D. Preliminary Piping Plan
 - E. Preliminary Building Layouts showing equipment location
 - F. Preliminary P&IDs for Treatment and Pumping Systems
 - G. Hydraulic Profiles for treatment and waste processes
 - H. Electrical Single Line Diagram
 - I. Single Line Diagram for Medium Voltage Power Distribution
 - J. Preliminary Electrical Load Table
 - K. Preliminary Layout of Medium Voltage Switchgear and 480 Volt Switchboards
 - L. Preliminary Electrical Site Plan
 - M. SCADA Architecture Schematic
- 2) Technical Submittal No. 2 (typical of 30% Overall Design completion)
 - A. Updated versions of items in previous submittal
 - B. Landscaping Plan
 - C. Initial versions of Architectural Plans and Sections
 - D. Initial versions of Structural Plans and Sections
 - E. Preliminary Control Descriptions
 - F. First draft of Specifications for Division 11, 13, and 15

- 3) Technical Submittal No. 3 – Electrical Design Submittal (Typical of 30% Electrical Design Review)
 - A. One Line Power Distribution Riser Diagram
 1. Preliminary sizing based on initial loads
 2. Information dealing with obtaining electrical service
 - B. Electrical Site Plan
 - C. NEMA Designation Plans for Buildings
 - D. Power and Lighting Plans
 - E. Initial Electrical Specifications- Division 16
 - F. Initial Motor Control Center Elevations and Schedules
 - G. Standby Generator Sizing and Interconnection
 - H. Initial Power System Study/Analysis
- 4) Technical Submittal No. 4 (Typical of 60% Overall Design completion)
 - A. Updated versions of items in previous submittal
 - B. First draft of Specifications
 - C. Drawings, specifications, and reports to be submitted for permits
 - D. Initial HVAC and Plumbing Drawings
 - E. Initial Electrical – Lighting Plans
 - F. Operational Narrative
- 5) Technical Submittal No. 5 –Electrical Design Review (Typical of 60% Electrical Design Completion)
 - A. Updated versions of items submitted in previous Electrical Design submittal
 - B. Initial Short Circuit and Load Flow Calculations
 - C. Preliminary Protective Coordination
 1. Information outlining equipment and design approach
 - D. Updated Power System Study/Analysis
- 6) Technical Submittal No. 6 (Typical of 90% Design completion)
 - A. All drawings and specifications
 - B. Final Design Memorandum/Basis of Design Report
 - C. Drawings, specifications, and reports to be submitted for permits
 - D. Final Power System Study/Analysis including Arc Flash Hazard Analysis
- 7) Technical Submittal No. 7 - Drawings and specifications issued for construction

Electrical Design submittals shall be timely and in compliance with the Power System Study (Short Circuit, Protective Coordination, and Arc Flash Hazard Analysis/Evaluation) identified in Appendix 2.

All submittals shall be carefully reviewed by the Design-Builder prior to submission for review to the Owner, the Owner Engineer and the Contract Administrator. Each submittal shall be dated, signed and certified by the Design-Builder as being correct for the current stage of design completion. All submittals shall have a level of detail such that the Owner and its representatives can confirm compliance with the Design and Construction Requirements. The Owner may return any submittal that does not contain information sufficient for the Owner or its representatives to ascertain compliance with the Design and Construction Requirements. In the event the Owner returns a design submittal to the Design-Builder, the Owner shall notify the Design-Builder of any additional information that will be necessary for the Owner and its representatives to

ascertain conformance with the Design and Construction Requirements, and the Design-Builder shall be responsible for making all necessary corrections at its sole cost and expense. Design submittals re-submitted by the Design-Builder shall direct specific attention, in writing or on the resubmitted submittal, to revisions.

Construction activities shall not vary from the final Design Documents submitted to the Owner except where such variations are allowed, subject to the Owner's and applicable Governmental Body's review and approval, in accordance with this Appendix. Adherence to the final Design Documents will be one factor used by the Owner in its review and approval of the Design-Builder's applications for payment during construction.

The Design-Builder shall provide the following design information in the appropriate design package in accordance with the Protocol:

A. Specifications, Design Narratives, and Lists

- A. Project design criteria
- B. Basis of design report
- C. Specifications list
- D. Process systems piping line list
- E. Process system valve list
- F. Electrical loads list
- G. Major Equipment list (process, mechanical, electrical, instrumentation and control, support systems, other)
- H. Proprietary technology/equipment list
- I. Specifications for major equipment
- J. Narrative description of the following systems: controls, remote monitoring and operating capability, voice and data communications, and security.
- K. Specifications (general requirements, civil, structural, architectural, equipment, specialties, mechanical, and electrical and instrumentation and controls sections)

B. Drawings

- A. Cover sheet
- B. Drawing index
- C. Process flow diagram for all primary and secondary processes
- D. Layout of the Project Site
- E. Hydraulic profile
- F. Major outside piping layout
- G. Layout of operations building
- H. Project Site master planning layouts
- I. Landscape inventory plan
- J. Landscape and irrigation plans with landscape details/plant materials list
- K. Project Site grading and utility plans, with sections as needed for construction clarity or dimensioning
- L. Surface drainage system and features plans and details
- M. Erosion control system plans and details
- N. Stormwater Retention System plans and details

- O. Fire protection and security system plans
- P. Project Site sections and details
- Q. Process and support facilities general arrangement plans, with sections as needed for construction clarity or dimensioning
- R. Piping system plans, sections and details
- S. Corrosion control plans and details
- T. Major building structure foundation plans and sections
- U. Major building and structure floor plans
- V. Major building and structure exterior elevations and sections
- W. Typical sections through all major wall, roof and floor sections of major buildings and structures
- X. Architectural door, window, finish and hardware schedules and details
- Y. Architectural renderings
- Z. Non-process mechanical systems plans, details and schedules
- AA. Electrical site plan
- BB. Electrical one line drawing
- CC. Electrical point-to-point wiring diagrams
- DD. Process and instrumentation diagrams for all primary and secondary processes
- EE. SCADA system network drawings
- FF. Instrumentation and control system drawings, including loop drawings illustrating the functional elements in the path of the sensor to each control system input/output (ISA S5.4)

6.3.1 Electronic Drawing Submittal Format

All drawings submittals shall be in Portable Document Format (PDF), compliant with the Adobe PDF Specification Version 1.3, or the latest version. Such submittals shall be PDF formatted text and graphics or PDF searchable images. All drawings available in native format (i.e., AutoCAD) shall be provided as electronic files, in a native format supported by available viewers, in addition to in PDF format.

6.4 OWNER REVIEW OF DESIGN-BUILDER DESIGN

6.4.1 Integrated Design Review Procedures

In accordance with the terms and conditions of the Design-Build Agreement, the Owner will review the Design Documents for compliance and consistency with the Design and Construction Requirements, the Owner's shall have the ability to provide input on all issues including technical, as well as selection of finishes, architectural concept, landscaping, and environmental mitigation. the Owner's input to the design process shall be solicited by the Design-Builder on an integrated basis as the work is being performed. The Owner will make reasonable efforts to bring staff or representatives with review and decision-making authority to the work sessions as requested and scheduled by the Design-Builder. The Design-Builder shall provide the Owner with advance notice of the work sessions and agenda topics to facilitate the Owner's scheduling of the appropriate participants for the work sessions.

All design submittals shall comply with the following:

All design submittals shall comply with the Design and Construction Requirements. Any Design-Builder-requested change to the Design and Construction Requirements (regardless of prior discussion) must be clearly identified by the Design-Builder in its cover letter that transmits the request and must be fully documented with compelling justification of the Design-Builder's request for a change to the Design and Construction Requirements and the benefits to the Owner for consenting to such a change. No change to the Design and Construction Requirements shall be made except with the Owner's approval pursuant to Section 3.10 of the Design-Build Agreement. All proposed deviations from the Design and Construction Requirements shall be clearly identified. The Owner would expect such benefits may include a corresponding reduction in the Fixed Design-Build Price. The Design-Builder shall assume all risks associated with obtaining the Owner approval of any change to the Design and Construction Requirements.

The Owner shall be provided ten (10) Business Days to conduct a meaningful review of the Design Documents for compliance with the Design and Construction Requirements and to determine if any of the Design-Build Work is nonconforming.. The Design-Builder shall solicit the Owner's input to the design process during the design progress meetings and at key stages in the design preparation based on the Protocol. All design calculations shall be made available to the Owner upon request.

The Owner will provide its written comments in a tabular summation as to any concerns, problems, or non-compliance of such submittal. The tabular summation will be on a form created mutually by the Design-Builder and the Owner, with provisions on the form for the Design-Builder's responses. The Design-Builder will provide a written response to the Owner's comments within five Working Days of receipt of the Owner's comments, primarily through use of the tabular summary form, including documentation of responses and agreed upon action items. Design progress meetings will be scheduled as necessary to address review comments and facilitate timely completion of the submittal review. Any outstanding review comments not satisfactorily resolved will be transferred to an issues tracking form by the Design-Builder for subsequent follow-up. Governmental Approval application submittals will be reviewed in accordance with Section 3.11 of the Design-Build Agreement and this Appendix.

6.4.2 Design Progress Meetings and the Preconstruction Meeting

For the purpose of facilitating the design and design review process, the Design-Builder shall schedule design progress meetings with the Owner on a routine basis and at least monthly throughout the design development period in accordance with this Appendix 6. The parties shall schedule and participate in a preconstruction meeting that will be conducted no more than ten (10) days prior to the anticipated Construction Date. Representatives of Governmental Bodies having jurisdiction over the Project may attend such meetings. Design-Builder representatives with responsibility for design, permitting, and construction of the Project will participate in the meetings. the Owner will be appropriately represented by staff or representatives responsible for administering the Design-Build Agreement and monitoring the Design-Build Work in accordance with the Design-Build Agreement. Design progress meetings may coincide with construction progress meetings. The Design-Builder shall maintain an accurate updated submittal

log and shall bring this log to each scheduled design progress meeting. The submittal log shall include: (i) submittal description and assigned identification number; (ii) date of submission to the Owner, the Owner Engineer and Contract Administrator.

6.4.3 Design Submittals During Construction

It is anticipated that there could be some re-design or design clarifications needed during construction. This continuing design effort will be subject to the Owner's review for compliance and consistency with the Design and Construction Requirements in the same manner as set forth in subsection 6.3.1 of this Appendix.

Design changes to a particular Design Document performed following the issuance of the Design Document for construction shall be issued under a Design Change Notice ("DCN") process that accurately tracks and documents changes to the design. No later than 30 days prior to initiation of construction, the Design-Builder shall submit to the Owner additions to the document submittal Protocol to include the DCN process. The DCN process shall include provisions for the Owner to be provided with copies of all DCNs in a timely manner to allow review, comment, and, where appropriate, approval in the same manner as set forth in subsection 6.3.1 of this Appendix and in accordance with subsection 6.3.4 of this Appendix. Design clarifications shall be issued in a timely manner using a similar procedure. If a DCN requires a material change from what was reflected in the Governmental Approval applications, the DCN must be approved by the appropriate Governmental Body.

6.4.4 Design Change Authority

The Design-Builder shall be responsible for providing design changes to the Design Documents necessary to complete the Project for its intended purposes. All such changes shall be implemented in accordance with the DCN process described above and in compliance with the Owner's rights under Article III of the Design-Build Agreement. No DCN shall operate to change the Design and Construction Requirements. Any DCN which requests a change to the Design and Construction Requirements shall be subject to the Owner's rights under Sections 3.4, 3.9 and 3.10 of the Design-Build Agreement.

6.4.5 Design Changes Directed by Owner

The procedures to be followed for incorporating design changes directed by the Owner are specified in subsection 3.10(D) and 3.14 of the Design-Build Agreement.

6.5 OWNER REVIEW DURING GOVERNMENTAL APPROVAL PROCESS

The Design-Builder's responsibilities for obtaining and maintaining the Governmental Approvals required for construction of the Project are described in Article III of the Design-Build Agreement. The Owner shall have the right to review and comment on Design-Builder submittals as provided by the Design-Build Agreement and herein. To the extent that Governmental Approval applications include design specifications or drawings that the Owner has not previously reviewed, the Design-Builder shall submit draft copies of the Governmental Approval applications and supporting documents to the Owner in the same manner as described

in subsection 6.3.1 of this Appendix for design reviews. For all other Governmental Approval applications, the Design-Builder shall provide draft copies of the applications and supporting documents for Owner review in accordance with Section 3.6 of the Design-Build Agreement.

6.6 OWNER REVIEW DURING CONSTRUCTION

6.6.1 Construction Review Intent

In accordance with the terms and conditions of the Design-Build Agreement, the Owner and its designated representatives, including the Contract Administrator and the Owner Engineer, will have full access to the Project at all times and will periodically review construction activities and participate in construction progress meetings as needed to verify compliance with the Design-Build Agreement. In addition, the Owner will monitor the progress of construction to review and verify all applications for payment covering all construction work performed during the preceding calendar month in accordance with the procedures set forth in Appendix 13. The Owner's review of construction activities shall not extend to means, methods, techniques, sequences, or procedures of construction, or to safety precautions and programs which are all the responsibility of the Design-Builder. It is anticipated that the Owner will have full-time representation at the Project Site throughout construction, start-up and Acceptance Testing.

The Owner's review and involvement in construction activities is intended for the informational purposes of the Owner and to monitor compliance with the Design-Build Agreement. Such activities shall not be viewed as part of the Design-Build Quality Management Plan and shall not limit or otherwise affect the Design-Builder's full responsibility for the performance of the Design-Build Work. The Design-Builder shall provide the Owner with copies of minutes and other documentation produced as a result of any construction progress meeting.

6.6.2 Equipment and Materials Submittals

The Design-Builder shall provide submittals for equipment and materials, shown on the Design Documents prepared by the Design-Builder, in accordance with all procedures and requirements specified in the Contract Standards. Submittals for Project equipment and materials shown or specified in Design Documents prepared by the Design-Builder shall be reviewed and approved by the Engineer-of-Record and shall be provided to the Owner. When making a submittal to the Owner, five copies of the submittal shall be provided. The Design-Builder shall create a secure Project website, accessible to the Owner, for posting all submittals and other reference information. The Owner may reduce the requirements for hard copies of submittals in consideration of access to information on the website. The Design-Builder shall have at least seven (7) working days to review approved submittals.

A list of shop drawings requiring the Owner's review and approval will be defined by the Owner during the preliminary design phase. Detailed procedures for numbering will be outlined at the pre-construction meeting.

Each submittal shall have an identifying title stamp as follows:

Design-Builder
Project Title
Specification Section _____
Shop Drawing No. _____ Rev. _____]

6.6.3 Materials and Equipment Samples

The Design-Builder shall furnish samples of materials and equipment inspected by the Design-Builder if requested by the Owner, the Owner Engineer or Contract Administrator. Such samples shall be delivered to the requesting party at the Project Site. The Design-Builder shall prepay all shipping charges on samples. Materials or equipment for which samples are required shall not be used in the Design-Build Work until reviewed by the Owner. Samples provided pursuant to this subsection shall be of sufficient size and quantity to clearly illustrate the functional characteristics of the product, with integrally related parts and attachment devices and a full range of color, texture and pattern. Each sample shall clearly identify the material or equipment being represented, the place of origin, the name of the producer (if any) and the location in the Project where it will be used. The Design-Builder shall provide a minimum of two samples of each item for which samples are requested, unless otherwise directed by the Owner.

6.6.5 Construction Corrections and Owner Directed Changes

Section 3.15 of the Design-Build Agreement discusses the procedures to be followed for correction of non-conforming Design-Build Work and for instituting changes and additions to such work.

6.6.6 Construction Photographs and Audio-Video Records

The Design-Builder shall employ a professional photographer and videographer to record digital construction record photographs weekly and color digital audio/video pre- and post-construction records during the course of construction of the Project. Photographs and videography shall be taken in conformance with this subsection and shall be furnished to the Owner with each application for payment. The photographs and videography shall be a factual presentation of the condition and progress of the construction of the Project. Photographs and videography shall be taken at each of the major areas of construction of the Project and shall comply with the following requirements:

A. Views and Quantities

- A. Existing Project Site conditions before Design-Builder site work is started. The number of views shall be adequate to cover the Project Site.
- B. Five views of the overall Project, on a weekly basis, clearly showing the construction of the Project that is in progress.
- C. Each group of weekly photographs shall include at least two photographs taken showing the same overall view as was taken during the previous week's photographs.

- D. The Design-Builder shall consult with the Owner for instructions concerning the required views.
- E. The Design-Builder shall provide the Owner with two image CD disks (containing the photographs in JPEG or BMP format) with each application for payment.
- F. The Design-Builder shall provide bi-monthly color aerial photographs.

