

## MANAGEMENT SERVICES AGREEMENT

This Agreement is made by and between AUSTIN CREEK MUTUAL WATER COMPANY, P.O. Box 86, Cazadero, CA, 95421, a California mutual corporation (herein called "District"), and RUSSIAN RIVER UTILITY COMPANY INC., P.O. Box 730, Forestville, California 95436, California corporation (herein called "Manager)."

In consideration of the mutual covenants contained herein, District and Manager agree as follows:

1. Services to be Performed: Manager will perform for District management operation and maintenance services in a good and workmanlike manner and subject to the provision hereof, the services set forth in detail in Exhibit A, within the territorial jurisdiction of District and the contiguous land surrounding it. Subject to the provisions of this section, Manager will regularly inspect the premises and the work done by Manager's employees and will exercise complete authority over such employees.
2. Labor and Equipment: Manager will furnish all labor, equipment and materials necessary to the performance of its duties except such equipment and materials as are provided by District as set forth in Exhibit B. Manager may use such equipment or materials provided by District as is necessary for the performance of its duties, but should such equipment or materials be lost, damaged, or destroyed as a result of Manager's negligence and while in the possession of Manager, Manager will reimburse District for the replacement thereof with equipment and materials of equal value and for costs and expenses incident to such replacement.
3. Time of Work: Manager will perform its duties in such manner as to avoid inconvenience to the users of the system, as much as is practicable. Manager will provide proper notice if water is to be shut off for more than 4 hours. Such notice will be provided 24 hours in advance unless such shut off is the result of an unavoidable emergency.
4. Compliance with Law: Manager will secure all permits required to provide its duties and will comply with all applicable workers compensation, employer's liability, and other Federal, state county and municipal laws, ordinances, rules and regulations.
5. Indemnification of District: Manager will indemnify District against all liability, demands, claims, suits, losses, damages, causes of action, fines or judgment including costs, attorneys' and witnesses' fees and expenses incident there for injuries (including death) to persons or property arising out of its performance of its duties hereunder.

Manager's indemnity does not cover actions caused by the negligence and willful misconduct by any individuals employed by District directors, or officers who are not employed by Manager. District will give Manager prompt written notice of any such demand, claim or suits against it, and Manager shall have the right to compromise or defend the same to the extent of its own interests.

6. Insurance: During the term of this Agreement, Manager will carry and maintain in full force insurance of the following types and minimum amounts with such company or companies as are acceptable to District insuring Manager while it is performing its duties under this Agreement.

Liability Insurance: In the amount no less than \$1,000,000 combined single limit for bodily injury and property damage liability. Manager will cause the insurance company or companies to furnish Manager with certificates for such policies detailing the coverage therein. District shall be included as additional insured and Manager shall provide a certificate showing said coverage.

Workers Compensation: Minimum full statutory limit.

Automobile Insurance: Full liability in the amount of no less than \$1,000,000 bodily injury and property damage, and medical coverage on drivers of all automobiles owned and operated by Russian River Utility Company personnel.

Manager agrees that: (a) District may inspect such policies at any time; (b) Manager will cause such policies to be properly endorsed to provide that the insurance company or companies will give to District thirty (30) days' written notice of termination, alteration or change therein; (c) Manager will cause the insurance company or companies to furnish District with certificates of such policies detailing the coverage therein, such certificates to be delivered to District within ninety (90) days of the execution of this Agreement by Manager.

During the term of this Agreement, District will carry and maintain in full force liability insurance in the amount no less than \$1,000,000 for bodily injury and property damage. District, at its option, may carry Directors Errors and Omissions and/or Boiler and Machinery Insurance to cover District losses.

7. Payment of Manager: District will pay Manager ONE THOUSAND FOUR HUNDRED SEVENTY-FIVE DOLLARS (\$1,475.00) per month within thirty (30) days after receipt and approval of Manager's invoice for services rendered, effective on the date of signing.

8. Duration of Agreement: This Agreement, which terminates as of its effective date all prior agreements, written or oral, between the parties concerning the same services, shall become effective as of the date stated below and subject to section 9 below, expire three (3) years after the date thereof.

9. Termination: This Agreement may be terminated by District or Manager upon ninety (90) days' notice to the other, without cause.

