



March 25, 2015

**TO:** LOCSD Board of Directors

**FROM:** Robert Miller, District Engineer

**SUBJECT: Agenda Item 11F – 4/2/2015 Board Meeting**  
Authorization to Approve On-Call Brine Hauling and Disposal Contract for the South Bay Well Nitrate Removal System

**President**  
R. Michael Wright

**Vice President**  
Marshall E. Ochylski

**Directors**  
Charles L. Cesena  
Jon-Erik G. Storm  
Louis G. Tornatzky

**General Manager**  
Kathy A. Kivley

**District Accountant**  
Michael L. Doyel

**Fire Chief**  
Robert Lewin

**Battalion Chief**  
Phill Veneris

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### DESCRIPTION

The purpose of this agenda item is to review and authorize approval of the contract for Brine Hauling and Disposal for the South Bay Well Nitrate Removal System.

### STAFF RECOMMENDATION

Staff recommends that the Board adopt the following motion:

***Motion: I move that the Board adopt Resolution 2015-09 approving Speed's Oil Tool Service, Inc. contract for on-call Brine Hauling and Disposal for South Bay Upper Aquifer Well Brine.***

### BACKGROUND AND DISCUSSION

In December 2014, A Notice of Completion was filed with the County of San Luis Obispo for the construction of the Proposition 84 funded South Bay Upper Aquifer Well Nitrate Removal System.

Brine storage tanks at the South Bay Well site need to be emptied weekly. The brine is required to be hauled and properly disposed of at a Regional Water Quality Control Board approved disposal site. After considering several local agencies, staff has identified the South San Luis Obispo County Sanitation District Wastewater Treatment plant as the recipient and has obtained concurrence from the RWQCB that this disposal site has capacity and is adequately equipped for LOCSD's brine disposal.

In 2014, District engineering staff conducted a public bid process to find an on-call Brine Hauling and Disposal contractor. District Counsel produced a contract form which was included in the bid package. The lowest responsive, responsible bidder was Speed's Oil Tool Service, Inc. out of Santa Maria, who provided a price of \$360.00 per load (5,000 gallons). An executable contract is included in this item for your review and approval.

### FINANCIAL IMPACT

The District has budgeted for Brine Hauling and Disposal in the Water Systems and Disposal Services fund within the general ledger: \$30,000 for fiscal year 2014/2015 and \$80,000 for fiscal year 2015/2016.

Attachments

**RESOLUTION 2015 - 09**

**RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE LOS OSOS COMMUNITY SERVICES DISTRICT  
APPROVING CONTRACT DOCUMENTS FOR SOUTH BAY WELL  
BRINE HAULING AND DISPOSAL**

**WHEREAS**, the Los Osos Community Services District ("District") became effective January 1, 1999, pursuant to an election and Resolution No 98-239 of the Board of Supervisors of the County of San Luis Obispo, and under the authority of the Cortese-Knox Local Government Reorganization Act of 1985 (Government Code §56000 et seq.); and

**WHEREAS**, the District has the authority to construct, operate, and maintain the Los Osos CSD Water System within its Service Area pursuant to Government Code § 61100(a); and

**WHEREAS**, the District desires to enhance the provision and protection and long term sustainability of the drinking water supplied to the consumers of Los Osos CSD Water Service customers;

**WHEREAS**, the District by previous Board action made findings under CEQA and adopted a Mitigated Negative Declaration for this project; and

**WHEREAS**, the District conducted a duly noticed public bid process and has chosen a qualified contractor to provide Brine Hauling & Disposal Services;

**WHEREAS**, the public hearing adopting this Resolution has been properly noticed pursuant to Government Code §54954.2 (The Brown Act).

**NOW, THEREFORE, BE IT RESOLVED, DETERMINED AND ORDERED**, by the Board of Directors of the District as follows:

1. The above recitals are true and correct.
2. The Board hereby approves Speed's Oil Tool Servicing, Inc. Contract with the District to provide South Bay Well Brine Hauling and Disposal Services: (Exhibit A).
3. The General Manager, Kathy Kivley, of said District is hereby authorized and directed to execute the aforementioned contract documents.
4. All Ordinances, Resolutions and sections of Ordinances and Resolutions that are inconsistent with this Resolution are hereby repealed.
5. If any section, subsection, sentence, clause or phrase of this Resolution is for any reason held to be unconstitutional, ineffective or in any manner in conflict with the laws of the United States, or the State of California, such decision shall not affect the validity of the remaining portions of this Resolution. The Governing Board of the District hereby declares that it would have adopted this Resolution and each section, subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared unconstitutional, ineffective, or in any manner in conflict with the laws of the United States or the State of California.

