Requested Action:

Consider approval of the reallocation of funds within the Phase 2 (2019) Work Plan Budget.

Consider approving a budget reallocation in the amount of $20,000 and then recommend the Authority also approve both a budget reallocation in the amount of $5,000 and executing a sole-source professional services agreement with Darling H2o to perform an organizational assessment for a not-to-exceed amount of $24,952.

Detailed Description/Background:

As discussed at the July 19, 2019 Reservoir Committee meeting, given the organizational growth that has occurred since Phase 1 and expected growth needed to complete Phase 2, an independent assessment of the organization is warranted. This proposed assessment will focus on the adequacy and functioning of the Program Management Team (PMT) to execute the approved Phase 2 (2019) Work Plan and review proposed organizational changes that may be needed to support the completion of Phase 2. In addition, this assessment will evaluate the Reservoir Committee’s work group structure, Authority’s committee structure and their inter-relationship for organizational efficiencies.

An estimate to conduct this assessment is $25,000 and it was determined that a 20/80 percent budget split between the Authority and Reservoir Committee was appropriate (i.e., $5,000 from the Authority and $20,000 from the Reservoir Committee).

Staff evaluated a range of options to fund the assessment and recommends:

- The Authority’s $5,000 come from non-allocated 2019 budget funds.
- The reallocation of the Reservoir Committee’s Phase 2 (2019) Work Plan Resources Budgets as noted below:

Reservoir Committee’s Budget:

<table>
<thead>
<tr>
<th>Resource</th>
<th>Approved Work Plan Budget</th>
<th>August Adjusted Budget</th>
<th>Reallocation Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Assessment</td>
<td>$0</td>
<td>$20,000</td>
<td>$20,000</td>
<td>Additional funding for new Phase 2 (2020) activity</td>
</tr>
<tr>
<td>Municipal advisor services, Montague DeRose</td>
<td>$460,000</td>
<td>$440,000</td>
<td>-$20,000</td>
<td>Current review of this activity indicates the proposed budget</td>
</tr>
</tbody>
</table>
reduction will not impact the anticipated Phase 2 (2019) scope of work.

| Phase 2 (2019) Approved Budget | $13,402,818 | $13,402,818 | $0 |

**Authority’s Budget:**

<table>
<thead>
<tr>
<th>Resource</th>
<th>Approved Work Plan Budget</th>
<th>August Adjusted Budget</th>
<th>Reallocation Change</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Assessment</td>
<td>$0</td>
<td>$5,000</td>
<td>$5,000</td>
<td>Additional funding for new Phase 2 (2020) activity</td>
</tr>
<tr>
<td>Unallocated budget</td>
<td>$</td>
<td>$</td>
<td>-$5,000</td>
<td></td>
</tr>
<tr>
<td>2019 Approved Budget</td>
<td>$13,402,818</td>
<td>$13,402,818</td>
<td>$0</td>
<td></td>
</tr>
</tbody>
</table>

**Prior Reservoir Committee Action:**

At the July 19, 2019 meeting, the Reservoir Committee approved a budget-neutral reallocation by reducing funds from a proposed staff position (Reservoir Operations Manager) to (a) dedicate funds to accompany permit applications and execute early and critical temporary right of entry agreements and (b) add budget for Johns.

At the June 20, 2019 meeting, the Reservoir Committee approved a revised Exhibit B to the Phase 2 (2019) Reservoir Project Agreement, which reduced the planned, not-to-exceed, budget.

**Fiscal Impact/Funding Source:**

This item was not specifically identified in the currently approved Phase 2 (2019) work plan for either the Reservoir Committee or the Authority. A budget reallocation totaling $25,000 is proposed to come from the following accounts:

- For the Reservoir Committee: transfer $20,000 from the Phase 2 (2019) approved budget for Municipal Advisory Services (Montague DeRose).
- For the Authority: transfer $5,000 from the 2019 remaining unallocated approved budget.

**Staff Contact:**

Jim Watson

**Attachments:**

Attachment A – Draft Professional Services Agreement with Darling H2O.
PROFESSIONAL SERVICES AGREEMENT

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into this ____ day of August 2019, between the Sites Project Authority at PO Box 517, 122 Old Highway 99W Maxwell CA 95955, (“Authority”), and Darling H2O Consulting, Inc at 1703 Oro Valley Circle, Walnut Creek CA 94596, (“Consultant”).

RECITALS

A. Authority requires the services of a person or firm that has extensive experience in the planning and implementation of water projects and programs;

B. Authority has determined that Consultant is qualified to perform the services included in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and conditions in this Agreement, Authority and Consultant agree as follows:

1. Consultant’s Services. Subject to the terms and conditions set forth in this Agreement, Consultant shall provide to Authority the services described in Exhibit A. Consultant shall provide said services according to the time schedule contained in Exhibit B.