10. Operation: The operation and maintenance of District facilities by Manager shall be done in a first class manner at all times and in accordance with generally accepted industry best practices for municipal water treatment and purveyor districts. Furthermore, it is understood that the relationship of Manager to District is that of an independent contractor. District may, at its option, require Manager to furnish to it formal status reports regarding the operation of the system and its condition; however, said reports shall be required no more than on a monthly basis.

11. Assignment: This Agreement may not be assigned by the Manager without the prior written consent of District.

12. Suspension: Without affecting any right of termination set forth in this Agreement, either party may suspend any obligation under this Agreement at any time to the extent its performance thereof is prevented by a strike of its personnel, war, declaration of state or national emergency, acts of God or public enemy, or other cause beyond the control of such party, by giving the other party written notice of suspension and the reason for the same.

Payment to be made and services to be rendered under this Agreement shall not become due during a period of suspension. District may secure the services herein contemplated from another source during any period in which Manager suspends performance under this Agreement.

13. Notice: Either party may notify the other pursuant to this Agreement shall send such notice by United States mail, postage prepaid, in the case of Manager to Manager at the address set forth immediately before Section 1 of this Agreement, and to District at such address as it shall designate in writing from time to time. Notice may be given by email, as follows:

To Manager at: rruwater@sonic.net

To District at: water@acmwc.net

Either party may change its United States mail or email address for notices by giving at least fifteen (15) days' notice to the other of such change.

In addition, each party shall provide and maintain a list of three persons who should be contacted by telephone in the event of an emergency concerning the operations of District.

Should the State Water Resources Control Board Division of Drinking Water revise your supply permit to include additional treatment monitoring or testing requirements, this contract will be subject to change.

IN WITNESS WHEREOF, the parties executed this Agreement effective as of the \_\_\_\_\_ day of \_\_\_\_\_ 2021.

AUSTIN CREEK MUTUAL WATER COMPANY

By: \_\_\_\_\_  
Mary Anne Sobieraj, Board President

Date: \_\_\_\_\_

RUSSIAN RIVER UTILITY COMPANY, INC

By: \_\_\_\_\_  
James Dunton, President

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Stephanie Voet, Vice President

Date: \_\_\_\_\_

## EXHIBIT A

Manager shall perform the following specific services on the premises described in Section 1.

1. Management services to operate and maintain District's existing water supply system, including the services described in the "list of specified services" attached to this Exhibit A as Annex 1. These items are included in the fee payable under paragraph 7 of this Agreement.

2. Provide personnel to operate the water system and provide potable water in compliance with accepted standards observed in the water industry, and as monitored by the State Water Resources Control Board Division of Drinking Water (DDW). Said employees shall be trained, qualified water treatment operators, and shall be certified water treatment plant or distribution operators of appropriate grade. Additional personnel shall be assigned as needed in order to establish these procedures and train staff. These items are included in the fee payable under paragraph 7 of this Agreement.

3. Repair and maintain pumps, tanks, controls and piping. These items are included in the fee payable under paragraph 7 of this Agreement.

*Example:* Repair small system leaks, meter gasket replacement, or chemical dosing equipment; trim brush and grass around tanks and structures; replace batteries in equipment, exercise gate valves, pump lubrication, float switch adjustment, etc. Cost to replace batteries paid for by District.

4. Prepare reports and collect samples as required by the DDW or other applicable Federal state, or local governmental agencies (Consumer Confidence Report, Annual Report, etc.) and maintain appropriate system maps. These items are included in the fee payable under paragraph 7 of this Agreement.

5. Operate the system in compliance with the Federal, state, or county permit requirements. These items are included in the fee payable under paragraph 7 of this Agreement.

6. Any capital equipment provided by Manager during the term of this Agreement shall remain the property of Manager upon termination of this Agreement. District shall have the first right of refusal to purchase Manager-provided capital equipment used to operate the water system from Manager at fair market value upon termination of this Agreement. These items are included in the fee payable under paragraph 7 of this Agreement.

7. Provide 24/7 emergency services and repairs.

8. Collect all samples (routine and otherwise) required by the Federal, state, or county governments and deliver samples to the lab chosen for testing purposes by Manager. Track governmental testing requirements to ensure all required tests are conducted as such test requirements may change from time to time. These items are included in the fee payable under paragraph 7 of this Agreement.