B. Videography Required

The Design-Builder shall prepare a color digital audio/video record of all the areas to be affected by construction prior to beginning any construction, and at Substantial Completion. The initial digital audio/video record shall be done one week prior to placement of materials or equipment on the Project Site. Prior to mobilization at the site, furnish to the Owner a CD or DVD recording of all planned construction areas, material storage areas, areas adjacent to these areas, including but not limited to, streets, driveways, sidewalks, curbs, ditches, fencing, railing, visible utilities, retaining structures and adjacent building structures. The purpose of the recording is to document existing conditions and to provide a fair measure of required restoration. Care should be taken to record all existing conditions which exhibit deterioration, imperfections, structural failures or situations that would be considered substandard.

The recording shall be performed by a professional firm specializing in audio-video work. The tapes shall be high quality, color and in a digital format. Temporary lighting shall be provided as necessary to properly tape areas where natural lighting is insufficient (indoors, shadows, etc.). The recording shall include an audio soundtrack to provide the following information:

- detailed description of location being viewed referenced to Design Documents (ie. station no., building designation, pipeline route etc.)
- direction (N, S, E, W, looking up, looking down, etc.) of camera view
- date, time, temperature, environmental conditions at time of taping.

Any areas not readily visible by the recording shall be described in detail. Unless otherwise approved by Owner, recording shall not be performed during inclement weather or when the ground is covered partially or totally with snow, ice, leaves, etc.

Prepare and provide as many CD/DVD as are necessary to satisfy the requirements of this section. The original recording shall be submitted to the Owner accompanied by a detailed log of the contents of each CD/DVD. The recording will be maintained by the Owner during construction and may be viewed at any time upon request. Upon final acceptance, the recording will become the permanent property of the Owner.

C. Digital Photographs and Audio/Video Records

- Digital images shall be color, high resolution and sharpness, maximum depth-of- field with minimum distortion. Cameras utilized for such images shall be professional digital models capable of High Definition recording.
- The audio/video recordings shall be in NTSC DVD +R format for easy viewing on standard DVD players.
- Each CD/DVD and image shall be identified on the CD/DVD, listing the following:
 1. Name of Project: “Monterey Peninsula Water Supply Project Desalination Infrastructure”
 2. Orientation of view
 3. Description of image
 4. Date image was taken
- To preclude the possibility of tampering or editing in any manner, all video recordings shall, by electronic means, generate and display continuously and simultaneously on the screen digital information to include the date and time of recording. The time information shall consist of hours, minutes and seconds, separated by colons (i.e., 10:35:18).
- The rate of speed in the general direction of travel of the conveyance used during digital videography shall be controlled to provide a usable image. Panning rates and zoom-in, zoom-out rates shall be controlled sufficiently such that playback will produce clarity of the object viewed.
- All digital audio/video records shall be done during times of good visibility. No digital audio/video records shall be done during periods of visible precipitation, unless otherwise authorized by the Owner.

6.6.7 Resident Project Representation

The duties, responsibilities and limitations of authority of the Resident Project Representative shall be as follows:

A. General

The Resident Project Representative (RPR) is Owner’s agent at the site, will act as directed by and under the supervision of Owner.

B. Duties and Responsibilities of RPR

1. Conference and Meetings: Attend meetings with Design-Builder, such as preconstruction conferences, progress meetings, job conferences and other Project-related meetings.
2. Liaison: Serve as Owner's liaison with Design-Builder working principally through Design-Builder's superintendent and assist in understanding the intent of the Design-Build Agreement; and assist the Owner in serving as liaison with Design-Builder when Design-Builder's operations affect Owner's on-site operations.
3. Shop Drawings and Samples: Advise Owner and Design-Builder of commencement of any Work requiring a Shop Drawing or sample if the submittal has not been approved by Design-Builder's design professional or Owner.
4. Review of Work, Rejection of Defective Work, Inspections and Tests:
 - a. Conduct on-site observations of the Design-Build Work in progress to assist Owner in determining if the Design-Build Work is in general proceeding in accordance with the Design-Build Agreement.
 - b. Report to Owner whenever RPR believes that any Work is unsatisfactory, faulty or defective or does not conform to the Design-Build Agreement, or has been damaged, or does not meet the requirements of any inspection, test or approval required to be made.
 - c. Verify that tests, equipment and systems startup and operating and maintenance training are conducted in the presence of appropriate personnel, and that Design-Builder maintains adequate records thereof.
5. Modifications: Consider and evaluate Design-Builder's suggestions for modifications in Drawings or Specifications and report with RPR's recommendations to Owner. Transmit to Design-Builder decisions as issued.
6. Payment Requests: Review applications for payment with Design-Builder for compliance with the established procedure for their submission and forward with recommendations to Owner, noting particularly the relationship of the payment requested to the schedule of values, Work completed and materials and delivered at the site but not incorporated in the Design-Build Work.
7. Completion:
 - a. Before Owner issues a certificate of Substantial Completion, submit to Design-Builder a list of observed items requiring completion or correction.

b. Conduct final inspection in the company of Owner and Design-Builder and prepare a final list of items to be completed or corrected.

c. Observe that all items on final list have been completed or corrected and make recommendations to Owner concerning acceptance.

C. Limitations of Authority

The Resident Project Representative:

1. Shall not authorize any deviation from the Design-Build Agreement or substitution of materials or equipment unless authorized by Owner.

2. Shall not exceed limitations of Owner's authority as set forth in the Agreement or the Design-Build Agreement.

3. Shall not undertake any of the responsibilities of Design-Builder, subcontractors or Design-Builder's superintendent.

4. Shall not issue directions relative to, or assume control over, any aspect of the means, methods or techniques of construction unless such directions or control are specifically required by the Design-Build Agreement.

Appendix 7

Acceptance Test Procedures and Requirements

Appendix 7

Acceptance Test Procedures and Requirements

SECTION 7.1. PURPOSE AND OBJECTIVES

The purpose of the Acceptance Test is to demonstrate that the Project complies with the performance and reliability requirements of the Design-Build Agreement, including the Design and Construction Requirements in Appendix 2 and all other applicable Contract Standards. The following steps are required for Acceptance:

- 1) Equipment and System Startup Testing and Commissioning, including the Initial Plant Performance tests (“IPPT”) (described in Appendix 4), which is prerequisite to the following two steps;
- 2) Run-In Plant Performance Tests (“RIPPT”), fourteen (14) day duration (described in Appendix 4), which is a prerequisite to Acceptance Testing;
- 3) Acceptance Testing, sixteen (16) day duration, described below in this Appendix.

Equipment and System Testing, which precedes RIPPT, is designed to test individual pieces of equipment and systems to be sure each component operates appropriately over the full range of operating conditions. The RIPPT is designed to demonstrate that all equipment, systems, and other elements of the Project function properly on a continuous basis as a complete unified facility prior to initiation of Acceptance Testing. Acceptance Testing is designed to demonstrate continuous stable operation of the Design-Build Improvements at both the rated capacity and the maximum capacity.

Throughout both the RIPPT and the Acceptance Testing, the Design-Builder shall be required to comply the applicable requirements of CDPH and other Governmental Bodies.

SECTION 7.2. ACCEPTANCE TESTING

Acceptance Testing shall be conducted over a sixteen (16) day continuous period. The objective of Acceptance Testing is to demonstrate continuous stable operation of the Design-Build Improvements. Testing shall demonstrate that the facility is able to produce Finished Water that is in compliance with all Applicable Law water quality standards as well as the Additional Finished Water Quality Standards and Requirements listed in this Appendix and Appendix 2. Acceptance Tests shall be conducted at the rated capacity for all but two days when testing shall be conducted at the maximum capacity.

The Acceptance Test data collection locations, frequency, accuracy, measurement conditions, detection levels, and format of presentation, reporting and recordkeeping shall be consistent with

meeting all requirements of all applicable Governmental Approvals, Applicable Law, and Subcontractor and equipment vendor warranties.

For the purpose of Acceptance Testing, the following definitions for Off-Specification Water and Unacceptable Water shall apply:

- **“Off-Specification Water”** means Finished Water that does not strictly conform to the Finished Water Quality Acceptance Standards and Requirements in every respect and to any extent whatsoever, particularly with regard to the Additional Finished Water Quality Acceptance Standards and Requirements, but is still considered potable under Applicable Law. Off-Specification Water does not include Unacceptable Water.
- **“Unacceptable Water”** means water produced by the Design-Build Improvements that do not comply with the Finished Water Acceptance Standards and Requirements (subsection 7.2(D) of this Appendix) to such an extent that it (1) is non-potable under Applicable Law; (2) presents a risk to public health or safety; or (3) has the potential to damage or destroy Owner property or private property or create a need to clean, repair, replace or restore any such property.

(A) Preconditions for Acceptance Testing

Acceptance Testing will begin following successful completion of the RIPPT. The Design-Builder shall certify that the following preconditions have been met prior to beginning Acceptance Testing of the Design-Build Improvements and all system:

- The Design-Builder shall have completed the requirements of Section 4.3 of the Design-Build Agreement.
- The Design-Builder shall have successfully completed both the Equipment and System Testing and the RIPPT described in Appendix 4.
- The Design-Builder shall have obtained the Owner’s approval of the Acceptance Test Plan, requirements of which are discussed below in subsection (B).
- The Design-Builder shall have trained the Owner’s staff to operate the Design-Build Improvements, as described in Appendix 4 (General Design Build Work Requirements) and Article 4 of the Design-Build Agreement.
- The Design-Builder shall have received written notice from the Owner that the MPWSP—slant wells and Raw Water pump station, all pipelines, and ancillary facilities—has been completed and is ready to provide Raw Water, receive Finished Water, and discharge brine and other waste streams.
- All Utilities specified or required under the Design-Build Agreement are connected and functioning properly.

- The Design-Builder shall have met with the Owner at least 60 days prior to the Scheduled Acceptance Test to provide a forecast of expected Finished Water production and delivery, and described the intended management of Finished Water and Off-Specification Finished Water.

(B) Acceptance Test Plan

The Design-Builder shall prepare an Acceptance Test Plan that outlines in detail the procedures and requirements for all Acceptance Testing, and provides the necessary checklist and forms for performing and tracking this work. The Acceptance Test Plan shall be submitted to the Owner for review and approval, at least 180 days before the planned commencement date for the Acceptance Test, in accordance with Article 4 of the Design-Build Agreement. The Acceptance Test Plan shall describe all operating procedures, clearly indicating that all equipment and systems shall be operated as intended within established operating boundaries as defined in Appendix 2. All Acceptance Tests shall be conducted at the facility's rated capacity, except for two days (48 hours) when testing shall be conducted at the facility's maximum capacity (as defined in Appendix 2).

The Acceptance Test Plan shall include the following information:

- Proposed Acceptance Test schedule.
- All Governmental Body monitoring requirements needed for obtaining a New Domestic Water Supply Permit.
- Procedures and operating conditions for Acceptance Testing of all facilities, equipment and systems.
- List of all parameters to be monitored and measurements to be made—including water quality, flow rates, and pressures—along with sampling/monitoring frequencies, in addition to the minimum water quality monitoring requirements set forth in Tables A7-1 through A7-6, presented in Attachment 1 to this Appendix.
- A proposed schedule for the number of pretreatment filters and membrane trains to operate at a time, as operations work toward continuous Raw Water flow necessary to produce the facility's rated capacity. Facility operation at flow rates less than the rated capacity shall not be included in the 16 days of Acceptance Testing.
- Identification of the State certified laboratory that will perform water quality analyses. The laboratory selected by the Design-Builder to analyze samples during Acceptance Testing shall be experienced in analyzing ocean water matrix samples. As discussed in Attachment 1 of this Appendix, the selected laboratory shall provide references and contact information for its experience analyzing ocean water matrix samples. The laboratory selected by the Design-Builder shall be subject to the approval of CDPH and the Owner.
- Standard methods proposed for all on-site chemical analyses and QA/QC plan for ensuring the accuracy of the measurements.
- SCADA system monitoring and control functions with a list of real-time data fields that shall be captured during Acceptance Testing.

- List of all necessary permanent and temporary monitoring and testing equipment needed to support the Acceptance Tests. The equipment shall be functioning and on-site at the start of Acceptance Testing.
- Instrument calibration procedures.
- Forms for tracking chemical consumption, power consumption, energy recovery.
- Forms for tracking individual unit process performance.
- Protocols for comparing collected data with Acceptance Standards and Requirements, defined in subsection (D) of this Section of this Appendix.
- Procedures for conducting tracer tests through the clearwell, in accordance with CDPH requirements, over the range of Owner anticipated flow rates to determine baffle factors and applicable T_{10} for calculating disinfection credit through the clearwell.
- Acceptance Test report outline.

(C) Performing Acceptance Test and Monitoring Requirements

The Design-Builder shall provide the Owner with at least 30 days prior written notice of the expected start of the Acceptance Test, in accordance with the requirements of Article 4 of the Design-Build Agreement. The Design-Builder shall be responsible for providing all personnel necessary to supervise the plant operation during Acceptance Testing and to document the testing results. The Owner will operate the Project during the Acceptance Testing. At all times during Acceptance Testing, the Finished Water shall be in compliance with all Applicable Law standards as well as the Additional Finished Water Quality Standards and Requirements listed in this Appendix and Appendix 2.

Acceptance Testing shall achieve successful operation and shall meet all Acceptance Standards and Requirements throughout the continuous 16 days, 24 hours per day, Acceptance Test period. If any equipment, subsystem or system malfunctions during the 16-day period, the item or equipment shall be repaired and the test resumed. Credit towards meeting the 16 day test will be given for the elapsed time before the malfunction, as long as the system operates without malfunction continuously for at least eight (8) days. The testing period shall be restarted at time zero, with no credit given for the elapsed time before the malfunction if either of the following occur: (1) less than eight (8) days has elapsed between the time of beginning the 16-day test period and the time of the malfunction, or (2) any subsystem or system malfunctions more than twice during the 16-day Acceptance Test period. The Finished Water produced during Acceptance Testing must be in compliance with Applicable Law water quality standards and with the Additional Finished Water Quality Standards and Requirements defined in this Appendix and Appendix 2, at all times. If the Finished Water is out of compliance with any of these water quality Acceptance Standards and Requirements, the testing period shall be restarted at time zero, with no credit given for the elapsed time of Acceptance Testing.

Acceptance Testing shall be conducted at the facility's rated capacity, except for two days (48 hours) of testing at the facility's maximum capacity. Facility operations at flows less than the rated capacity shall not be included in the 16 days of Acceptance Testing.

Acceptance Testing shall demonstrate that each system is able to comply with all performance Acceptance Standards and Requirements defined either in Section (D) of this Appendix or as established during design and equipment selection and described in the forms in Appendix 2 (Design and Construction Requirements) and this Appendix. Performance requirements shall include chemical consumption, electricity utilization, desalination system recovery and salt rejection over a range of temperatures, water production, waste stream flows, finished water stabilization, and final disinfection. The Design-Builder shall operate all Systems in a manner that does not require any extraordinary operational effort¹ or maintenance effort when operated at the ratings established by the equipment manufacturer or designer for the equipment throughout the entire duration of the Acceptance Test. For the RO system in particular, cartridge filter replacement or CIP operation shall not be performed during Acceptance Testing unless required for operational reasons in order to maintain conformance with manufacturer's recommendations for equipment operation.

Minimum monitoring requirements for Acceptance Testing are discussed for the following Project systems in Attachment 2 of this Appendix:

- a) Seawater Intake System
- b) Pretreatment Filtration System
- c) Reverse Osmosis / Energy Recovery / Brine Discharge System
- d) UV System
- e) Post-treatment Stabilization System
- f) Final Disinfection / Finished Water Pumping System
- g) Waste Backwash and Recycle System
- h) Chemical Storage and Delivery System

At a minimum, the monitoring plans for these systems shall include: chemical consumption, water quality throughout the facility, all process and waste stream flows, and pressures at relevant locations throughout the treatment train. Minimum monitoring requirements are discussed in Attachment 2 of this Appendix. The Design-Builder shall be responsible for ensuring the monitoring plan and all associated tracking forms are complete for ensuring successful operation and performance of the Project throughout Acceptance Testing.

¹ Extraordinary operational effort shall be defined as: (1) operation of any equipment outside of the operating conditions envelope recommended by the equipment manufacturer, or (2) the need for any material temporary repairs or for material override of any equipment protective devices to keep equipment running during the Acceptance Test.

Minimum water quality monitoring requirements for each of the Project systems during Acceptance Testing is provided in Tables A7-1 through A7-6, in Attachment 1 to this Appendix. Allowances to be paid by the Owner for water quality analyses during Acceptance Testing is discussed in Appendix 2. The Analytical methods to be used during Acceptance Testing, for all water quality monitoring, are also defined in each of the minimum water quality monitoring requirement tables—Tables A7-1 to A7-6. Analytical methods are stipulated to ensure the Design-Builder uses methods with sufficiently low method detection limit (MDL) to ensure successful performance during Acceptance Testing. All analytical methods used during Acceptance Testing shall be CDPH approved methods. If a particular parameter does not have a method approved by CDPH, methods currently approved by the EPA or contained in the most recent edition of the *Standards Methods Online - Standard Methods for the Examination of Water and Wastewater* shall be used by the Design-Builder subject to approval by CDPH and by the Owner.