2. Terms. This Agreement shall commence on the date written above and shall expire on December 31, 2019.

3. Payment by Authority: Time and Manner of Payment. Authority shall pay Consultant for services rendered pursuant to this Agreement as described more particularly in Exhibit C. Consultant agrees to accept said sum as full compensation for all services under this Agreement.

4. Sufficiency of Consultant’s Work. All work products shall be adequate and sufficient to meet the purposes for which they are prepared. In performing services hereunder, Consultant shall adhere to the standards generally prevailing in the State of California for the performance of services similar to those requested of and performed by the Consultant. Consultant shall use best efforts to comply with reasonable performance standards and expectations established from time to time by the Authority.

5. Ownership of Work. All reports, productions, drawings, designs, programs and deliverables, work product, and all other documents completed or partially completed by
Consultant in the performance of this Agreement shall become the property of the Authority. All materials shall be delivered to the Authority upon completion or termination of the work under this Agreement. If any materials are lost, damaged or destroyed before final delivery to the Authority, the Consultant shall replace them at its own expense. Any and all copyrightable subject matter in all materials is hereby assigned to the Authority and the Consultant agrees to execute any additional documents that may be necessary to evidence such assignment. Consultant shall keep materials confidential. Materials shall not be used for purposes other than performance of services under this Agreement and shall not be disclosed to anyone not connected with these services, unless the Authority provides prior written consent.

6. **Changes.** Authority may request changes in the scope of services to be provided by Consultant. Any changes and related fees shall be mutually agreed upon between the parties and subject to a written amendment to this Agreement.

7. **Consultant’s Status.** In performing the obligations set forth in this Agreement, Consultant shall have the status of an independent contractor and Consultant shall not be considered to be an employee of the Authority for any purpose. All persons working for or under the direction of Consultant are its agents and employees and are not agents or employees of Authority.

8. **Termination.** The Authority has the right to terminate this Agreement for any reason upon seven (7) days’ written notice to Consultant. The Agreement shall then be deemed terminated, and no further work shall be performed by Consultant. If the Agreement is so terminated, the Consultant shall be paid for that percentage of the work actually completed at the time the notice of termination is received. This Agreement may also be terminated by either party upon seven (7) days written notice for reasonable cause or should the other party fail substantially to perform in accordance with this Agreement through no fault of the other or if the project is stopped by conditions beyond the control of the Authority.

9. **Non-Assignability.** Neither party shall assign or sublet any portion of this Agreement without the written consent of the other party.

10. **Indemnity and Hold Harmless.** Consultant agrees to indemnify and hold harmless Authority, its officers and employees from all costs, expenses, claims, liabilities, or damages to persons or property arising out of or in any way connected with the performance of Consultant’s work to the extent they are caused by negligent acts, errors and omissions by the Consultant, its officers, employees, agents, contractors, subcontractors or any officer, agent, or employee thereof.

11. **Insurance.** Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the Consultant, their agents, representatives or employees. The insurance shall be in the amount and in the manner specifically set forth in Exhibit D.

12. **Notices.** All notices herein required shall be in writing and shall be sent by certified or registered mail, postage prepaid, addressed as follows:
To Consultant: Gary W. Darling, President
Darling H2O Consulting, Inc.
1703 Oro Valley Circle
Walnut Creek CA 94596

To Authority: Jim Watson, PE
General Manager
Sites Project Authority
PO Box 517
122 Old Highway 99W
Maxwell, CA 95955

13. **Conformance to Applicable Laws.** Consultant shall comply with all applicable Federal, State, and Municipal laws, rules, and ordinances. Consultant shall not discriminate in the employment of persons or in the provision of services under this Agreement on the basis of any legally protected classification, including race, color, national origin, ancestry, sex or religion of such person.

14. **Licenses, Certifications and Permits.** Consultant covenants that it has obtained all certificates, licenses, permits and the like required to perform the services under this Agreement.

15. **Records and Audits.** Consultant shall maintain all records regarding this Agreement and the services performed for a period of three years from the date that final payment is made. At any time during normal business hours, the records shall be made available to the Authority to inspect and audit.

16. **Confidentiality.** Consultant shall exercise reasonable precautions to prevent the unauthorized disclosure and use of Authority reports, information or conclusions.

17. **Conflicts of Interest.** Consultant covenants that other than this Agreement, Consultant has no financial interest with any official, employee or other representative of the Authority. Consultant and its principals do not have any financial interest in real property, sources of income or investment that would be affected in any manner of degree by the performance of Consultant’s services under this Agreement. If such an interest arises, Consultant will immediately notify the Authority.