Upon the motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_  
and on the following roll call vote:

AYES: \_\_\_\_\_  
NOES: \_\_\_\_\_  
ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_

The following Resolution is hereby passed, approved and adopted by the Board of Directors of the Los Osos Community Services District on the 2<sup>nd</sup> day of April 2015.

\_\_\_\_\_  
R. Michael Wright  
President, Board of Directors  
Los Osos Community Services District

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Kathy A. Kivley  
General Manager and Secretary to the Board

\_\_\_\_\_  
Michael W. Seitz  
District Legal Counsel

SHIPPING CONTRACT

This Agreement made and entered into on April 2, 2015, by and between the LOS OSOS COMMUNITY SERVICES DISTRICT, hereinafter designated as "District", and Speed's Oil Tool Servicing, Inc. hereinafter designated as Carrier.

WITNESSETH:

WHEREAS, Speed's Oil Tool Servicing, Inc. is engaged in the business of transporting salt brine by motor vehicle as a contract carrier and desires to furnish to the District motor carrier transportation and related services designed to meet the distinct needs of the District, as hereinafter more fully described; and

WHEREAS, District desires to obtain such services from Speed's Oil Tool Servicing, Inc.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties hereto hereby agree as follows:

1. TERM

This Agreement shall be effective for one year from the date hereof, and shall continue thereafter from year to year, unless terminated by either party at any time during the first or any subsequent year by giving thirty days prior written notice to the other by certified mail.

2. OPERATING AUTHORITY

Carrier represents and warrants that it currently has in effect the appropriate operating authorities, if any be required, from the appropriate regulatory agencies to furnish services hereunder as a contract carrier, and Carrier agrees to maintain such operating authorities, where required, in effect during the term of this Agreement.

3. RECEIPTS AND BILLS OF LADING

Each shipment of salt brine shall be evidenced by a receipt in a form specified or approved by the District, which shall be signed by the carrier or an agent or employee of Carrier, showing the quantity of salt brine received by Carrier at origin, but the absence or loss of any such receipt shall not relieve the Carrier of its obligations and responsibilities with respect to any shipment of brine made hereunder

4. CARRIER OPERATIONS AND PERSONNEL

Carrier shall, at its sole cost and expense, furnish all fuel, oil, tires and other parts, supplies and equipment necessary or required for the safe and efficient operation and maintenance of the motor vehicles and related equipment furnished by Carrier for the performance of its obligations hereunder, hereinafter collectively designated as Equipment. Carrier shall pay all expenses of every nature, including the expense of road service and repair, in connection with the use and operation of the Equipment and shall, at its sole cost and expense, at all times during the term of this Agreement maintain the Equipment in good repair, mechanical condition and appearance, Carrier, at its sole cost and expense, shall utilize in the operation of the Equipment only legally licensed personnel.

5. COMPENSATION

As full compensation for the services provided by Carrier hereunder, the District shall pay Carrier in accordance with the rates, charges, rules and regulations specified in Appendix A, attached hereto and hereby made a part hereof.

6. INVOICES AND PAYMENT

The rates set forth in Appendix A shall be paid within forty-five (45) days of providing service.

## 8. LICENSES, LAWS AND REGULATIONS

Carrier, at its sole cost and expense, shall procure and maintain all licenses and permits required by local, state or federal authorities with respect to the transportation and related services rendered hereunder and shall comply with all applicable laws and regulations pertaining to such transportation and services.

## 9. INDEMNIFICATION

A. Carrier shall defend, indemnify and save harmless the District, its officers, agents and employees from any and all claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities arising out of the performance or attempted performance of this Agreement or occasioned by the performance or attempted performance of the other independent contractors and Carriers directly responsible to Carrier, except those claims, demands, damages, costs, expenses (including attorney's fees), judgments or liabilities resulting from the active negligence, sole negligence, or willful misconduct of the District.

B. Neither termination of this Agreement or completion of the Project under this Agreement shall release Carrier from its obligations referenced in subsection A above, as to any claims, so long as the event upon which such claims is predicated shall have occurred prior to the effective date of any such termination or completion and arose out of or was in any way connected with performance or operations under this Agreement by Carrier, its employees, agents or Carriers, or the employee, agent or Carrier of any one of them.

C. Submission of insurance certificates or submission of other proof of compliance with the insurance requirements in the Agreement does not relieve Carrier from liability referenced in subsection A, above. The obligations of this article shall apply whether or not such insurance policies shall have been determined to be applicable to any of such damages or claims for damages.