(D) Minimum Performance Standards and Requirements for Achieving Acceptance

The Design-Builder shall be responsible for completion of Acceptance Testing in accordance with the Acceptance Test Plan that was prepared by the Design-Builder and approved by the Owner. The purpose of the Acceptance Test is to demonstrate the ability of the Project to satisfy the applicable Acceptance Standards and Requirements for the entire 16-day Acceptance Test period.

This Section of Appendix 7 describes the minimum Acceptance Standards and Requirements that must be met for each Project system and the Finished Water production and Finished Water quality that must be met in order for the Design-Builder to have effectively demonstrated acceptable plant performance. The Acceptance Standards and Requirements consider the following:

General Acceptance Standards and Requirements for Achieving Acceptance:

- Water Production
- Finished Water, Pretreatment Effluent, and Combined RO Permeate Water Quality
- Electricity Utilization
- Brine Stream and Other Waste Stream Flow
- Microbial Removal/Inactivation
- Chemical Consumption
- Permit Compliance

Individual System Acceptance Standards and Requirements for Achieving Acceptance:

- Pretreatment Filtration System

- Reverse Osmosis / Energy Recovery / Brine Discharge System
- UV System
- Post-treatment Stabilization System
- Final Disinfection / Finished Water Pumping System
- Waste Backwash and Recycle System

The following are the minimum Acceptance Standards and Requirements that must be met in order for the Design-Builder to achieve Acceptance (the “Acceptance Standards and Requirements”). Failure to comply with any of the Acceptance Standards and Requirements shall result in the Design-Builder failing the Acceptance Test. The Design-Builder shall refer to Article 4 of the Agreement for failure to achieve acceptance. If Acceptance Testing is restarted because of failure to meet the Acceptance Standards and Requirements, the 16-day testing period shall be restarted at time zero, unless otherwise noted in the following subsections discussing Acceptance Standards and Requirements. The Finished Water produced during Acceptance Testing must be in compliance with all Applicable Law water quality standards and with the Additional Finished Water Quality Standards and Requirements defined in this Appendix and Appendix 2, at all times. If the Finished Water is out of compliance with any of these water quality Acceptance Standards and Requirements, the testing period shall be restarted at time zero, with no credit given for the elapsed time of Acceptance Testing.

If the duration of Acceptance Testing is extended to accommodate the Design-Builder’s failure to meet the Acceptance Standards and Requirements, the Design-Builder shall pay liquidated damages in accordance with Article 4 of the Design-Build Agreement.

(a) General Performance Standards and Requirements for Achieving Acceptance

(i) Water Production

During the Acceptance Test, the Design-Build Improvements shall operate for a period of 16 consecutive days (as may be adjusted pursuant to compliance with the minimum Acceptance Standards and Requirements). During the Acceptance Test, the Design-Build Improvements shall produce 9.6 mgd of Finished Water when operated at the design rated capacity and 12.8 mgd of Finished Water when operated at the design maximum capacity. If the Owner elects the Capacity Reduction Modification, during the Acceptance Test, the Design-Build Improvements shall produce 6.4 mgd of Finished Water when operated at the design rated capacity and 12.8 mgd of Finished Water (or the maximum capacity that can be treated and delivered with the spare RO train in operation) when operated at the design maximum capacity. Facility operation at flow rates less than the rated capacity shall subtracted from the required 16 days of Acceptance Testing. Off-Specification Water shall not be counted as acceptable Finished Water produced by the Design-Build Improvements for purposes of this subsection.

(ii) Finished Water, Pretreatment Effluent, and Combined RO Permeate Water Quality

All Finished Water produced by the Design-Build Improvements shall be in compliance with Applicable Law including all enforceable primary and secondary drinking water standards established by CDPH as specified in Title 22 of the California Code of Regulations, all enforceable federal drinking water regulations (e.g., primary maximum contaminant levels (MCLs), pathogen removal and inactivation regulations, disinfection byproduct control regulations) promulgated by the EPA, and all contaminants with a drinking water notification level (NL) established by CDPH which require notification of exceedances as stipulated by State law (Health & Safety Code §116455). In addition, all Finished Water shall be in compliance with the Additional Finished Water Quality Standards and Requirements listed in Table A7-7 of this Appendix and the additional standards for boron and chloride as specified in Table A7-14. Table A7-8 lists the raw water conditions for specified Raw Water quality parameters under which the Design-Builder shall be entitled to relief during Startup and Acceptance Testing. Maximum Raw Water quality conditions, which shall serve as the basis of design for the desalination facility, are summarized in Attachment 2 of Appendix 2.

Table A7-7. Additional Finished Water Quality Acceptance Standards and Requirements^{1, 2}

Parameter	Analytical Method	Sampling Frequency	Maximum Average Concentration ^{3, 4}	Allowed Variance from Maximum Average Concentration	Not to Exceed Concentration ⁵
General and Inorganic					
Total Dissolved Solids (mg/L)	SM 2540C	one grab per day			300
Turbidity (NTU)	EPA 180.1	Continuous	0.5 ⁶	NA	1.0
Boron (mg/L) ¹¹	EPA 200.7	one grab per day	0.5	NA	0.7
Chloride (mg/L) ¹¹	EPA 300.0	one grab per day	60	NA	100
Bromide (mg/L)	EPA 300.0	one grab per day	0.3	NA	0.5
Sodium (mg/L)	EPA 200.7	one grab per day	35	NA	60
Product Water Stabilization⁷					
Hardness, total ⁸ (mg/L as CaCO ₃)	SM 2340B	one grab per day	40 to 100	± 5	–

Parameter	Analytical Method	Sampling Frequency	Maximum Average Concentration ^{3, 4}	Allowed Variance from Maximum Average Concentration	Not to Exceed Concentration ⁵
pH ⁸	EPA 150.1	Continuous	7.7 to 8.7	± 0.1	–
Alkalinity, total ⁸ (mg/L as CaCO ₃)	SM 2320B	one grab per day	40 to 100	± 5	–
Langelier Saturation Index (LSI) ⁸	SM 2330	Calculated daily	0 to 0.2	± 0.1	–
Calcium Carbonate Precipitation Potential (CCPP) (mg/L) ⁸	SM 2330	Calculated daily	0 to 5	± 0.5	–
Orthophosphate ⁸ (mg/L as PO ₄)	SM 4500P-E	Calculated daily	Set by Owner within the range of 1.0 to 3.5 mg/L	± 0.3	3.5
Disinfection and Disinfection Byproducts					
Total Chlorine Residual (mg/L) ⁸	Amperometric Titration (SM 4500-Cl D or SM 4500-Cl E, as appropriate)	Continuous	Set by Owner for a target of 2 mg/L, within the range of 1.5 to 2.5 mg/L	± 10%	3.5
Trihalomethanes, total (µg/L) ⁹	EPA 551.1	one grab per week	40	NA	64
Haloacetic Acids, total of 5 (µg/L) ⁹	SM 6251B	one grab per week	30	NA	48
Total Nitrosamines ^{9,10} (µg/L)	SM 6450	one grab per week	5	NA	8
Bromate (µg/L)	EPA 317	one grab per week	5	NA	8

¹ The Point of Performance Measurement for all these Finished Water quality parameters is the Finished Water leaving the clearwell that is (a) in compliance with Applicable Law; (b) sufficiently downstream from the last point of chemical addition that affects the parameters being monitored so that the chemical added is uniformly mixed in the Finished Water, and (c) before the first customer as defined by Applicable Law.

² At all times during Acceptance Testing, the Finished Water shall be in compliance with all applicable laws and additional finished water quality acceptance standards and requirements. If not the water shall not be pumped into the distribution system.

- ³ The **average** of the measured concentrations shall be below the Maximum Average Concentration at all times. This footnote does not apply to (a) turbidity or (b) finished water total hardness, pH, alkalinity, LSI or CCPP; separate footnotes apply to these parameters.
- ⁴ Maximum Average Concentration cannot be exceeded during the applicable period, which shall be (i) daily for continuous samples and samples collected every 15 minutes; and (ii) for the duration of the Acceptance Test, for samples collected daily or weekly.
- ⁵ No measurement shall exceed this value, at any time.
- ⁶ Measured values must be less than the “maximum average” concentration 95% of the time.
- ⁷ Then Owner will set the conditions for product water stabilization to minimize corrosion in the existing distribution system.
- ⁸ Finished Water shall be within the “target range” at all times, where the target range is the target concentration set by the Owner, plus or minus the allowed variance.
- ⁹ TTHM, HAA5, and total nitrosamine concentrations shall be determined using the Simulated Distribution (SDS) test method in Standard Methods (Method 5710C). Samples of the finished water where it enters the distribution system shall be collected, with no adjustment of chlorine residual or pH, and held at the temperature of the finished water at the time of collection ($\pm 2^{\circ}\text{C}$) for a 48-hour holding time.
- ¹⁰ Total Nitrosamines includes the 6 nitrosamine compounds on the EPA’s UCMR2-List 2; NDEA, NDMA, NDBA, NDPA, NMEA and NPYR.
- ¹¹ During Acceptance Testing, the Design-Builder must meet additional standards for boron and chloride as specified in Table A7-14. **[NOTE: Table A7-14 is to be completed based on the information provided on Proposal Form 18.]**
-

Performance relief shall be offered for Uncontrollable Circumstances, but applies only during Project Startup and Acceptance Testing. No relief shall be provided for Uncontrollable Circumstances, unless the specified Raw Water conditions persist and cause the Design-Builder a delay in meeting the Scheduled Acceptance Date. If the Design-Builder can demonstrate to the satisfaction of Owner that the duration of Uncontrollable Circumstances has caused the delay in meeting the Scheduled Acceptance Date, the Owner shall provide the Design-Builder cost relief in accordance with Article 9 of the Design-Build Agreement.

The Finished Water shall be in compliance with all Applicable Law Water Quality Standards and with all Additional Finished Water Quality Standards and Requirements stipulated in Table A7-7 at all times during Acceptance Testing, unless the Raw Water quality is out of the range of “typical” anticipated water quality for the specified parameters in Table A7-8 below.

Table A7-8. Specified Raw Water Quality Parameters

Parameter	Raw Water Condition of Relief ^{1,5}	Definition of Relief ^{2,3}
Boron (mg/L)	> 5.4	Performance Relief on Boron
Bromide (mg/L)	> 110	Performance Relief on Bromide
Chloride (mg/L) ⁴	> 21,000	Performance Relief on Chloride
Sodium (mg/L)	> 11,700	Performance Relief on Sodium
Iron, total (mg/L)	> 2	Production Volume Relief
Manganese, total (mg/L)	> 0.2	Production Volume Relief
Salinity (PSS) ⁵	> 37	Performance Relief
Temperature (°C)	< 8°C or > 20°C	Production Volume Relief when < 8°C Performance Relief when > 20°C
TOC (mg/L)	> 4	Production Volume Relief
Turbidity (NTU)	> 10 NTU	Production Volume Relief

¹ Condition of Relief shall be based on daily average concentrations using the analytical methods specified in Table A7-1 (Minimum Raw Water Quality Monitoring during Acceptance Testing). To claim relief, the daily average shall be based on all measurements taken during that 24-hour period, which shall be a minimum of three measurements, from samples collected a minimum of four (4) hours apart. For parameters measured on a continuous basis, the daily average shall be calculated from measurements taken at intervals of 15 minutes or less.

² Performance or production volume relief only shall be provided unless the Uncontrollable Circumstance Raw Water condition persists and causes a delay in meeting the Scheduled Acceptance Date.

³ Relief is offered from the Additional Finished Water Quality Acceptance Standards and Requirements (Table A7-7) but not from Applicable Law drinking water standards.

⁴ Based on the measurement of chlorinity using the analytical method provided in *Methods of Seawater Analysis* (Grasshoff, 1999).

⁵ The analysis of salinity and the other constituents in this table shall be performed by a State Certified Laboratory that specializes in seawater analyses, mutually agreed upon by both the Design-Builder and the Owner.

(iii) Electricity Utilization

The Electricity Utilization (EU) is the measured amount of electricity in kilowatt-hours (kW-hr) that will be used by the Project per thousand gallons (kgal) of Finished Water produced during the Acceptance Test. The EU shall be measured and calculated using the revenue grade electrical consumption meters required for the facility, or the electrical utility's billing meters, and the volume of finished water treated and delivered to the distribution system over the 16- day period of Acceptance testing.

The measured EU during the Acceptance Test shall not exceed the Maximum Electricity Utilization (MEU) defined in Attachment 3 and Table A7-9 of this Appendix. The MEU shall be adjusted for the weighted average temperature and salinity values for the duration of the Acceptance Test, as determined in Attachment 3 of this Appendix.

The MEU in Attachment 3 of this Appendix include all the power used to operate the Project including all facilities and ancillary facilities, from downstream of the slant well pump station through the finished water pump station.

Should the measured EU exceed the MEU during the Acceptance Test, the Design-Builder shall prepare a report identifying alternatives to achieve the MEU, and shall make the necessary modifications to the facility at the Design-Builders cost to achieve the MEU. The Acceptance Test shall be terminated until the problem is rectified and the Acceptance Test restarted at time zero.

(iv) Brine Stream and Other Waste Stream Flow

As required by CDPH, spent filter backwash water decant that is recycled to the head of the plant, prior to any chemical addition, shall not exceed 10% of the Raw Water influent plant flow nor have a turbidity greater than 2.0 NTU. Including a 20% factor of safety, the recycled spent backwash water shall not exceed 8% of the Raw Water influent plant flow, on a daily basis, and the turbidity of this return water shall be less than 1.6 NTU at all times. The brine discharge flow and water quality shall comply with all permit requirements including NPDES requirements and requirements from the Owner's agreement with the Monterey Regional Pollution Control Agency. In addition, the brine discharge leaving the Project Site shall have a dissolved oxygen within ten percent of the ambient ocean seawater at the ocean outfall discharge location.

(v) Microbial Removal/ Inactivation

As discussed in Appendix 2 (Design and Construction Requirements), two disinfection cases are considered for the Project design because the slant wells are not in place for source water microbial monitoring. The first case assumes the source water is placed in Bin 2 of the long-term 2 enhanced surface water treatment rule (LT2ESWTR) and the highest level of *Giardia* and virus reduction is required. This first case requires UV disinfection facilities. The second case

assumes the source water is classified as being in Bin 1 of the LT2ESWTR, and *Giardia* and virus reduction is the same as required by the surface water treatment rule (SWTR). The second case will not require UV disinfection facilities.

The Design-Builder shall design and construct the Project Facility to meet the Acceptance Standards and Requirement for microbial removal and inactivation as defined in Table A7-10a or Table A7-10b below, to ensure compliance with CDPH and Federal regulations pathogen removal and inactivation (i.e., SWTR, IESWTR, LT2ESWTR). Sampling and monitoring requirements included in the Acceptance Monitoring Plan shall have been designed to demonstrate compliance with the microbial reduction requirements shown in Table A7-10.

Table A7-10a. Acceptance Standards and Requirements of Minimum Log Reduction for *Cryptosporidium*, *Giardia*, and viruses (Case 1, LT2ESWTR Bin 2)

Treatment System	Log Reduction Requirement		
	<i>Cryptosporidium</i>	<i>Giardia</i>	Viruses
RO Membranes ¹	2	2	2
UV Disinfection	2	2	
Chlorine Final Disinfection		1	4
TOTAL	4	5	6

¹ Determined by achieving 2-log reduction of TDS, as measured by specific conductance, through the first pass of the RO membrane system and as determined by CDPH.

Table A7-10b. Acceptance Standards and Requirements of Minimum Log Reduction for *Cryptosporidium*, *Giardia*, and viruses (Case 2, LT2ESWTR Bin 1)

Treatment System	Log Reduction Requirement		
	<i>Cryptosporidium</i>	<i>Giardia</i>	Viruses
RO Membranes ¹	2	2	2
Chlorine Final Disinfection		1	4
TOTAL	2	3	6

¹ Determined by achieving 2-log reduction of TDS, as measured by specific conductance, through the first pass of the RO membrane system and as determined by CDPH.

(vi) Permit Compliance

The Plant shall comply with all Project Permit requirements and all other Applicable Law during Acceptance Testing.

(b) Individual System Acceptance Standards and Requirements for Achieving Acceptance

(i) Pretreatment Filtration System

The Acceptance Standards and Requirements for the Pretreatment Filtration System are provided in Table A7-11, below. Failure to meet these pretreatment Acceptance Standards and Requirements at any time shall constitute an Acceptance Test failure and the Acceptance Test will be stopped until the condition is remedied. Once the condition is rectified, the Acceptance Test shall be restarted at time zero.