18. **Waiver.** In the event either Authority or Consultant at any time waive any breach of this Agreement by the other, such waiver shall not constitute a waiver of any other or succeeding breach of this Agreement, whether of the same or of any other covenant, condition or obligation.

19. **Governing Law.** California law shall govern any legal action pursuant to this Agreement with venue in the applicable court or forum for Colusa County.
20. **No Personal Liability.** No official or employee of Authority shall be personally liable to Consultant in the event of any default or breach by the Authority or for any amount due Consultant.

21. **Exhibits.** All exhibits referred to herein are attached hereto and are by this reference incorporated herein.

22. **Scope of Agreement.** This writing constitutes the entire Agreement between the parties. Any modification to the Agreement shall be in writing and signed by both parties.

**THIS AGREEMENT** executed the date and year first above written.

**AUTHORITY**

__________________________
Jim Watson
General Manager
Sites Project Authority

**CONSULTANT**

__________________________
Gary W. Darling
President
Darling H2O Consulting Inc

**APPROVED AS TO FORM:**

NOTE: The following Exhibits are hereby incorporated into this Agreement by Reference:

EXHIBIT A: Scope of Services  
EXHIBIT B: Schedule  
EXHIBIT C: Contract Price  
EXHIBIT D: Insurance Requirements  
EXHIBIT E: CV for Gary W. Darling, President Darling H2O Consulting, Inc.  
EXHIBIT F: Darling H2O Consulting, Inc. 2019 Fee Schedule
EXHIBIT A: Scope of Services

Consultant shall provide an organizational analysis and associated findings as outlined below. Consultant will work under the project management of the Authority General Manager and/or his designee. All work shall be performed by Gary W. Darling, President Darling H2O Consulting Inc. EXHIBIT C contains a resume for Gary W. Darling.

Task 1: Organizational review

Consultant shall interview up to 20 members of the Sites Project that include: Authority Board members, Reservoir Committee Project Agreement partners, and Authority staff. The members who will be interviewed will be approved by the Authority General Manager. Interview questions will focus on adequacy and functioning of the program management team (PMT) to execute the approved Phase 2 (2019) Work Plan and review proposed organizational changes to support the efforts to complete Phase 2. Additional areas of evaluation will include adequacy of the committees for the Authority and the work groups for the Reservoir Committee and the organizational interface and relationship between the Authority and the Reservoir Committee. Consultant will identify any key issues regarding information needs, decision making, and other implementation challenges associated with a significant capital project.

Task 2: Report

Consultant shall prepare a draft report summarizing findings from Task 1 and present the draft to the Reservoir Committee and the Authority Board for their consideration. Based on input received Consultant shall prepare a draft final report and submit that to the Sites Authority General Manager.
EXHIBIT B: Schedule

Task 1: Organizational Review      August 26, 2019 – September 27, 2019
Task 2: Report                    September 27, 2019 – October 21, 2019
EXHIBIT C: Contract Price and Payment Schedule

Contract Price:

Authority shall pay Consultant for time and materials to achieve Scope of Services in Exhibit A not to exceed a total of $24,952.50. The estimated cost for the Tasks (Note: estimated hours may shift between tasks) in the Scope of Services is as follows:

Task 1: $18,900 for 80 hours at a rate of $236.25 per hour

Task 2: $4,252.50 for 18 hours at a rate of $236.25 per hour

Travel Expense: $1,800 for actual mileage to be billed at the current IRS rate
EXHIBIT D: Insurance Requirements

1. **General Liability and Bodily Injury Insurance.** Commercial general liability insurance with limits of at least $1,000,000 combined limit for bodily injury and property damage that provides that the Authority, its officers, employees and agents are named as additional insureds under the policy as evidenced by an additional insured endorsement satisfactory to the Authority. The policy shall state in writing either on the Certificate of Insurance or attached rider that this insurance will operate as primary insurance for work performed by Consultant and its subconsultants, and that no other insurance effected by Authority or other named insured will be called on to cover a loss.

2. **Automobile Liability Insurance.** Automobile liability insurance with limits not less than $1,000,000 per person/per occurrence.

3. **Workers’ Compensation Insurance.** Workers’ Compensation Insurance, if required, for all of Consultant’s employees, in strict compliance with State laws, including a waiver of subrogation and Employer’s Liability Insurance with limits of at least $1,000,000.

4. **Professional Liability Insurance.** Professional liability insurance in the amount of $1,000,000.