## 10. INSURANCE.

A. Carrier shall procure and maintain, in insurance companies authorized to do business in the State of California and assigned an A.M. Best's rating of no less than A-(IX), the following insurance coverage, written on the ISO form shown below (or its equivalent) at the limits of liability specified for each:

Commercial General Liability Insurance (ISO Form CG 0001 11/85) \$1,000,000 per occurrence  
\$2,000,000 in the aggregate

Commercial Automobile Liability Insurance (ISO Form CA 0001 12/90) \$1,000,000 per accident

Workers' Compensation Insurance Statutory

Employer's Liability Insurance \$1,000,000 policy limit

B. The Commercial General and Commercial Automobile liability policies shall be endorsed to include the following:

(1) The District, its officers, directors, employees and agents shall be named as Additional Insureds under ISO Form CG 2010 11/85 or its equivalent; and

(2) The coverage afforded the District shall be primary and non-contributing with any other insurance maintained by the District.

(3) If not covered separately under a business automobile liability policy, the general liability policy shall also be endorsed to include non-owned and hired automobile liability.

C. Prior to commencing work under this Agreement, Carrier shall provide the District with Certificates of Insurance evidencing compliance with the foregoing requirements, accompanied by copies of the required endorsements. Certificates of Insurance for automobile liability, workers' compensation/and employer's liability insurance shall specify that the insurer shall give the District an unqualified thirty (30) days advance written notice by the insurer prior to any cancellation of the policy.

D. All insurance coverage required hereunder shall be kept in full force and effect for the term of this Agreement. Certificates of Insurance evidencing renewal of the required coverage shall be provided within ten (10) days of the expiration of any policy at any time during the period such policy is required to be maintained by Carrier hereunder. Any failure to comply with this requirement shall constitute a material breach of this Agreement.

**11. WRITINGS / SIGNATURES**

Except where certified mail is specified, this Agreement and subsequent writings relating to this Agreement must be signed and may be transmitted by facsimile and the signatures on such facsimile transmissions shall operate to bind the parties with the same force and effect as original signatures.

**12. ASSIGNMENT**

This Agreement shall not be assigned, in whole or in part, by either party without the prior written consent of the other.

**13. CONFIDENTIALITY**

Except as required by law, the terms and conditions of this Agreement and information pertaining to any shipment hereunder shall not be disclosed by either party to persons other than its directors, officers, employees, agents, attorneys, accountants and auditors. The provisions of this paragraph shall survive the cancellation, termination or expiration of this Agreement.

**14. ENTIRE AGREEMENT /MODIFICATION**

This Agreement, including the Appendix A attached hereto, sets forth all of the promises, covenants, agreements, conditions and undertakings between the parties hereto with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written, except as contained herein. This Agreement may not be amended except by a writing signed by both parties.

**15. SEVERABILITY**

If any part, term or provision of this Agreement is declared unlawful or unenforceable, by judicial determination or performance, the remainder of this Agreement shall remain in full force and affect.

**16. SECTION HEADINGS**

The numbered section headings appearing in this Agreement do not constitute any part of this Agreement and shall not be considered in its interpretation.

**17. GOVERNING LAWS**

This Agreement shall be governed by the laws of the State of California, and litigation on contractual causes arising from this Agreement shall be brought only in the County of San Luis Obispo Superior Court located in California or other court located in the State of California.

**IN WITNESS WHEREOF**, this Agreement has been signed by the authorized representatives of the District and Carrier as of the date shown in the opening paragraph of this Agreement.

DISTRICT:

LOS OSOS COMMUNITY SERVICES DISTRICT

CARRIER:

SPEED'S OIL TOOL SERVICING, INC.

By: Kathy Kivley

Title: General Manager

Address: P.O. Box 6064  
Los Osos, CA 93412

Telephone: (805) 528-9370

Facsimile: (805) 528-9377

By: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_

Telephone: \_\_\_\_\_

Facsimile: \_\_\_\_\_



1573 E. Betteravia Rd., Santa Maria, Ca 93454  
805-925-1369 Fax 805-925-3274

Wallace Group  
612 Clarion Court  
San Luis Obispo, CA 93401

TO: Shannon Jessica

JOB NAME: South Bay Well Brine Disposal DATE: November 19, 2014

FOB: Los Osos Community Services District  
South Bay Well Facility  
1413 Nipomo Ave., Los Osos, CA

Transportation Costs per Load

WWTP Site	Type of Truck	Cost Per Load	Cost Per Hour (port-to-port)
South SLO Sanitation District 1600 Aloha Place Oceano, CA	Semi-Vacuum Truck	\$360.00	\$95.00
Avila Beach Services District 2850 Avila Beach Drive Avila Beach, CA	Semi-Vacuum Truck	\$360.00	\$95.00

- Prices are transportation only and does not include disposal fees.
- Cost per load includes 30 minutes for loading and 30 minutes for unloading. Excess of these times due to unforeseen events not in Speed's control will merit additional charges listed below:

<b>\$1.60 per minute</b>	Semi-Vacuum Truck
Load Site	>30 minutes
Unload Site	>30 minutes

Let me know if you have any questions or need clarification.

Thank you,

Gene Berban