Table A7-11. Acceptance Standards and Requirements for the Pretreatment Filtration System

Parameter	Performance Standards and Requirements
Media Pressure Filter	
Backwash cycle	≤ 2 backwashes per day per filter
Total backwash volume	≤ 200 gpm/ft ² /wash
Filtered water turbidity (NTU)	≤ 0.15 NTU for 95% of the time; Not to exceed 1.0 NTU at any time.
Filter effluent Iron, total (mg/L)	≤ 0.02 mg/L average; Not to exceed 0.04 mg/L at any time
Filter effluent Manganese, total (mg/L)	≤ 0.01 mg/L average; Not to exceed 0.02 mg/L at any time
Cartridge Filter	
Filter effluent SDI (15)	≤ 2 for 95 % of the time and < 4 at all times (unless more stringent requirements apply based on SWRO membrane supplier warranty)
Differential pressure across cartridge filters (other than cartridge filters having a mechanical defect) during the Acceptance Test above and beyond the initial pressure	Demonstrate that: (i) the Plant has operated without replacement of any cartridge filters (other than cartridge filters having a workmanship or materials defect), and (ii)

Parameter	Performance Standards and Requirements
drop across any of the cartridge filter vessels used at the end of the Acceptance Test	without exceeding a 15 psi differential pressure increase over the initial startup (“clean”) differential pressure across any of the cartridge filter vessels used at the end of the Acceptance Test.
Number of cartridges replaced per vessel (for each vessel in operation at any time, other than cartridge filters having a mechanical defect)	None

(ii) Reverse Osmosis / Energy Recovery / Brine Discharge System

The Design-Builder shall demonstrate compliance with the Performance Acceptance Standards and Requirements for the Reverse Osmosis System by performing all monitoring required by the Acceptance Test Plan and meeting the performance Acceptance Standards and Requirements provided in Table A7-12, A7-13, and A7-14 at all times during Acceptance Testing. Failure to meet these performance Acceptance Standards and Requirements at any time shall constitute an Acceptance Test failure and the Acceptance Test will be stopped until the condition is remedied. Once the condition is rectified, the Acceptance Test shall be restarted at time zero.

Table A7-12. Minimum Performance Acceptance Standards and Requirements for the RO Membrane System

Parameter	Performance Standard and Requirement
Reverse osmosis membrane replacement	None (other than membranes having a workmanship or materials defect).
Reverse osmosis membrane end cap, connector, seal, spacer or blank replacement	None (other than those having a workmanship or materials defect).
Differential pressure across the RO membrane elements	Demonstrate that the membrane trains do not exceed a five percent increase over the software design differential pressure across any of the RO system trains.
Normalized permeate flow	Demonstrate that the membrane trains do not lose more than five percent of the

	software design normalized permeate flow.
Normalized salt passage	Demonstrate that the membrane trains do not gain more than five percent of the software design normalized salt passage
RO membrane cleaning	None

The concentrations of boron, chloride, bromide and sodium will be sampled from the combined permeate during the Acceptance Test to determine if the Project is in compliance with the Project's RO System Performance Acceptance Standards and Requirements.

The Design-Builder shall first demonstrate that the proposed overall system is operating under conditions that meet all the requirements of the Design-Build Agreement and produces a combined RO permeate that is in compliance with the Project's treated water performance Acceptance Standards and Requirements. Said compliance shall be demonstrated using the membrane manufacturer's publically available model as described in Step One below.

As described below, the Design-Builder shall then use the same model to describe the expected performance of new membranes during Acceptance Testing (Step Two, below). Performance during the Acceptance Test shall be based on achieving average performance equal to or better than model predictions.

[Note: The Design-Builder shall provide the results, calculations, reasoning, and model runs associated with Step One and Step Two below as part of Proposal Form 18, which will be used to fill in the information in this section of Appendix 7.]

Step One: Use Membrane Manufacturer's Model to Demonstrate Performance of the Overall System Design.

The Design-Builder shall use the membrane manufacturer's publically available membrane computer model to assess future salt rejection in the Design-Builder's overall system design, that is, to demonstrate the system's ability to meet the water quality Acceptance Standards and Requirements for the RO system. The Raw Water conditions to be used as the basis for design are provided in Appendix 2, Attachment 2. The design proposed by the Design-Builder shall meet the performance Acceptance Standards and Requirements shown in Table A7-13, Appendix 7 and Appendix 2.

Table A7-13. Combined RO Permeate Water Quality Performance Standards and Requirements

Parameter	Combined RO Permeate Concentrations, mg/L	
	Maximum Average ¹	Not-to-Exceed ²
Boron (mg/L) ³	0.5	0.7
Chloride (mg/L) ³	60	100
Bromide (mg/L)	0.3	0.5
Sodium (mg/L)	35	60

¹ The **average** of the measured concentrations shall be below the Maximum Average Concentration at all times.

² No measurement shall exceed this value, at any time.

³ During Acceptance Testing, the Design-Builder must meet additional standards for boron and chloride as specified in Table A7-14. **[NOTE: Table A7-14 is to be completed based on the information provided on Proposal Form 18.]**

The model, which shall be made available for the Owner to use during proposal evaluation and Acceptance Testing, shall demonstrate compliance under both of the following conditions:

For Compliance with the RO Combined Permeate Maximum Average Concentrations:

- 1- Average water quality conditions shown in Appendix 2, Attachment 2
- 2- Average age of SWRO membranes in the model at 5 years
- 3- Average age of BWRO membranes in the model at 5 years
- 4- Average temperature in Appendix 2, Attachment 2

For Compliance with the RO Combined Permeate Not-to-Exceed Concentrations:

- 1- Maximum water quality conditions shown in Appendix 2
- 2- Average age of SWRO membranes in the model at 5 years
- 3- Average age of BWRO membranes in the model at 5 years
- 4- Design maximum temperature shown in Appendix 2

All modeling shall assume an annual salt passage increase of 7% and an annual fouling factor of 5%.

The Design-Builder provided copies of separate runs of the same model demonstrating compliance with both the Maximum Average Concentrations and the Not-to –Exceed

Concentrations in Table A7-13. **[NOTE: Table A7-13 to be filled in using the information provided in Proposal Form 18.]**

Step Two: Generation of Table to be Used During Acceptance Test

During the Acceptance Test, when combined RO permeate samples shall be taken, all RO trains must each produce their design permeate flowrate, at their design recovery (as defined in Appendix 2). This statement applies to each train of the first pass and each train of the second pass.

During the Acceptance Test, the RO system performance shall be evaluated with respect to compliance with the standards for salt rejection as a function of temperature, set forth in Table A7-14. The Design-Builder shall include data necessary to substantiate such performance, including but not limited to, results from the manufacturer's model for the overall system design at years zero (0) and five (5) years as well as existing plant performance data demonstrating that similar concentrations or rejections have been achieved

Table A7-14 Maximum of Average Combined Permeate Concentrations⁽¹⁾

Membrane Age	Year 0 (Maximum Average Concentration for Acceptance Test)		Year 5 (Maximum Average Concentration for Compliance with Table A7-13)	
	Boron (mg/L)	Chloride (mg/L)	Boron (mg/L)	Chloride (mg/L)
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

⁽¹⁾ RO Model shall assume the average Raw Water quality condition for all parameters other than temperature, as shown in Appendix 2, Attachment 2.

[NOTE: The Proposer shall provide the information requested in Table A7-14 using Proposal Form 18. Table A7-14 will be revised to include the information provided by the Proposer on Proposal Form 18. The model shall be run at the design parameters (e.g., flowrates, flux, recovery, etc.) in accordance with Appendix 2. The model shall assume a yearly salt passage increase of 7% per year and a fouling factor of 10% per year. The purpose of Proposal Form 18 is to provide information on how the system will operate across the entire temperature range with (a) new membranes (comparable to Acceptance Test conditions) and with (b) older membranes (comparable to design conditions).]

During the Acceptance Test, the boron and chloride concentrations in the combined permeate shall not exceed the concentrations set forth in Table A7-14 for the actual average temperature of Acceptance Test conditions for year 0. The Design-Builder shall confirm that the estimated future (for year 5) concentrations for boron and chloride will meet the combined permeate performance Acceptance Standards and Requirements stipulated in Table A7-13 as well as the RO system performance warranty provided.

In the event that the average boron and chloride concentrations in the feedwater during the Acceptance Test is not within 5% of the average Raw Water boron and chloride concentrations used in the preparation Table A7-14, the RO system model will be rerun for year zero (0) using the actual average boron and chloride concentrations in the feedwater during the Acceptance Test and the revised model output concentrations will be used as maximum average boron and chloride concentrations, which may not be exceeded during the Acceptance Test.

(iii) UV System

Monitoring of the UV disinfection system during Acceptance Testing shall confirm that the UV system is capable of continuously delivering, without interruption, a UV dose sufficient to meet CDPH requirements for 4-log inactivation of *Cryptosporidium*, shown in Table A7-10a. Monitoring during Acceptance Testing shall also confirm that the UV lamps continuously achieve > 95% UV transmittance. Failure to meet these performance Acceptance Standards and Requirements at any time shall constitute an Acceptance Test failure and the Acceptance Test will be stopped until the condition is remedied. Once the condition is rectified, the Acceptance Test shall be restarted at time zero.

(iv) Post-Treatment Stabilization System

During Acceptance Testing of the RO product water post-treatment stabilization system, effective operation under the following three conditions must be demonstrated:

Condition 1: Calcium carbonate saturation with low hardness and alkalinity

Condition 2: Calcium carbonate saturation with moderate hardness and alkalinity

Condition 3: Orthophosphate treatment with low hardness and alkalinity

The specific sampling requirements and Acceptance Standards and Requirements for each of the three operating conditions listed above are shown in Table A7-15. Each of the three operating conditions must be continuously held within the requirements of Table A7-15 for a period of 72 hours during the Acceptance Test. If these requirements are not continuously met for a particular operating condition during the 72-hour test, the entire test for that operating condition must be repeated, with no Acceptance Test credit given for the 72-hour test conditions producing Off-Specification Water. If Unacceptable Water is produced at any time during Acceptance Testing of the Post-Treatment Stabilization System, the entire 16-day Acceptance Test shall be restarted at time zero.

After demonstrating effective performance of each of the three post-treatment stabilization conditions, the Owner shall set the post-treatment stabilization conditions for the remainder of the Acceptance Test.

Table A7-15. Sampling and Performance Acceptance Standards and Requirements for the RO Product Water Post-Treatment Stabilization System

Parameter ¹	Units	Condition 1	Condition 2	Condition 3	Sampling Frequency ²	Allowable Error ³
Calcium Hardness	mg/L as CaCO ₃	40	100	40	(4)	±5
Alkalinity	mg/L as CaCO ₃	40	100	40	(4)	±5
pH	pH units	8.7	7.9	8.0	(5)	±0.1
LSI	pH units	0.1	0.1	-	(6)	±0.1
Turbidity	NTU	≤ 0.5 95% of time ≤ 1.0 100% of time			(5)	-
Orthophosphate	mg/L as PO ₄	-	-	1 to 3.5	(4)	±0.3

1-All parameters to be measured at a point after all chemicals have been added and thoroughly blended and a stable pH has been reached

2-Sampling frequency during post treatment Acceptance Testing

3-Allowable error in the average of measurements at the end of each day

4-Every 3 hours

5-Continuously monitored; values at 15-min intervals used for calculation of daily average

6-Daily calculation using average values

(v) Final Disinfection / Finished Water Pumping System

The Design-Builder shall demonstrate compliance with the Acceptance Standards and Requirements for the final disinfection and Finished Water pumping system by performing all monitoring required by the Acceptance Test Plan and meeting the Acceptance Standards and Requirements provided in Table A7-16 at all times during Acceptance Testing. Failure to meet

these Acceptance Standards and Requirements at any time shall constitute an Acceptance Test failure and the Acceptance Test will be stopped until the condition is remedied. Once the condition is rectified, the Acceptance Test shall be restarted at time zero.

At all times during Acceptance Testing, the Finished Water shall be in compliance with all Applicable Law and Additional Finished Water Quality Acceptance Standards and Requirements. As discussed in Subsection (D)(a)(ii) of this Section, production of Unacceptable Water or Off-Specification Water shall constitute failure of the Acceptance Test. Neither Unacceptable Water nor Off-Specification Water shall be pumped into the distribution system, but shall be disposed of in accordance with the Acceptance Test Plan and Applicable Law.

Table A7-16. Performance Acceptance Standards and Requirements for the Final Disinfection / Finished Water Pumping System

Parameter	Performance Standard and Requirement
Finished Water residual chlorine concentration.	Maintain the Finished Water chlorine residual specified by the Owner \pm 10%.
Finished Water pH	Maintain the Finished Water pH specified by the Owner \pm 0.1 pH units.
Log inactivation of Giardia and viruses	CT inactivation credit to continuously provide > 1-log Giardia inactivation and > 3-log virus inactivation. Compliance shall be based on the daily minimum CT achieved (calculated in 15 minute intervals).
Water delivery to the Finished Water storage tank or distribution system tie-in.	Finished Water pumps shall provide a minimum capacity of 9.6 MGD to the Distribution System tie-in or storage tank, with one pump out of service.

(vi) Waste Backwash and Recycle System

The Design-Builder shall demonstrate compliance with the following performance Acceptance Standards and Requirements for the waste backwash and recycle system at all times during Acceptance Testing:

- Recycled spent backwash water shall not exceed 8% of the Raw Water influent plant flow.
- Turbidity of recycled spent backwash water shall be less than 1.6 NTU at all times.

Failure to meet these performance Acceptance Standards and Requirements at any time shall constitute an Acceptance Test failure and the Acceptance Test will be stopped until the condition is remedied. Once the condition is rectified, the Acceptance Test shall be restarted at time zero.

(vii) **Chemical Storage and Delivery System**

The Design-Builder shall confirm that all chemical feed systems are able to feed the required chemical dose continuously, consistently and at all applicable locations, for the entire duration of Acceptance Testing. All chemical feed systems shall be operated within the equipment manufacturer's recommended operating envelope. The metered chemical dose shall always be within 2% of the desired dose.

Failure to meet these performance Acceptance Standards and Requirements at any time shall constitute an Acceptance Test failure and the Acceptance Test will be stopped until the condition is remedied. Once the condition is rectified, the Acceptance Test shall be restarted at time zero.

(E) Surge Protection System

In order to assess performance and acceptability of the Surge Protection System, the Design-Builder shall (1) propose a plan to test the Surge Protection System, (2) prepare a hydraulic transient analysis by modeling the Surge Protection System, and (3) test the System to evaluate surge protection performance and compare actual performance with the computer-modeled performance. The Surge Protection System shall be tested on the last day of the Acceptance Test. The Surge Protection System Test Plan and hydraulic transient analysis shall be submitted to the Owner for review and acceptance at least forty-five (45) days prior to the proposed test date. Prior to testing, the Design-Builder shall have obtained the Owner's approval of the Surge Protection System Test Plan.

(a) **Surge Protection System Test**

On the last day of the Acceptance Test, the Design-Builder shall perform a full flow power failure test of the surge protection system. The surge protection system test shall demonstrate whether the surge protection system is able to limit the resulting transient pressures in a manner consistent with the design conditions that will be established in the final hydraulic transient analysis prepared by the Design-Builder.

(b) **Surge Protection System Test Report**

Following testing, the Design-Builder shall prepare a surge protection system test report that (i) compares the actual values of the pressure recorded during the surge protection system test to the values established in the hydraulic transient analysis prepared by the Design-Builder; (ii)

discusses whether each piece of equipment functioned in a manner that is consistent with the final hydraulic transient analysis; and (iii) if the facility failed to meet the requirements of the surge protection system test, the repairs and modifications that need to be made. The surge protection system test report shall be signed and sealed by an Engineer licensed in California, and certified as true, complete and correct by an officer of the Design-Builder.

(c) Retesting the Surge Protection System

Within five Business Days of receiving the surge protection system test report, the Owner will deliver to the Design-Builder written notice setting forth the repairs and modifications that: (i) because of their material effect on the safe operation of the Project and associated pipelines, need to be completed prior to Acceptance (such repairs and modifications include, but are not limited to, any damage that presents a safety concern; visible damage to concrete structures, pipe anchors, pipe supports; pipeline and pipeline appurtenance leaks; any damage to surge suppression system components; damage to valves, valve actuators, and meters required to control or measure Finished Water deliveries or isolate the Finished Water pipeline; and damage to any field instruments that allow local automated control of the pump station, flow meter, and surge suppression system); and (ii) may be completed after Acceptance but prior to Final Completion. If the Owner's notice sets forth repairs or modifications which need to be made before Acceptance, the Design-Builder shall repeat the surge protection system test and comply with the requirements of the surge protection system test plan. The Design-Builder shall have no obligation to repeat the surge protection system test for modifications or repairs that the Owner's notice states may be completed after Acceptance but prior to Final Completion.