9. Maintain tank level sensors, or supervisory control and data acquisition (SCADA), which will be capable of monitoring all water tank levels, including the ability to plot all production data and provide remote paging for emergency alarm. Tank level sensors, or SCADA, to be purchased by District.
10. Manage State-required procedures of lead and copper testing, (includes notification, instruction, and reporting). These items are included in the fee payable under paragraph 7 of this Agreement.
11. Operate and maintain disinfectant and corrosion control equipment related to DDW requirements. These items are included in the fee payable under paragraph 7 of this Agreement.
12. All tests (routine and otherwise) as required by governmental agencies at regular intervals, whether monthly, annually or otherwise, are to be paid for by District.
13. Oversee the accounts receivable and lock off services for non-payment of water bills according to District policy. Initiate system for tracking delinquent payments and charges to reconnect to the system in compliance with applicable resolution of the Board.
14. Attend Board meetings to give report on system.
15. Provide office space and staff at 7131 Mirabel Road in Forestville area for storage of District's records.
16. Manager agrees to stock certain small replacement parts at no cost to District and to maintain area around all tanks, wells, and control buildings.
17. Provide 24/7 service for your members to reach our on-call operator with concerns or system needs and monitor all calls from customers in a timely and efficient manner.
18. Provide monthly meter reading and billing. Identify meters needing replacement.
19. Manager shall provide billing stationery (initial set-up fee for custom stationery shall be paid for by District).
20. System repairs, equipment, and parts under \$100 provided by Manager at no cost to District.
21. Manager shall establish membership and provide Underground Service Alert (USA North/811) utility marking (yearly membership fee to be paid for by District).
22. Manager shall oversee and keep updated the District cross-connection policy, ensuring compliance with all relevant regulatory requirements. Should a licensed cross-connection specialist be required, such costs shall be paid for by District. Annual cross-connection tests are billed directly to the property owner.

23. In the event of a system failure, Manager shall identify, arrange for, and manage alternative water source delivery. Alternative water and delivery costs shall be paid for by District.

24. Manager shall determine when water storage tanks require cleaning, and at District's direction, arrange for and manage cleaning by a suitably qualified and licensed subcontractor. Cleaning costs shall be paid for by District.

## **EXHIBIT B**

District shall provide the following services, equipment, and materials to be stored on the premises described in Section 1, for the use of Manager in performance of its duties under this Agreement:

1. Pay direct or reimburse Manager for all water purchases, including transportation, temporary piping, and all appurtenances associated with delivery of water. Manager shall include costs and overhead associated with these services of 15%. Manager will not purchase water for delivery to District without District's prior consent.
2. Indemnify Manager for any action of Directors and Officers which directly or indirectly causes a liability to Manager.
3. Pay direct or reimburse Manager for all disinfectant and corrosion control chemicals. Manager shall include costs and overhead associated with these services of 15%.
4. To the extent Manager is not able to conduct needed emergency repairs, Manager shall contract a suitably qualified and licensed subcontractor to conduct such repairs, overseeing work to ensure it conforms to commonly accepted industry best practices.
5. Maintain all warranties, guarantees, easements and licenses granted as owner of equipment and facilities for the benefit of Manager during the term of this Agreement.
6. Pay for replacement of all major equipment and reimburse Manager for direct costs plus 15% overhead to include but not be limited to the following:
  - a. Replacement of well pumps and booster pumps
  - b. Electrical controls and telemetry equipment
  - c. Mainline piping and freeway crossing
  - d. Valves
  - e. Replacement of filters
  - f. Water hauling (price designated by selected water hauling company)

RUSSIAN RIVER UTILITY  
PO BOX 730 FORESTVILLE, CA 95436  
707-887-7735

**SCHEDULE OF RATES**

**JULY 2021 – JUNE 2022**

Engineering Consultant	\$120 / hour
Supervising Operator Consultant	\$90 / hour
Administrative/Fiscal Consultant	\$60 / hour
<u>Field Crew:</u>	
Operator I, II, III	\$90 / hour, regular \$135 / hour, overtime
General Laborer	\$60 / hour, regular \$90 / hour, overtime
General Admin	\$60 / hour
Meter Reader	\$60 / hour
<u>Materials:</u>	Cost + 15% Profit & Overhead
<u>Equipment:</u>	
Service Truck	\$100 / day
Compressor & Jackhammer	\$100 / day
Vactor Trailer	\$120 / hour

The above rates are effective through June 30, 2022, and include vehicle, small tools, labor costs, benefits, insurance, profit and overhead.