5. **Certificate of Insurance.** Consultant shall file a certificate of insurance with the Authority prior to the Authority’s execution of this Agreement, and prior to engaging in any operation or activity set forth in this Agreement. The Certificate of Insurance shall provide in writing that the insurance afforded by this Certificate shall not be suspended, voided, canceled, reduced in coverage or in limits without providing notice to the Authority in accordance with California Insurance Code section 677.2 which requires the notice of cancellation to: 1) include the effective date of the cancellation; 2) include the reasons for the cancellation; and 3) be given at least 30 days prior to the effective date of the cancellation, except that in the case of cancellation for nonpayment of premiums or for fraud, the notice shall be given no less than 10 days prior to the effective date of the cancellation. Notice shall be sent by certified mail, return receipt requested. In addition, the insured shall provide thirty (30) days prior written notice to the Authority of any cancellation, suspension, reduction of coverage or in limits, or voiding of the insurance coverage required by this agreement. The Authority reserves the right to require complete certified copies of policies.
EXHIBIT E: CV for Gary W. Darling, President Darling H2O Consulting, Inc.

<table>
<thead>
<tr>
<th>GARY DARLING</th>
<th>President</th>
</tr>
</thead>
<tbody>
<tr>
<td>Darling H2O Consulting</td>
<td></td>
</tr>
</tbody>
</table>

**PROFILE**

I offer strategic planning with organizational assessments as well as advocacy services related to innovative water, wastewater, ecosystem restoration, and bioenergy solutions. Clients include the Lawrence Livermore National Lab, Aris Clean Energy (Tennessee), Invenergy LLC (Chicago), Central Contra Costa Sanitary Agency and Castro Valley Sanitary District in the S.F. Bay Area. Projects include strategic planning, assistance with partnership development, introduction of new technologies, and securing funding partnerships.

**CONTACT**

- 925-382-4350
- gary@darlingh2o.com
- www.darlingh2o.com

**EXPERIENCE**

**General Manager, Delta Diablo**

2003-2010

Using a bottom-up strategic planning approach to transform a full-service utility providing services to 200,000 residents in Contra Costa County into a "Utility of the Future" as envisioned by the National Association of Clean Water Agencies. The resulting change moved the organization with a long history of "treat and dispose" to a resource development and recovery agency. The utility now recycles 100 percent of its water in the summer season and produces over 60% of its own energy.

**Water Supply Manager, EBMUD**

2001-2003

Lead negotiator of the Joint Powers Authority with Sacramento County for the $1.2b Desal Project. Also negotiated a Joint Powers Agreement with San Francisco PUC and City of Hayward for a major water intertie and assisted in establishing the regional Bay Area desalination project with multiple agencies.

**Program Manager for the Los Vaqueros Reservoir Project, CCWD**

1987-2001

Led all permitting (100 local, state and federal permits over a 10-year period), design and construction (3.5 years to construct) of the $450M Los Vaqueros Reservoir Project which came in on budget and schedule and received the 1996 ASCE Outstanding Project of the Year award. Also directed a $350M Capital Improvement Project and negotiated renewal of the USBR water supply contract.

**SKILLS**

- Bay Area Public Agency Leader for three decades
- Regional and Statewide Leadership
- Regulatory Agency Network
- Creating and Leading Coalitions focused on recycled water and bioenergy
- Innovator/Early Adopter
- Leadership on Delta issues
- Strategic Planning

**EDUCATION**

**UC Davis**

1982

Engineering, CA Registered Civil Engineer 41949

**UCLA**

1990

Engineering Management Program

Sites File: 10.404-010.100 Darling H2o
EXHIBIT F: Darling H2O Consulting, Inc. 2019 Fee Schedule

<table>
<thead>
<tr>
<th>TECHNICAL SERVICES</th>
<th>Standard Hourly Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Principal Engineer (Gary Darling)</td>
<td>$236.25</td>
</tr>
<tr>
<td>Environmental (Cindy Darling)</td>
<td>$141.75</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REIMBURSABLE COSTS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub consultants</td>
<td>Cost + 10%</td>
</tr>
<tr>
<td>Lodging and Meals</td>
<td>At Cost</td>
</tr>
<tr>
<td>Travel</td>
<td></td>
</tr>
<tr>
<td>-Private or company car</td>
<td>Current IRS rates</td>
</tr>
<tr>
<td>-All Other</td>
<td>At Cost</td>
</tr>
<tr>
<td>Third Party Graphics</td>
<td>At Cost</td>
</tr>
<tr>
<td>Third Party Reproduction</td>
<td>At Cost</td>
</tr>
<tr>
<td>Delivery and Other Expenses</td>
<td>At Cost</td>
</tr>
</tbody>
</table>

This fee schedule will be escalated each January 1st by the same cost of living formula used by the management team of the organization under contract.