(d) Failure to Meet Surge Protection System Test

If any Project equipment, systems, pipelines, and/or ancillary facilities are damaged as a result of a failure by the Design-Build Improvements to meet the transient pressure requirements of the surge protection system test, the Design-Builder shall be responsible for paying for and making any necessary repairs to the Design-Build Improvements that were damaged as a result of the failure of the Design-Build Improvements to meet the transient pressure requirements of the surge protection system test.

(F) Acceptance Test Report

Upon completion of Acceptance Testing, the Design-Builder shall prepare the Acceptance Test Report, in accordance with the Acceptance Test Plan. The Acceptance Test Report shall include, but not be limited to, the following minimum requirements:

- All data obtained during the Acceptance Test.

- A chart comparing the actual values to the minimum performance Acceptance Standards and Requirements, and explanations for any failure to achieve such minimum Acceptance Standards and Requirements. The level of detail of such information shall be sufficient so that all performance metrics cited in the Acceptance Test Report can be independently calculated and verified.
- All data deemed to be outliers along with an explanation of why such data were judged to be outliers.
- All water quality laboratory reports prepared by or for the Design-Builder.
- An organized comparison of all SCADA data, laboratory analytical data, and Project local instrumentation readings and field measurements that is sufficiently detailed to show how the data were verified for accuracy and precision.
- Signed operator's daily logs.
- Normalized plots showing RO system performance for permeability, salt passage, differential pressure, permeate backpressure.
- Electronic form (MS Excel) of operating data for slant well pump station, pretreatment system, RO systems (including all associated pumps and ERDs), post-treatment stabilization system, solids handling, and Finished Water pumping system.
- All instrumentation and control settings (including PID loop control parameters) and any measurements, checks and settings that may be required by operating and maintenance personnel.
- Report of all spare parts used.
- Report of all equipment malfunctions and repairs.
- All calculations used or prepared by the Design-Builder shall be sufficiently documented so that they can be independently verified.
- The total Facility power consumption used to operate the Project including all facilities and ancillary facilities from the downstream of the slant well pump station through the Finished Water pump station.
- Applicable data, as agreed upon in the Acceptance Test Plan, in tabular form for the following systems:
 - (i) Seawater Intake System
 - (ii) Pretreatment System
 - (iii) Reverse Osmosis / Energy Recovery / Brine Discharge System
 - (iv) Post-Treatment Stabilization System
 - (v) Final Disinfection and Finished Water Pumping System
 - (vi) Waste Backwash and Recycle System.
- Whether or not and how often the Acceptance Test was aborted. If it was aborted, what were the causes and resolutions.
- Whether or not any portion of the Design-Build Improvements was shutdown during Acceptance Testing. If there were shutdowns, what were the causes and resolutions.

The Acceptance Test Report shall be signed and sealed by an Engineer licensed in California and certified as true, complete and correct by an officer of the Design-Builder.

APPENDIX 7 – ATTACHMENT 1
MINIMUM WATER QUALITY MONITORING REQUIREMENTS DURING
ACCEPTANCE TESTING

Minimum water quality monitoring requirements for Acceptance Testing, for each of the Project systems, is indicated in Tables A7-1 through A7-6 of this Attachment to Appendix 7 (Acceptance Test Procedures and Standards). During Acceptance Testing, the Design-Builder, at its own discretion, may sample at more locations or more frequently than set forth in these tables. The analytical results of all valid samples obtained by or on behalf of the Owner during the Acceptance Test shall be reported in the Acceptance Test Report.

The saline water matrices associated with ocean water desalination introduce challenges with respect to method detection limits and reporting limits. Analytical methods used during Acceptance Testing must provide detection limits and reporting limits that will provide meaningful results for assessing reverse osmosis system performance and compliance with all Acceptance Standards and Requirements discussed in this Appendix.

The laboratory selected by the Design-Builder to analyze samples during Acceptance Testing shall be experienced in analyzing ocean water matrix samples. The laboratory shall provide the Design-Builder and the Owner with references and contact information for a minimum of two clients for whom the Laboratory has analyzed ocean water matrix samples. The laboratory selected by the Design-Builder shall be subject to approval of CDPH and the Owner.

Analytical methods that shall be used during Acceptance Testing are provided in each of the minimum monitoring requirement tables included in this Attachment. The methods appropriate for the analysis of saline water, including raw water, RO feed water, and brine stream, are contained in the text entitled *Methods of Seawater Analysis* (Grasshoff, et al., 1999). For the analysis of low saline water, including first pass SWRO permeate, second pass BWRO permeate, combined RO permeate, and Finished Water, the methods shall be either EPA Methods for drinking water or methods contained in the most recent edition of *Standards Methods Online - Standard Methods for the Examination of Water and Wastewater*. The methods are defined in the minimum monitoring requirement tables below to ensure sufficiently low method detection limits (MDLs) for demonstrating successful treatment performance during Acceptance Testing. The Design-Builder may propose alternate analytical methods if deemed necessary, but shall be subject to CDPH and Owner approval. Nonetheless, all analytical methods used during acceptance testing shall be CDPH approved methods; appropriate for use on either saline water

or non-saline water matrix where appropriate; and, where possible, shall have MDLs below CDPH's detection limits for the purpose of reporting (DLRs).

During the Acceptance Test, the Design-Builder shall allow Owner representatives to witness sampling activities and provide split samples to the Owner, if requested. The Owner shall: (1) make such representatives available in a manner that accommodates the Design-Builder's schedule for its sampling activities; (2) not unduly delay the Design-Builder's sampling activities; and (3) make prior arrangements and coordinate such sampling activities with the Design-Builder to assure the requested split samples can be reasonably obtained without an appreciable increase in effort or cost.

Table A7-1. Minimum Raw Water Quality Monitoring during Acceptance Testing ¹

Parameter	Analytical Method	Minimum Collection Frequency ³	Units
Total Dissolved Solids (TDS)	SM 2540C	one grab per day	mg/L
Specific Conductance	SM 2510B	Continuous ^{4,5}	µS/cm
Alkalinity, total	Grasshoff, 1999 – Chapter 8	one grab per day	mg/L as CaCO ₃
Ammonia	Grasshoff, 1999 – Chapter 10 (10.2.10)	three grabs per week	mg/L as N
Barium	EPA 200.8	three grabs per week	mg/L
Boron	Grasshoff, 1999 – Chapter 11 (11.2.7)	one grab per day	mg/L
Bromide	Grasshoff, 1999 – Chapter 11 (11.2.6)	three grabs per week	mg/L
Calcium	Grasshoff, 1999 – Chapter 11 (11.2.1)	one grab per day	mg/L
Chloride	EPA 300.0	one grab per day	mg/L
Chlorinity	Grasshoff, 1999 – Chapter 11	three grabs per week	g/kg and mg/L (based on

	(11.2.4)		seawater density)
Color	SM2120B	three grabs per week	color units
Dissolved Organic Carbon (DOC) ³	TBD	three grabs per week	mg/L
Dissolved Oxygen (DO)	SM 4500-O G	three grabs per week	mg/L
<i>E. coli</i>	SM 9221 F	three grabs per week	MPN/100 mL
Hardness, total	SM 2340B	one grab per day	mg/L as CaCO ₃
Iron, dissolved	Grasshoff, 1999 – Chapter 12 (12.2.1)	three grabs per week	mg/L
Iron, total	Grasshoff, 1999 – Chapter 12 (12.2.1)	three grabs per week	mg/L
Magnesium	Grasshoff, 1999 – Chapter 11 (11.2.2)	one grab per day	mg/L
Manganese, dissolved	Grasshoff, 1999 – Chapter 12 (12.2.2)	three grabs per week	mg/L
Manganese, total	Grasshoff, 1999 – Chapter 12 (12.2.2)	three grabs per week	mg/L
Nitrate	Grasshoff, 1999 – Chapter 10 (10.2.9)	three grabs per week	mg/L as N
pH	Grasshoff, 1999 – Chapter 7	Continuous ^{4,5}	pH units
Potassium	Grasshoff, 1999 – Chapter 11 (11.2.3)	three grabs per week	mg/L
Salinity	SM 2520	three grabs per week	PSS

Silica	EPA 200.8	three grabs per week	mg/L
Sodium	EPA 200.7	one grab per day	mg/L
Strontium	EPA 200.8	three grabs per week	mg/L
Sulfate	Grasshoff, 1999 – Chapter 11 (11.2.5)	three grabs per week	mg/L
Temperature	SM 2550	Continuous ^{4,5}	°C
Total Coliform	SM 9221B	three grabs per week	MPN/100 mL
Total Organic Carbon (TOC) ⁶	TBD	three grabs per week	mg/L
Total Suspended Solids (TSS)	SM 2540D	three grabs per week	mg/L
Turbidity	EPA 180.1	Continuous ^{4,5}	NTU
UV-254, filtered	SM 5910	one grab per day	cm ⁻¹
Other Constituents Pursuant to Facility NPDES Permit ⁷	As needed to comply with all Applicable Law and Governmental Approvals	As needed to comply with all Applicable Law and Governmental Approvals	
California Title 22 or other CDPH Raw Water monitoring requirements pursuant to Facility Drinking Water Permit ⁷	As needed to comply with all Applicable Law and Governmental Approvals	As needed to comply with all Applicable Law and Governmental Approvals	

¹ All Raw Water samples shall be collected at the facility influent, after the feedwater equalization tanks but prior to any chemical addition and prior to the pretreatment filtration system, unless indicated otherwise in this Table, by footnote.

³ Sample collection frequency shall be evenly spaced, as reasonable. Constituents sampled daily should have samples collected close to the same time each day. Constituents sampled multiple times during the week, but not daily, should have samples collected at approximate even intervals throughout the week.

⁴ For continuous monitoring, data storage and trending values shall be taken at intervals of 15 minutes or less.

⁵ Automatic analyzers for pH, turbidity and ORP, total chlorine residual shall have grab samples analyzed three times per day (evenly spaced through the day) for instrument confirmation.

⁶ Samples should be collected daily during algal bloom conditions.

⁷ Raw Water samples shall be collected at the facility influent unless an alternate or additional location(s) is required by Governmental Bodies.

Table A7-2. Minimum Water Quality Monitoring for the Pretreatment Filtration System during Acceptance Testing

Parameter	Analytical Method	Sampling Location	Minimum Collection Frequency ¹	Units
Pressure Filters				
Turbidity	SM 2130B or EPA 180.1	Individual Filter Effluent (IFE) and Combined Filter Effluent (CFE)	Continuous ²	NTU
Total Coliform	SM 9221B	CFE	three grabs per week	MPN/100 mL
<i>E. coli</i>	SM 9221 F	CFE	three grabs per week	MPN/100 mL
Color	SM2120B	CFE	three grabs per week	Color units
SDI	TBD	CFE ⁴	one grab per day	min ⁻¹
pH	Grasshoff, 1999 – Chapter 7	CFE, upstream of sulfuric acid feed	Continuous ^{2,3}	pH units
Iron, total	Grasshoff, 1999 – Chapter 12 (12.2.1)	CFE	three grabs per week	mg/L
Manganese, total	Grasshoff, 1999 – Chapter 12 (12.2.2)	CFE	three grabs per week	mg/L
Total Chlorine Residual	Amperometric Titration (SM 4500-Cl D or SM 4500-Cl E, as appropriate)	CFE, upstream of bisulfite feed	Continuous ^{2,3}	mg/L as Cl ₂
Total Organic Carbon (TOC)	TBD	CFE, upstream of bisulfite and sulfuric acid feed	three grabs per week	mg/L

Parameter	Analytical Method	Sampling Location	Minimum Collection Frequency ¹	Units
Dissolved Organic Carbon (DOC)	TBD	CFE, upstream of bisulfite and sulfuric acid feed	three grabs per week	mg/L
Oxidation-Reduction Potential (ORP)	SM 2580	CFE, downstream of bisulfite feed and complete mixing	Continuous ^{2,3}	millivolts
Cartridge Filters				
Turbidity	SM 2130B or EPA 180.1	Cartridge filter effluent, upstream of high pressure RO pumps and ERD	Continuous	NTU
Total Chlorine Residual	Amperometric Titration (SM 4500-Cl D or SM 4500-Cl E, as appropriate)	Cartridge filter effluent, upstream of high pressure RO pumps and ERD	Continuous ^{2,3}	mg/L as Cl ₂
SDI	TBD	Cartridge filter effluent ⁴	Every four hours	min ⁻¹
Total Coliform	SM 9221B	Cartridge filter effluent, upstream of high pressure RO pumps and ERD	three grabs per week	MPN/100 mL
<i>E. coli</i>	SM 9221 F	Cartridge filter effluent, upstream of high pressure RO pumps and ERD	three grabs per week	MPN/100 mL

¹ Sample collection frequency shall be evenly spaced, as reasonable. Constituents sampled daily should have samples collected close to the same time each day. Constituents sampled multiple times during the week, but not daily, should have samples collected at approximate even intervals throughout the week.

- ² For continuous monitoring, data storage and trending values shall be taken at intervals of 15 minutes or less.
- ³ Automatic analyzers for pH, Turbidity and ORP, total chlorine residual shall have grab samples analyzed three times per day (evenly spaced through the day) for instrument confirmation.
- ⁴ Downstream of each cartridge filter bank, feeding either the high pressure RO pumps or and ERD.
-

Table A7-3. Minimum Water Quality Monitoring for the Reverse Osmosis System during Acceptance Testing

Parameter	Analytical Method	Minimum Collection Frequency	Units
Sampling Location = First Pass RO Feedwater			
Alkalinity, total	Grasshoff, 1999 – Chapter 8	one grab per day	mg/L as CaCO ₃
Boron	Grasshoff, 1999 – Chapter 11 (11.2.7)	one grab per day	mg/L
Bromide	Grasshoff, 1999 – Chapter 11 (11.2.6)	one grab per day	mg/L
Chloride	EPA 300.0	one grab per day	mg/L
Chlorinity	Grasshoff, 1999 – Chapter 11 (11.2.4)	three grabs per week	g/kg and mg/L (based on seawater density)
pH	Grasshoff, 1999 – Chapter 7	Continuous	pH units
Sodium	EPA 200.7	one grab per day	mg/L
Specific Conductance	SM 2510B	Continuous	μS/cm
Temperature	SM 2550	Continuous	°C
Total Dissolved Solids (TDS)	SM 2540C	one grab per day	mg/L
Turbidity	EPA 180.1	Continuous	NTU
Other Constituents ^x	TBD	TBD	
Sampling Location = First Pass RO Permeate (prior to second pass chemical addition)			
Alkalinity, total	SM 2320B	one grab per day	mg/L as CaCO ₃
Boron	EPA 200.7	one grab per day	mg/L
Bromide	EPA 300.0	one grab per day	mg/L
Calcium	EPA 200.7	one grab per day	mg/L
Chloride	EPA 300.0	one grab per day	mg/L
Magnesium	EPA 200.7	one grab per day	mg/L
pH	EPA 150.1	Continuous	pH units

Parameter	Analytical Method	Minimum Collection Frequency	Units
Sodium	EPA 200.7	one grab per day	mg/L
Specific Conductance	SM 2510B	Continuous	µS/cm
Temperature	SM 2550	Continuous	°C
Turbidity	EPA 180.1	Continuous	NTU
Other Constituents ^x	TBD	TBD	
Sampling Location = Second Pass RO Feedwater (after second pass chemical addition)			
pH	EPA 150.1	Continuous	pH units
Specific Conductance	SM 2510B	Continuous	µS/cm
Temperature	SM 2550	Continuous	°C
Other Constituents ¹	TBD	TBD	
Sampling Location = Second Pass RO Permeate			
Alkalinity, Total	SM 2320B	one grab per day	mg/L as CaCO ₃
Boron	EPA 200.7	one grab per day	mg/L
Bromide	EPA 300.0	one grab per day	mg/L
Calcium	EPA 200.7	one grab per day	mg/L
Chloride	EPA 300.0	one grab per day	mg/L
Magnesium	EPA 200.7	one grab per day	mg/L
pH	EPA 150.1	Continuous	pH units
Sodium	EPA 200.7	one grab per day	mg/L
Specific Conductance	SM 2510B	Continuous	µS/cm
Temperature	SM 2550	Continuous	°C
Turbidity	EPA 180.1	Continuous	NTU
Other Constituents ¹	TBD	TBD	
Sampling Location - Combined RO Permeate			
Alkalinity, total	SM 2320B	one grab per day	mg/L as CaCO ₃
Boron	EPA 200.7	one grab per day	mg/L
Bromide	EPA 300.0	one grab per day	mg/L
Calcium	EPA 200.7	one grab per day	mg/L
Chloride	EPA 300.0	one grab per day	mg/L

Parameter	Analytical Method	Minimum Collection Frequency	Units
Magnesium	EPA 200.7	one grab per day	mg/L
pH	EPA 150.1	Continuous	pH units
Sodium	EPA 200.7	one grab per day	mg/L
Specific Conductance	SM 2510B	Continuous	µS/cm
Temperature	SM 2550	Continuous	°C
Total Dissolved Solids (TDS)	SM 2540C	one grab per day	mg/L
Total Hardness	SM 2340B	one grab per day	mg/L as CaCO ₃
Total Organic Carbon (TOC)	SM 5310C	one grab per day	mg/L
Sampling Location - Combined RO Concentrate			
Total Dissolved Solids	SM 2540C	one grab per day	mg/L
Chloride	EPA 300.0	one grab per day	mg/L
Chlorinity	Grasshoff, 1999 – Chapter 11 (11.2.4)	three grabs per week	g/kg
Bromide	Grasshoff, 1999 – Chapter 11 (11.2.6)	three grabs per week	mg/L
Boron	Grasshoff, 1999 – Chapter 11 (11.2.7)	three grabs per week	mg/L
Dissolved Oxygen	SM 4500-O G	one grab per day	mg/L
Salinity	SM 2520	one grab per day	PSS
Specific Conductance	SM 2510B	Continuous	µS/cm
Turbidity	EPA 180.1	Continuous	NTU
Other Constituents Pursuant to Facility NPDES Permit and the Brine Discharge permit	TBD	As needed to comply with all Applicable Law and Governmental Approvals	

¹ Per requirements of Membrane Manufacturer's Warranty Conditions.

Table A7-4. Minimum Water Quality Monitoring for the Post-Treatment Stabilization System during Acceptance Testing

Parameter	Analytical Method	Sampling Location ¹	Minimum Collection Frequency	Units
pH	EPA 150.1	post-stabilization effluent	Continuous	pH units
pH	EPA 150.1	post-stabilization effluent (after phosphate or chlorine addition)	Continuous	pH units
Alkalinity, total	SM2320B	post-stabilization effluent	every 4 hours	mg/L as CaCO ₃
Total Hardness	SM2340B	post-stabilization effluent	every 4 hours	mg/L as CaCO ₃
Orthophosphate	SM4500 P-E	post-stabilization effluent (after phosphate) ²	one grab per day	mg/L as PO ₄
Calcium	EPA 200.7	post-stabilization effluent	twice per day	mg/L
LSI	SM2330	post-stabilization effluent	every 4 hours	–
Magnesium	EPA 200.7	post-stabilization effluent	every 4 hours	mg/L
CCPP	SM2330	post-stabilization effluent	every 4 hours	mg/L
Temperature	SM2550	post-stabilization effluent	Continuous	°C
TDS	SM2540C	post-stabilization effluent	one grab per day	mg/L
Specific Conductance	SM 2510B	post-stabilization effluent	Continuous	µS/cm
Turbidity	EPA 180.1	post-stabilization effluent	Continuous	NTU

¹ Measured before phosphate or chlorine addition, unless indicated otherwise by a separate footnote.

² Sampling required only if phosphate is added for corrosion control.

Table A7-5. Minimum Water Quality Monitoring for the Final Disinfection System and Finished Water during Acceptance Testing ¹

Parameter	Analytical Method	Minimum Collection Frequency	Units	Additional Finished Water Quality Standard ²
General and Inorganic				
Aluminum, total ³	EPA 200.8	weekly grab	mg/L	
Ammonia	EPA 350.1	weekly grab	mg/L as N	
Boron (mg/L)	EPA 200.7	one grab per day	mg/L	See Table A7-7
Bromide (mg/L)	EPA 300.0	one grab per day	mg/L	See Table A7-7
Chloride (mg/L)	EPA 300.0	one grab per day	mg/L	See Table A7-7
Copper, total	EPA 200.8	weekly grab	µg/L	
Dissolved Oxygen	SM 4500-O G	weekly grab	mg/L	
Fluoride	EPA 300.0	weekly grab	mg/L	
Iron, total (mg/L)	EPA 200.7	one grab per day	mg/L	See Table A7-7
Lead, total	EPA 200.8	weekly grab	µg/L	
Manganese, total (mg/L)	EPA 200.8	one grab per day	mg/L	See Table A7-7
Nitrate	EPA 300.0	weekly grab	mg/L as N	
Sodium (mg/L)	EPA 200.7	one grab per day	mg/L	See Table A7-7
Specific Conductance	SM 2510B	Continuous	µS/cm	
Temperature	SM 2550	Continuous	°C	
Total Dissolved Solids (mg/L)	SM 2540C	one grab per day	mg/L	See Table A7-7
Total Organic Carbon (TOC)	SM 5310C	one grab per day	mg/L	
Turbidity (NTU)	EPA 180.1	Continuous	NTU	See Table A7-7
Product Water Stabilization				
Hardness, total	SM 2340B	one grab per day	mg/L as CaCO ₃	See Table A7-7
pH	EPA 150.1	Continuous	pH units	See Table A7-7
Alkalinity, total	SM 2320B	one grab per day	mg/L as CaCO ₃	See Table A7-7
Langelier Saturation	SM 2330	Calculated daily	–	See Table A7-7

Parameter	Analytical Method	Minimum Collection Frequency	Units	Additional Finished Water Quality Standard ²
Index (LSI)				
Calcium Carbonate Precipitation Potential (CCPP)	SM 2330	Calculated daily	mg/L	See Table A7-7
Orthophosphate	SM 4500P-E	Calculated daily	mg/L as PO ₄	See Table A7-7
Disinfection and Disinfection Byproducts				
Total Chlorine Residual	Amperometric Titration (SM 4500-C1 D or SM 4500-C1 E, as appropriate)	Continuous	mg/L as Cl ₂	See Table A7-7
Trihalomethanes, total	EPA 551.1	one grab per week	µg/L	See Table A7-7
Haloacetic Acids, total of 5	SM 6251B	one grab per week	µg/L	See Table A7-7
Total Nitrosamines	SM 6450	one grab per week	µg/L	See Table A7-7
Bromate	EPA 317	one grab per week	µg/L	See Table A7-7
Total Coliform	SM 9221B	weekly grab	MPN/100 mL	
<i>E. coli</i>	SM 9221 F	weekly grab	MPN/100 mL	
California Title 22 or other CDPH Finished Water monitoring requirements pursuant to Facility Drinking Water Permit	As needed to comply with all Applicable Law and Governmental Approvals	As needed to comply with all Applicable Law and Governmental Approvals		

¹ All Finished Water samples shall be collected at the Clearwell effluent, after the last point of chemical addition and complete mixing, unless indicated otherwise in this Table by footnote.

² Additional Finished Water Quality Acceptance Standards and Requirements are provided in Table A7-7 for the indicated constituents. The Design-Builder shall demonstrate compliance with all Applicable Law regulatory standards as well as the Additional Finished Water Quality

Acceptance Standards and Requirements throughout Acceptance Testing. In most cases, the Additional Finished Water Quality Acceptance Standards and Requirements are more stringent than Applicable Law.

³ Analyze only if aluminum salts are added during pretreatment.

Table A7-6. Minimum Water Quality Monitoring for the Filter Backwash System and Recycle Streams during Acceptance Testing

Parameter	Analytical Method	Sampling Location	Minimum Collection Frequency	Units
Turbidity	SM 2130B or EPA 180.1	Spent backwash decant stream	Continuous during recycle	NTU
Total Suspended Solids (TSS)	SM 2540D	Spent backwash decant stream	one grab per day during recycle	mg/L
Total Suspended Solids (TSS)	SM 2540D	Settled solids stream	one grab per blowdown	mg/L
Percent Solids	TBD	Settled solids stream	one grab per blowdown	%

APPENDIX 7 – ATTACHMENT 2
MINIMUM SYSTEM MONITORING REQUIREMENTS DURING ACCEPTANCE
TESTING

Minimum system monitoring requirements for Acceptance Testing, for each of the Project systems, is indicated in this Attachment. During Acceptance Testing, the Design-Builder, at its own discretion, may monitor more locations and parameters or more frequently than set forth in this attachment. The monitoring results of parameters by or on behalf of the Owner during the Acceptance Test shall be reported in the Acceptance Test Report.

During the Acceptance Test, the Design-Builder shall allow Owner representatives to witness monitoring activities and provide additional measurements to the Owner, if requested. The Owner shall: (1) make such representatives available in a manner that accommodates the Design-Builder's schedule; and (2) not unduly delay the Design-Builder's monitoring activities.

Minimum monitoring requirements are discussed for the following Project systems in this Attachment:

- a) Seawater Intake System
- b) Pretreatment Filtration System
- c) Reverse Osmosis / Energy Recovery / Brine Discharge System
- d) UV System
- e) Post-treatment Stabilization System
- f) Final Disinfection / Finished Water Pumping System
- g) Waste Backwash and Recycle System
- h) Chemical Storage and Delivery System

At a minimum, the monitoring plans for these Systems shall include: chemical consumption, water quality throughout the Design-Build Improvements, all process and waste stream flows, and pressures at relevant locations throughout the treatment train. Minimum monitoring requirements are discussed in the subsections below. The Design-Builder shall be responsible for ensuring the monitoring plan and all associated tracking forms are complete for ensuring successful operation and performance of the Project throughout Acceptance Testing.

Minimum water quality monitoring requirements for each of the Project systems is provided in Tables A7-1 through A7-6, found in Attachment 1 to this Appendix.

(a) Seawater Intake System

The slant wells and Raw Water pumps shall have been operated a minimum of 4 weeks, prior to the RIPPT and Acceptance Testing to ensure the pipeline is effectively free of silt and sand.

Monitoring of the seawater intake system during Acceptance Testing shall include, but not be limited to, the following:

- Raw Water quality characteristics including the minimum sampling requirements indicated in Table A7-1 (found in Attachment 1).
- Flow, continuously monitored.
- If applicable and relevant, chlorine addition frequency, dosage (mg/L), and daily use (lbs/day).

The minimum Raw Water quality monitoring requirements for Acceptance Testing are set forth in Table A7-1, found in Attachment 1. The Design-Builder, at its discretion, may sample the Raw Water at more locations or more frequently than described in Table A7-1. The analytical results of all valid samples obtained by or on behalf of the Owner during the Acceptance Test shall be reported in the Acceptance Test Report.

(b) Pretreatment Filtration System

Monitoring of the pretreatment filtration system—both the media pressure filters and the cartridge filters—during Acceptance Testing shall include but not be limited to the following:

- Water quality characteristics including the minimum requirements indicated in Table A7-2 (see Attachment 1).
- Average filter surface loading rate (gpm/sf) for the pressure filter, reported daily and for the entire Acceptance Test, calculated and tabulated by filter.
- Operational criteria for deciding backwash frequency.
- Filter backwash volume, per backwash and per day (MGD), reported daily and for the entire Acceptance Test.
- Filter backwash frequency (on a number of backwashes per day basis) daily and for the entire Acceptance Test, tabulated by filter.
- Continuous differential pressure increase (feet), for each filter, between startup and backwash.
- Run times between backwashes for the media filters, daily and average for the entire Acceptance Test, tabulated by filter.
- Antiscalant, sulfuric acid, and sodium bisulfite dosage (mg/L), daily usage (lbs/day) and average for the entire Acceptance Test.
- Chlorine residual concentration at the pressure filter effluent and cartridge filter effluent measured continuously but tabulated as daily averages.
- Frequency and duration of any and all detectable chlorine residual concentration measurements (above the detection limit), at the cartridge filter effluent, tabulated over the entire Acceptance Test.
- Number of cartridge filter vessels on-line and off-line each day, and average over the entire Acceptance Test.
- Hydraulic loading rate for each cartridge filter vessel, daily and average over the entire Acceptance Test.
- Differential pressure across each cartridge filter vessel (psig), measured continuously.
- Cartridge filter replacement frequency, per filter, over the entire Acceptance Test.

(c) Reverse Osmosis / Energy Recovery / Brine Discharge System

Monitoring of the RO, Energy Recovery, and concentrate discharge systems during Acceptance Testing shall include but not be limited to the following:

- SWRO and BWRO feedwater, permeate and concentrate water quality characteristics including the minimum monitoring requirements indicated in Table A7-3, found in Attachment 1.
- RO feedwater, permeate, and concentrate flow (MGD)—per train, total per pass and total per stage—monitored continuously, averaged daily, and averaged over the duration of the Acceptance Test.
- Concentrate discharge total and average flow (MGD), and flow duration, to brine storage pond and/or brine discharge pipeline.
- SWRO and BWRO feedwater pressure for each RO train (psig), monitored continuously and averaged daily, for the duration of the Acceptance Test
- SWRO feed water temperature (°C), monitored continuously plus daily minimum, maximum and average, and average for the duration of the Acceptance Test.
- SWRO and BWRO concentrate pressure (psig) for each RO train, monitored continuously and averaged daily, for the duration of the Acceptance Test.
- Combined concentrate pressure (psig), monitored continuously, averaged daily, and averaged over the duration of the Acceptance Test.
- Pressure of concentrate exiting the energy recovery system (psig) monitored continuously, averaged daily, and averaged over the duration of the Acceptance Test.
- SWRO and BWRO permeate pressure for each RO train (psig), monitored continuously, averaged daily, and averaged over the duration of the Acceptance Test.
- Combined permeate pressure (psig), monitored continuously, averaged daily, and averaged over the duration of the Acceptance Test.
- Recovery each day (%), calculated per train, per pass/stage, for the total RO system, and the total facility— averaged daily, and averaged over the duration of the Acceptance Test, and trended over the entire Acceptance Test.
- Actual and normalized differential pressure (pressure drop) across each RO train (psig), calculated at 4-hour intervals and averaged over the duration of the Acceptance Test. All such normalized data shall be trended.
- Normalized membrane permeability (gfd/psig), calculated at 4-hour intervals and averaged over the duration of the Acceptance Test. All such normalized data shall be trended.
- Correlation between TDS and conductivity, for both the plant influent and combined RO permeate, over the entire Acceptance Test.
- Correlation between chloride concentration (measured by EPA method) and chlorinity (measured by Grasshoff method) and between Salinity and TDS, for the plant influent and combined RO concentrate, over the entire Acceptance Test.
- Actual and normalized salt passage (%), calculated at 4-hour intervals and averaged over the duration of the Acceptance Test. All such normalized data shall be trended.
- SWRO and BWRO feed pump power consumption (kWh/kgal Product Water).
- ERD bank individual and total system recovered power (kWh/kgal Product Water).

- Average daily power consumption of each pumping component of the RO system (excluding the Finished Water pump station) (kWh/kgal of Product Water).
- Number of pumps in operation and operational hours of each pump, calculated at 4-hour intervals and average for the duration of the Acceptance Test.
- Other membrane data and normalized trends pursuant to applicable membrane manufacturer's warranty conditions and other guidelines. All such normalized data shall be trended over the entire Acceptance Test period.

(d) UV System

Monitoring of the UV disinfection system during Acceptance Testing shall include but not be limited to the following:

- Electricity Utilization for each UV reactor (kWh/kgal).
- Flow through each UV reactor, monitored continuously and averaged daily over the duration of the Acceptance Test.
- UV transmittance for each UV reactor, monitored continuously and averaged daily over the duration of the Acceptance Test.

(e) Post-Treatment Stabilization System

Monitoring of the post-treatment stabilization system during Acceptance Testing shall include but not be limited to the following:

- Water quality characteristics including the minimum sampling requirements indicated in Table A7-4 (found in Attachment 1) and Table A7-15 (found in Section (D)(b)(iv) of this Appendix).
- Where applicable and relevant, chemical feed concentration, chemical dosage (mg/L), and daily usage (lbs/day) for orthophosphate, carbon dioxide, hydrated lime, and/or sodium hydroxide
- Flow rate through each train or contactor, measured continuously and averaged daily over the duration of Acceptance Testing.
- If a calcite or limestone contactor is used, the calculated Empty Bed Contact Time (EBCT), calculated hourly and averaged daily over the duration of Acceptance Testing.
- Calcium dissolution rate verified by analysis and material balance, if a calcite or limestone contactor is used.

(f) Final Disinfection / Finished Water Pumping System

The Acceptance Test shall demonstrate that the Product Water storage and pumping system is capable of delivering, from the Finished Water pump station to the distribution system tie-in location, an average daily flow of 9.6 MGD, with one pump in standby, at the TDH utilized in the final design for the period of time required by the Acceptance Test Plan.

Monitoring of the final disinfection and finished water pumping system during Acceptance Testing shall include but not be limited to the following:

- Water quality characteristics including the minimum sampling requirements indicated in Table A7-5 (provided in Attachment 1).
- Daily average, maximum and minimum chlorine dosage (mg/L), daily usage (lbs/day) and average usage for the entire Acceptance Test.
- Influent temperature (°C), measured continuously and averaged daily over the entire Acceptance Test period.
- Minimum, maximum and average flow rate through the clearwell.
- Minimum, maximum and average disinfection credit through the clearwell, calculated daily and over the entire Acceptance Test period.

(g) Waste Backwash and Recycle System

All waste streams, including but not limited to spent filter backwash solids and lime sludge, must be managed on-site as there is no means of direct discharge or disposal, as described in Appendix 2. Acceptance Testing of the waste backwash and recycle system shall demonstrate effective operation of all recycle pumps, waste settling and storage basins, and associated monitoring equipment and controls.

Monitoring of the filter backwash system and other recycle streams during Acceptance Testing shall include but not be limited to the following:

- Water quality characteristics including the minimum requirements indicated in Table A7-6 (provided in Attachment 1).
- Recycle rate (gpm), recycle frequency, recycle duration, and percent recovery for the spent backwash water.
- Lime sludge production (lbs/day) and waste stream flow.
- If applicable and relevant, chlorine and/or polymer dosage (mg/L) and usage rate (lbs/day), calculated daily and average over the entire Acceptance Test.

(h) Chemical Storage and Delivery System

For each chemical used and stored on-site, the following minimum information regarding chemical consumption shall be recorded by the Design-Builder throughout the Acceptance Test:

- Chemical name, concentration and grade (as delivered).
- Daily minimum, maximum and average dosing rate, mg/L.
- Chemical consumption (lbs/day), recorded daily and averaged over the duration of the Acceptance Test.
- All changes in dosing rate.
- Solution concentration (as dosed).
- Day tank and bulk storage tank levels, deliveries, and changes in inventory amounts;
- Chemical dosing information shall be computed as a daily average dose based on actual consumption and compared with dosing set points in the Acceptance Test Report to confirm the proper functionality of the chemical addition systems. Separate chemical consumption values shall be reported for each chemical used for pretreatment, RO

treatment, post-treatment stabilization, and final disinfection.

- SCADA records demonstrating the SCADA interface operates correctly to control all chemical feed systems, and to monitor and record chemical consumption.

APPENDIX 7 – ATTACHMENT 3
MAXIMUM ELECTRICITY UTILIZATION

The Maximum Electricity Utilization (MEU) represents the maximum amount of electricity in kilowatt-hours (kW-hr) that shall not be exceeded by the Project (including the UV disinfection system) per thousand gallons (kgal) of Finished Water produced during the Acceptance Test.

MEU shall include all the power used to operate the Project including all facilities and ancillary facilities, from downstream of the slant well pump station through the Finished Water pump station.

MEU shall equal the kWh/kgal Plant amount of power consumption, adjusted for the weighted average temperature and salinity values for the duration of the Acceptance Test, as determined pursuant to Table A7-9 herein.

For the purposes of this Acceptance Test, the MEU shall be selected from Table A7-9 based on a temperature and salinity, which shall have been adjusted for the conditions of the Acceptance Test. The adjusted temperature (T_{avg}) and the adjusted salinity (C_{avg}) shall be determined as described below:

STEP 1: The adjusted temperature shall be the weighted average influent water temperature (T_{avg}) for the Acceptance Test and shall be determined as follows:

$$T_{avg} = \frac{1}{V_T} \sum_{i=1}^N (T_i V_i) \quad (1)$$

Where

N = the number of 24 hour periods in the Acceptance Test.

T_i = the RO feedwater water temperature measured at the discharge of the High Pressure RO pumps at the end of each 24 hour period in the Acceptance Test, expressed in degrees Celsius.

V_i = the volume of Finished Water produced during each 24 hour period during the Acceptance Test, expressed in kgal.

V_T = the total volume of Finished Water produced during the Acceptance Test, expressed in kgal.

To find the row for selecting the MEU for the Acceptance Test in Table A7-9 of this Attachment, the adjusted temperature (T_{avg}) determined in equation (1) shall be rounded down to the closest temperature value listed in Table A7-9 of this Attachment, which is below T_{avg} .

STEP 2: The adjusted salinity shall be the weighted average influent salinity (C_{avg}) for

the Acceptance Test and shall be determined as follows:

$$C_{avg} = \frac{1}{V_T} \sum_{i=1}^N (C_i V_i) \quad (2)$$

Where

N = the number of 24 hour periods in the Acceptance Test.

C_i = the plant feedwater water salinity measured at the end of each 24 hour period in the Acceptance Test pursuant to Table A7-9, expressed in ppt.

V_i = the volume of Finished Water produced during each 24 hour period during the Acceptance Test, expressed in kgal.

V_T = the total volume of Finished Water produced during the Acceptance Test, expressed in kgal.

The adjusted MEU for the Acceptance Test shall be determined by linearly interpolation, based on the adjusted salinity (C_{avg}), between the two MEU values in the row selected in STEP 1, which most closely correspond to the adjusted salinity (C_{avg}).

Table A7-9. Maximum Electricity Utilization for All Acceptance Test Finished Water Output Levels (Values to be Provided in Design-Build Agreement – Appendix 2 and RFP Form 17)⁽¹⁾

C _{avg} (Salinity in ppt)	24 ppt	28 ppt	32.2 ppt	33.6 ppt	34.6 ppt	38ppt
T _{avg} Feedwater Temperature (in °C)	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal
8						
9						
10						
11						
12				EMEUE		
13						
14						
15						
16						

C_{avg} (Salinity in ppt)	24 ppt	28 ppt	32.2 ppt	33.6 ppt	34.6 ppt	38ppt
T_{avg} Feedwater Temperature (in °C)	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal	Plant kWh/kgal
17						
18						

⁽¹⁾ These MEUs include all the power used to operate the Project including all facilities, including ancillary facilities, from downstream of the slant well pump station through the finished water pump station.

Appendix 8

[Reserved]

Appendix 8

[Reserved]

Appendix 9

Operation and Maintenance-Related Deliverables

Appendix 9

Operation and Maintenance-Related Deliverables

The following table lists the Operation and Maintenance-Related Deliverables that the Design-Builder is required to provide to the Owner.

<u>O&M RELATED DELIVERABLE</u>	<u>REFERENCE LOCATION</u>
1. Electronic Record Drawings	Appendix 4, item 8 (pg 4-4)
2. O&M Manual (hard copy)	Appendix 4, Section 4.7.B (pg 4-32)
3. Electronic Project Files CD	Appendix 4, item 10 (pg 4-4)
4. Equipment Maintenance Data Sheets	Appendix 4, item 13 (pg 4-5)
5. Warranties & Service Contracts	
a. General Information	DB Agreement, Section 3.18
b. RO Equipment	Appendix 2, item 9 (pg 16)
c. UV Equipment	Appendix 2, item 13 (pg 35)
d. On-Site Hypo Equipment	Appendix 2, item 21.b (pg 45)

Appendix 10

Key Personnel and Approved Subcontractors

Appendix 10

Key Personnel and Approved Subcontractors

[Note: to be provided by Proposer.]

Appendix 11

Insurance Requirements

Appendix 11

Insurance Requirements

I. DESIGN-BUILDER INSURANCE REQUIREMENTS.

A. Insurance Limits and Coverage. At no expense to the Owner, the Design-Builder shall obtain and keep in force during the term of this Design-Build Agreement the following minimum insurance limits and coverage (or greater where required by Applicable Law). The insurance coverage limits stated below are minimum coverage requirements, not limitations of liability, and shall not be construed in any way as the Owner's acceptance of the responsibility of the Design-Builder.

1. Commercial General liability:

\$1,000,000 per occurrence Combined Single Limits

\$1,000,000 General Aggregate

\$1,000,000 Products and Completed Operations Aggregate

CGL ISO 1996 or later Occurrence form including Premises and Operations Coverage, Products and Completed Operations, Coverage for Independent Contractors, Personal Injury Coverage and Blanket Contractual Liability, and Contractors Protective Liability if the Design/Builder subcontracts to another all or any portion of the Design-Build Work. Completed operations shall be maintained for a period of five (5) years following Final Completion for any construction, renovation, repair and or maintenance service.

2. Workers' Compensation

Applicable Federal or State Requirements: Statutory Minimum

Employer's Liability:

Each Accident \$1,000,000

Each Employee – Disease \$1,000,000

Policy Limit – Disease \$1,000,000

Other States insurance.

The Workers' Compensation policy shall also include U.S. Longshoreman and Harbors Workers' Compensation Act Coverage, if any Work shall be done over or within 100 feet of any body of water, or otherwise at the sole discretion of Water Company. It shall provide maritime (Jones Act) coverage if a boat or vessel of any type is used.

Automobile Liability - (including owned, hired, borrowed and non-ownership liability)

Bodily Injury and Property Damage \$1,000,000 each accident Combined Single Limits

3. Umbrella Liability

\$50,000,000 each occurrence and annual aggregate in excess of Employer's Liability, General Liability and Automotive Liability (no more restrictive than underlying insurance)

4. Professional Liability

Professional Liability or Errors and Omissions insurance acceptable to the Owner covering the Design-Builder's liabilities for loss due to error, omission, negligence, mistakes, or failure to take appropriate action in the performance of business or professional duties of their employees in the amount of at least \$10,000,000 per claim and in the aggregate shall be procured prior to the commencement of the design work during the procurement phase to be maintained and retroactive to this date during the Design-Build Agreement term and for a period of at least five (5) years after completion of the Design-Build Agreement evidenced either by annual renewal of the policy for five (5) years or by endorsement or addition of an Extended Reporting (or Discovery) Period for at least five (5) years following the policy expiration date. Policy shall be endorsed to provide contingent bodily injury and property damage liability coverage.

5. Environmental Impairment Liability (EIL) or Pollution Liability insurance

Covering losses caused by pollution conditions that arise from the operations of Design-Builder described in this Design-Build Agreement. This insurance shall apply to bodily injury; property damage, including loss of use of damaged property or of property that has not been physically injured; cleanup costs; and defense, including costs and expenses incurred in the investigation, defense, or settlement of claims. The policy of insurance affording these required coverages shall be written in an amount of at least \$5,000,000 per claim with an annual aggregate of at least \$5,000,000.

6. Builders Risk Insurance

The Design-Builder shall bear all risks of all loss or damage to the Design-Build Work until Final Completion, except that the Design-Builder may claim reimbursement under the Owner's builder's risk insurance policy as herein provided and limited. The Owner will carry "All Risk" Builders Risk Insurance subject to deductibles, terms and conditions as stated in the policy and below with Design-Builder as an additional insured. It is the obligation and responsibility of the Design-Builder to make appropriate claim to the insurance company for all losses claimed under the policy. Should any loss not be covered under this policy, in whole in or parts, the Design-Builder shall bear the loss. Any questions regarding coverages, limitation, exclusion, etc. contained in the policy shall be addressed by proposers prior to submittal of proposals, to *Director, Risk Management, American Water, Email: jimli@amwater.com.*

Such insurance shall cover the full value of the cost of replacement to the Owner, less applicable deductibles, of all completed portions of the Design-Build Work to be performed throughout the

entire time of construction. The deductibles on each separate and unrelated loss are: (1) At least 5% of the total insurable value at each location involved in a wind, earthquake, and flood loss, subject to a minimum of \$1,000,000, whichever is greater; and (2) \$100,000 on all other losses. Owner will furnish to the Design-Builder evidence of the insurance coverage provided.

Such insurance shall not cover: (1) damage to or loss of material or equipment furnished by either party which are damaged or lost due to carelessness or negligence on the part of the Design-Builder; or (2) damage to or loss of machinery, tools, equipment, or other property furnished by the Design-Builder whether or not used by the Design-Builder in carrying out the terms of the Design-Build Agreement unless such machinery, tools, equipment or other property are specifically intended for permanent incorporation into the Design-Build Work and are included in an approved application for payment.

B. Satisfaction of Limits. The minimum liability limits required by this Appendix 11 may be satisfied through the combination of the primary General Liability, Employers' Liability, and Automotive Liability limits with an Umbrella Liability policy (with coverage no more restrictive than the underlying insurance) providing excess limits at least equal to or greater than the combined primary limits.

C. Additional Insureds. All Commercial General Liability including completed operations-products liability coverage, Automobile liability and Pollution Liability insurance shall designate the Owner, its parent and affiliates, their respective directors, officers, employees and agents, Owner's Representative, and [INSERT ANY ADDITIONAL] as Additional Insureds.

D. Other Requirements. All insurance required by this Appendix 11 shall be primary and non-contributory, and is required to respond and pay prior to any other insurance or self-insurance available to the Owner. In addition to the liability limits available, such insurance will pay on behalf of or will indemnify the Owner for defense costs. Any other coverage available to the Owner applies on a contingent and excess basis. All such insurance shall include appropriate clauses pursuant to which the insurance companies shall waive their rights of subrogation against the Owner.

E. Certificates of Insurance. Design-Builder and its Subcontractors shall furnish, prior to the start of work, certificates or adequate proof of the foregoing insurance including, if specifically requested by the Owner, copies of the insurance policies and endorsements naming the Owner and other required Additional Insureds. Current certificates of insurance shall be provided prior to the commencement of the Design-Build Work and shall be maintained until completion of the Design-Build Agreement. Such certificates shall evidence that the Owner is included as Additional Insured, except for workers compensation and professional liability. The Design-Builder shall notify the Owner in writing, at least thirty (30) days prior to cancellation of or a material change in a policy. Such cancellation or material alteration shall not relieve the Design-Builder of its continuing obligation to maintain insurance coverage in accordance with this Design-Build Agreement.

F. Carrier Rating. Carriers providing coverage will be rated by A.M. Best with at least an A-rating and a financial size category of at least Class VII. Carriers shall be licensed in state(s) where work shall be performed.

G. Failure to Procure. If the Design-Builder shall fail to procure and maintain said insurance, the Owner, upon written notice, may, but shall not be required to, procure and maintain same, but at the expense of the Design-Builder. In the alternative, the Owner may declare a default hereunder and, unless such default is timely cured, terminate the Design-Build Agreement. Unless and until the default is cured, neither the Design-Builder nor its servants, employees or agents will be allowed to enter upon the Owner's premises.

II. SUBCONTRACTOR INSURANCE REQUIREMENTS.

The Design-Builder shall require each Subcontractor to obtain and keep in force the coverages required of Design-Builder. Design-Builder may, however, in its discretion, allow a Subcontractor to secure lower insurance limits than the limits required of Design-Builder. Design-Builder may also request in writing that the Owner approve the waiver of certain coverages for a specific Subcontractor, which approval will not be unreasonably withheld by the Owner. Any such approval by the Owner must be in writing.

Appendix 12

Allowances

Appendix 12

Schedule of Cash Allowances

A. Earthwork – Testing Asphalt Concrete Paving - Testing Cast-in-Place Concrete –Testing

The Fixed Design-Build Price includes an Allowance of **\$100,000** for providing the services of an independent testing laboratory to perform testing for concrete, soils, asphalt, structural steel bolting and welding, and steel tank painting inspection as specified in the Design-Build Agreement. Approval by the Owner of the independent testing laboratory is required before commencement of work at the Project Site.

During the course of the work, the independent testing laboratory shall perform for the Design-Builder and Owner such tests as are required to verify conformance to the requirements of the specifications. Such tests are not intended to provide the Design-Builder with information required by it for proper execution of the Design-Build Work, and their performance shall not relieve the Design-Builder of the necessity to perform tests for that purpose.

B. RPR Special Equipment and Supplies

In addition to the RPR field trailer, equipment and supplies included as temporary facilities pursuant to the Design and Construction Requirements of Appendix 2, the Fixed Design-Build Price includes an Allowance of **\$50,000** for special equipment and supplies. These equipment and supplies may include, but are not limited to: computer, printer, fax, scanner, telephone, digital camera and office supplies. The Allowance shall also be used to pay on a monthly basis the telephone usage bills for telephone lines designated for RPR use. The costs reimbursed shall be for the actual cost incurred and shall not include any Design-Builder markups. All purchases for RPR equipment and supplies shall be approved by the Owner. If the actual cost of the equipment, supplies and telephone bills are greater than or less than allowance amount, a Change Order will be processed to account for the difference.

C. Security

The Fixed Design-Build Price includes an Allowance of **\$10,000** for providing background checks for the Design-Builder's key employees including Subcontractors.

The Owner will require that key employees of the Design-Builder working on the Project site to have a background checks completed. The Design-Builder shall conduct a background check on each of its key employees prior to the employee performing any function or activity under the Design-Build Agreement involving any Design-Build Work at the Project Site. The background check conducted by the Design-Builder shall consist of a check of at least the following: previous employers and dates of employment; education; driving record; criminal history (State

and federal); references and credit history. Prior to commencing work, Design-Builder shall provide proof to the Owner that the requirements of this paragraph have been met. Design-Builder shall make available to the Owner, upon request, the documentation and results of the background check with respect to any employee of Design-Builder performing any function under the Design-Build Agreement involving any Design-Build Work at the Project Site.

D. Water Quality Analyses during Startup, Commissioning, and Acceptance Testing

An external laboratory shall be selected, mutually acceptable to Owner and Design-Builder, to perform water quality analyses during startup, commissioning, run-in, and Acceptance Testing. The Fixed Design-Build Price includes an Allowance of **\$50,000** for shipping and analysis fees. The costs reimbursed shall be for the actual cost incurred and shall not include any Design-Builder markups.

E. Miscellaneous

- a. Elective Landscaping Features- \$75,000**
- b. Elective Exterior Architecture Features: \$75,000**
- c. Elective Interior Architecture Features: \$50,000**
- d. Computer/Telephones, etc - \$50,000**

Appendix 13

Payment Procedures and Drawdown Schedule

Appendix 13

PAYMENT PROCEDURES AND DRAWDOWN SCHEDULE

13.1 PURPOSE

This Appendix sets forth the requirements for the development of a detailed Progress Payment Schedule for the Design-Build Period and sets forth the drawdown schedule that establishes the estimated monthly payments during the Design-Build Period.

13.2 PAYMENT PROCEDURES

The Design-Builder shall be entitled to submit Requisitions and receive from Owner the payments that will be set forth in the Progress Payment Schedule developed in accordance with this Appendix 13 subject to the conditions to payment set forth in the Design-Build Agreement. The estimated drawdown schedule set forth in this Appendix and the Progress Payment Schedule developed by the Design-Builder and approved by Owner shall serve as the basis for progress payments and will be incorporated into a detailed Progress Payment Schedule acceptable to Owner in accordance with this Appendix.

On or about the date established in the Design-Build Agreement for submission of each application for progress payment (but not more often than once a month), Design-Builder shall submit to Owner for review an application for payment (“Application for Payment”) filled out and signed by Design-Builder covering the Design-Build Work completed as of the date indicated on the Application and accompanied by supporting documentation as required by the Design-Build Agreement. If payment is requested on the basis of materials and equipment not incorporated in the Design-Build Work but delivered and suitably stored at the Site or at another location agreed to in writing, the Application for Payment shall also be accompanied by a bill of sale, invoice or other documentation warranting that Owner has received the materials and equipment free and clear of all Liens and evidence that the materials and equipment are covered by appropriate property insurance and other arrangements to protect Owner's interest therein, all of which will be satisfactory to Owner.

Beginning with the second Application for Payment, each Application shall include an affidavit of Design-Builder stating that all previous progress payments received on account of the Design-Build Work have been applied on account to discharge Design-Builder's legitimate obligations associated with prior Applications for Payment.

The amount of retainage with respect to progress payments will be as stipulated in the Design-Build Agreement.

A. Procedure. Progress payments shall be made by the Owner to the Design-Builder according to the following procedure:

1. Owner will, within twenty days of receipt of each Application for Payment, either indicate in writing its acceptance of the Application and state that the Application is being

processed for payment, or return the Application to Design-Builder indicating in writing its reasons for refusing to accept the Application. Not more than ten days after accepting such Application the amount will become due and when due will be paid by Owner to Design-Builder.

2. If Owner should fail to pay Design-Builder at the time the payment of any amount becomes due, then Design-Builder may, at any time thereafter, upon serving written notice that he will stop the Design-Build Work within seven days after receipt of the notice by Owner, and after such seven day period, stop the Design-Build Work until payment of the amount owing has been received. Written notice shall be deemed to have been duly served if sent by certified mail to the last known business address of Owner.

3. Payments due but unpaid shall bear interest at the rate specified in the Agreement.

4. No Progress Payment nor any partial or entire use or occupancy of the Project by Owner shall constitute an acceptance of any Work not in accordance with the Design-Build Agreement.

13.3 PROGRESS PAYMENT SCHEDULE AND PROGRESS PAYMENTS

Within 30 days following the Contract Date, the Design-Builder shall prepare and submit for approval by Owner an interim Progress Payment Schedule to assist Owner, Owner Engineer and the Contract Administrator in evaluating Design-Builder Requisitions for progress payments to be paid on a percent complete basis during the first 180 days of the Design-Build Period in accordance with the Design-Build Agreement. The interim Progress Payment Schedule shall be based upon the interim schedule prepared by the Design-Builder pursuant to Appendix [4]. The Design-Builder shall not receive payments for any Design-Build Work completed during the first 180 days of the Design-Build Period unless Owner has approved the interim Progress Payment Schedule and the Requisition for such work contains a copy of the final interim schedule that has been established and updated in accordance with Appendix 4 and shows the progress made by the Design-Builder for the period covered by such Requisition.

Within 30 days following acceptance of the Design-Builder's master schedule by Owner in accordance with Appendix 4, the Design-Builder shall prepare and submit for approval by Owner a final Progress Payment Schedule to assist Owner, Owner Engineer and the Contract Administrator in evaluating Design-Builder Requisitions for progress payments to be paid on a percent complete basis in accordance with the Design-Build Agreement. The final Progress Payment Schedule shall be based upon the master schedule prepared by the Design-Builder pursuant to Appendix 4 and shall become the basis for Owner's consideration of partial payments to be made to the Design-Builder following the first 180 days of the Design-Build Period. The Design-Builder shall not receive payments for any invoices for any Design-Build Work completed following the first 180 days of the Design-Build Period unless Owner has approved the final Progress Payment Schedule and the Requisition for such work contains a copy of the final master schedule that has been established and updated in accordance with Appendix 4 and shows the progress made by the Design-Builder for the period covered by the Requisition. The Progress Payment Schedules prepared by the Design-Builder shall be consistent with the requirements set forth in Attachment 13A to this Appendix. The detailed Progress Payment Schedule prepared by the Design-Builder shall also be consistent with Table 13-1 in all respects

and in no event shall there be any change to the percentages set forth in Table 13-1. Upon the request of Owner, City Engineer or Contract Administrator, the Design-Builder shall support all values with data that substantiates the correctness of any information contained in the Progress Payment Schedule submitted by the Design-Builder. After review and comment by Owner, Owner Engineer and the Contract Administrator, the Design-Builder shall revise and resubmit the Progress Payment Schedules as necessary until a detailed Progress Payment Schedule is approved by Owner. The Design-Builder shall resubmit subsequent revised Progress Payment Schedules in the same manner, upon request by Owner for necessary changes.

Each Requisition for payment shall be signed and certified by the Design-Build Manager and the Engineer-of-Record, and the Design-Builder shall provide all supporting information in accordance with Section 5.2(B) of the Design-Build Agreement. The Design-Builder shall not submit any Requisition for payments on a percent complete basis prior to approval by Owner of the interim or final Progress Payment Schedule, as applicable.]

13.3.2 *Partial Utilization*

Prior to Substantial Completion of all the Design-Build Work, Owner may use or occupy any substantially completed part of the Construction which (i) has specifically been identified in the Design-Build Agreement, or (ii) Owner and Design-Builder agree constitute a separately functioning and usable part of the Construction that can be used by Owner for its intended purpose without significant interference with Design/ Builder's performance of the remainder of the Design-Build Improvements, subject to the following:

1. Owner at any time may request Design-Builder in writing to permit Owner to use or occupy any such part of the Construction which Owner believes to be ready for its intended use and substantially complete. If Design-Builder agrees that such part of the Design-Build Work is substantially complete, Design-Builder will certify to Owner that such part of the Design-Build Improvements is substantially complete and request Owner to issue a certificate of Substantial Completion for that part of the Construction. Design-Builder at any time may notify Owner in writing that Design-Builder considers any such part of the Design-Build Work ready for its intended use and substantially complete and request Owner to issue a certificate of Substantial Completion for that part of the Design-Build Work. Within a reasonable time after either such request, Owner and Design-Builder shall make an inspection of that part of the Design-Build Work to determine its status of completion. If Owner does not consider that part of the Design-Build Work to be substantially complete, Owner will notify Design-Builder in writing giving the reasons therefore. If Owner considers that part of the Design-Build Work to be substantially complete, the provisions of paragraph 13.5 will apply with respect to certification of Substantial Completion of that part of the Design-Build Work and the division of responsibility in respect thereof and access thereto.

2. No use or occupancy of part of the Design-Build Improvements will be accomplished prior to compliance with the requirements of paragraph 13.10 regarding property insurance.

3. Owner may at any time submit a written request to Design-Builder to permit Owner to take over operation of any such part of the Construction although it is not substantially

complete. Owner and Design-Builder shall make an inspection of that part of the Construction to determine its status of completion and will prepare a list of the items remaining to be completed or corrected thereon before final payment. If Design-Builder does not object in writing to Owner that such part of the Construction is not ready for separate operation by Owner, Owner will finalize the list of items to be completed or corrected and will deliver such list to Design-Builder together with a written division of responsibilities pending final payment between Owner and Design-Builder with respect to security, operation, safety, maintenance, utilities, insurance, warranties and guarantees for that part of the Construction which will become binding upon Owner and Design-Builder at the time when Owner takes over such operation. During such operation and prior to substantial completion of such part of the Construction, Owner shall allow Design-Builder reasonable access to complete or correct items on said list and to complete other related Construction.

13.3.3 *Final Inspection*

A. Upon written notice from Design-Builder that the entire Design-Build Work or an agreed portion thereof is complete, Owner will make a final inspection with Design-Builder and will notify Design-Builder in writing of all particulars in which this inspection reveals that the Design-Build Work is incomplete or defective. Design-Builder shall immediately take such measures as are necessary to complete such Design-Build Work or remedy such deficiencies.

13.4 CERTAIN LIMITATIONS ASSOCIATED WITH PROGRESS PAYMENTS

The Design-Builder's detailed Progress Payment Schedule shall be in sufficient detail to indicate further breakdown of items on the schedule into equipment, systems, subsystems, building structures and other discrete elements.

The Design-Builder shall submit a schedule of values representing a detailed subdivision of the lump sum Contract amount. This subdivision, when approved by the Engineer, will become the basis for computing the Design-Builder's monthly progress payments. If practical, the schedule of values shall be developed by assigning a cost value to the appropriate activities contained in the preliminary progress schedule. If activities, or other line items, in the schedule of values contain costs associated with material, labor or subcontracts these costs are to be identified separately by listing the activity multiple times and identifying material, labor and subcontract with a suffix M, L and S respectively. Cost values for activities representing materials/equipment only shall be assigned to the activity representing delivery of such material/equipment to the Project Site.

In addition to the cost of material, labor and subcontracts, the following costs are to be identified separately in the schedule of values accompanied by such supporting documentation as required by the Owner to substantiate the amounts listed.

1. Mobilization - To include actual cost to setup temporary facilities at the Project Site.
2. Bonds, Insurance - To reflect premiums paid, or to be paid, for Bonds and insurance required to be provided per the Design-Build Agreement. Additional insurance coverage or

bonds purchased optionally shall be considered general overhead and apportioned to construction activity costs.

3. Job Site Overhead - To reflect the cost of maintaining the temporary facilities at the Project Site including the cost of direct field supervision. This value, when approved, will be paid in equal monthly increments based on the number of months between mobilization and final completion.

4. Demobilization - To reflect the cost of removing the temporary facilities and final site cleanup.

5. Permits - To include fees required to obtain any permits including inspection fees associated with such permits. The Design-Builder's detailed Progress Payment Schedule shall also include a breakdown of all design and permitting submittals and for obtaining significant Governmental Approvals. Governmental Approval applications shall be complete, as determined by the applicable Governmental Body, in order for the Design-Builder to receive payment for the corresponding progress payment associated with the submittal of the Governmental Approval application.

The cost of home office overhead, profit, financing, contingencies, etc. are to be apportioned to the construction activities in the schedule of values based on the percentage that each construction activity cost represents when compared to the subtotal of all construction activity costs. This subtotal is excluding mobilization, demobilization, Project Site overhead, permits, home office overhead, profit, financing, contingencies, etc. The total of all items in the schedule of values shall equal the Contract Price.

Payments shall be made on account of equipment or unit of materials delivered and suitably stored at the Project Site for subsequent incorporation into the Design-Build Work. If approved in advance by Owner, Requisitions may also be submitted for materials and equipment suitably stored off the Project Site at a location acceptable to Owner, subject to any requirements imposed by the Insurance Requirements. The Design-Builder shall not be entitled to payment for materials and equipment that are not stored properly, either at the Project Site or off the Project Site, in accordance with the Contract Standards so as to protect such materials and equipment from damaging environmental elements (e.g., dust intrusion into rotating equipment). All material and equipment storage locations, either at the Project Site or off the Project Site, shall be subject to inspection by Owner and its representatives during normal business hours.

In no event shall the cumulative Design-Build Price payments in any month exceed the cumulative Value of Work completed by the end of that month.,

13.5 QUARTERLY PROGRESS PAYMENT ESTIMATES

The Design-Builder shall provide Owner with a good faith calendar quarterly estimate of payments of the Design-Build Price throughout the Design-Build Period. The first such estimate shall be submitted to Owner with the initial submittal of the detailed Progress Payment Schedule required pursuant to Section 13.3 of this Appendix.

13.6 DRAWDOWN SCHEDULE

The Design-Builder shall also submit to the Owner, for approval, a Cash Flow Schedule. The Cash Flow Schedule shall show the amounts of money by months which will be required to reimburse the Design-Builder for Work performed during each month of the Contract Times. The sum of all the monthly cash requirements shall equal the Contract Price. The monthly cash requirements shall be proportioned based on the CPM Schedule. The initial cash flow schedule shall depict monthly cash requirements based on the early start dates of the CPM Schedule as well as the monthly cash requirements based on late start dates of the CPM Schedule. The approved cash flow schedule will be developed by the Owner and will reflect the Design-Builder's schedule performance as of the date of approval. This process of approving cash flow schedules will occur with each required schedule update.

The approved Cash Flow Schedule will be used by the Owner to program funds for progress payments to the Design-Builder. Monthly payments will be made to the Design-Builder in accordance with the Design-Build Agreement.

Table 13-1 sets forth the estimated monthly payment that the Design-Builder is subject to in its submittal of Requisitions as set forth in Section 6.2 of the Design-Build Agreement. The percentages set forth in Table 13-1 are percentages of the total Fixed Design-Build Price, as set forth in subsection 5.1(B) of the Design-Build Agreement.

Table 13-1
FIXED DESIGN-BUILD PRICE
DRAWDOWN SCHEDULE

[To Be Developed Based on Proposal Form 16]

Attachment 13A
Progress Payment Schedule Requirements

1.01 FORM AND CONTENT OF PROGRESS PAYMENT SCHEDULE

A. The Design-Builder's standard forms and computer printout will be considered for approval by Owner upon the Design-Builder's request. The Progress Payment Schedule shall identify:

1. Project name and location.
2. Name and address of Design-Builder.
3. Owner name.
4. Date of submission.

B. The Schedule of Values will serve as the basis for progress payments. Design-Builder's Schedule of Values, as described in Section 13.4 of this Appendix will be acceptable to Owner as to form and substance if it provides a reasonable allocation of the Fixed Design-Build Price to component parts of the work.

C. Each line item shall be identified with the number and title of the respective major section of the Technical Specifications. Line items or indicated groups of line items shall match the construction activities' breakdown in the Design-Builder's interim schedule or master schedule, as applicable. The cash loaded schedules shall be used as the basis of the Progress Payment Schedule and therefore the basis of payment.

D. For each major line item, the Progress Payment Schedule shall list sub-values of major products or operations under the item.

E. Each item shall include a directly proportional amount of the Design-Builder's overhead and profit.

F. For items on which partial payments will be requested for properly stored materials, the value shall be broken down into:

1. The cost of the materials and equipment to be incorporated into the Design- Build Work, delivered and unloaded, with taxes paid. Invoices shall be required for materials and equipment to be incorporated into the Design-Build Work, upon request by Owner, Owner's Representative or the Contract Administrator.

2. The total installed value.

G. The specific requirements and procedures for submitting progress payments to Owner will be discussed at the initial conference.

1.02 SCHEDULE OF PROPERTY UNIT VALUES

A. In addition to the Schedule of Values, Design-Builder shall provide a breakdown of the construction cost by Property Units in accordance with the list of Property Units identified in the Attachment to this specification section. The detailed arrangement for submittal of the construction cost by Property Units shall be discussed at the initial conference.

Appendix 14

MINIMUM FINANCIAL CRITERIA

Appendix 14

MINIMUM FINANCIAL CRITERIA

[To be provided based on the information provided from Proposal Form 7]

Appendix 15

RESTRICTED PERSONS

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RESTRICTED PERSONS

The following firms are Restricted Persons as defined in the Design-Build Agreement:

- RBF Consulting
- Trussell Technologies
- URS Corporation
- Kris Helms Consulting
- Separation Processes, Inc.

Appendix 16

WMDVBE Utilization Plan

Appendix 16

WMDVBE Utilization Plan

[Note: to be provided by Proposer.]

Appendix 17

Local Resources Utilization Plan

Appendix 17

Local Resources Utilization Plan

[Note: to be provided by Proposer.]