



# San Antonio Water Company

Incorporated October 25, 1882  
Serving the original Ontario Colony lands

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## A REQUEST FOR PROPOSALS

TO PROVIDE CONSULTING SERVICES TO THE SAN ANTONIO WATER COMPANY

PROJECT TITLE:

**SYSTEM MAPPING AND GIS DATABASE**

RESPONSE DUE BEFORE 3:00 PM

ON AUGUST 29, 2019

## Introduction

The San Antonio Water Company is soliciting proposals from qualified firms to assist in conversion of the Company's current system maps (DWG and paper) and associated data to a Geographical Information System (GIS) database.

The Company does not currently utilize GIS software. For day-to-day functions we currently rely on DWG map files, paper records, SENSUS handheld meter technology and Tyler Incode Accounting software. The Company does have a hydraulic model of our water system developed during our 2017 Master Plan Updated using InfoWater by InnoVyze.

We require an easy to use, mobile friendly platform that can be provided at a low annual cost. After completion of the initial GIS database, Company is anticipating an annual support need of approximately 16 hours per quarter, four times per year.

Implementation, training and support must be included as part of the proposal. The Company anticipates at least eight hours of training for field personnel and four hours for office staff.

It is anticipated that software and hardware will not be included as a part of the proposal. Instead, the Company expects to purchase consultant recommended software and hardware under direct contract with appropriate vendors.

The intent of the new GIS database is to:

- Aggregate pertinent information of Company facilities into a database that can be readily queried. (location, size, material, year constructed, as-builts, photos, etc.)
- Aggregate known Company easements into a geospatial database.
- Incorporate appropriate external geospatial information including photogrammetry imagery and County parcel information.
- Create a facility records database with a graphic front-end that is readily accessible in the field (tablet enabled 'system map').
- Develop a facility records database that is flexible and easily updated.
- Include meters with appropriate information including GPS location, size, identifying number and customer account records.
- Link the new GIS database to Company finance and billing database to provide the ability to query billing records and present results in a graphical environment (e.g. monthly consumption by parcel, color-coded by amount consumed). This feature does not necessarily have to be in 'real-time'. But the links need to be established for at least monthly updates.
- Link the new GIS database elements to Company asset management records/ depreciating assets database.
- The data should be compatible with modeling software for future Company needs.

Lacking needed staff expertise, the Company does not intend to maintain the GIS database in-house. Instead, we expect to utilize a maintenance contract with a local GIS capable firm. As a

part of the proposal, consultant shall commit to providing two-years of support under an as-needed contract. Staff should not have direct access to modify the database. Utilizing appropriate software, staff should be able to identify and document needed changes or additions that will be periodically relayed to the maintenance consultant for correction or inclusion into the main GIS database.

## General Information

In 1882 Canadians George and William Chaffey purchased 8,000-acres of the Cucamonga Rancho, including the water rights, and established an irrigation colony which they named Ontario, in honor of their homeland. On October 25, 1882 they also established the San Antonio Water Company under the General Corporation Laws of the United States. Rancheria water rights established way back in the 1700’s were transferred to the Company to support the newly established irrigation colony. The brother’s vision was to develop a Mutual Water Company whose members shared equally in the locally available water supply.

The brothers sold irrigation colony land in 10-acre blocks, primarily intended for the booming citrus industry. Along with the land, the brothers sold shares in the Company, one share for each purchased acre. Each shareholder was entitled to a portion of available local water, distributed equally by the company amongst all the shareholders. The Company was responsible for distributing water on a non-profit basis to the shareholders.

Since 1882 the San Antonio Water Company has consistently provided water service to its shareholders. Although the local citrus industry has largely disappeared, the Company maintains delivery to current shareholders utilizing the same successful ‘per share’ distribution plan established over 135 years ago.

The Company does not import any water. Instead we are dependent on our local San Antonio Canyon and Cucamonga Canyon watersheds and downstream groundwater basins.

Currently, our shareholders include most residents of the unincorporated area of San Antonio Heights, the Cities of Upland and Ontario, the Monte Vista Water District, local quarries and the proud heritage of remaining grove irrigators.

Annual shareholder water entitlements are established based on projected availability. For 2018, full water entitlement was established at 12,000 Acre Feet (AF). The table below shows how that 12,000 AF was divided among current shareholders, along with actual water delivered in 2018.

Shareholders	Shares	Annual Entitlement, Acre Feet per Year ( AFY)	Delivered (AFY)
City of Upland	4,338.75	8,150	7,544
City of Ontario	295.25	555	359
Monte Vista Water District	329.75	619	405

Domestic Customers	625.25	1,174	1,259
Rock Company	36.25	68	384
Golf Courses	116.75	219	366
Grove Irrigators	87.25	164	53.32
Inactive Shares	559.75	1,051	0
Total shares	6,389	12,001	10,369

The Company provides water through two separate systems; domestic and irrigation.

The domestic system receives the majority of its water through the San Antonio tunnel. The tunnel is built into the head of the San Antonio Canyon about 90 feet below the ground surface. The tunnel consists of 5,400 feet of 36" concrete pipe and 600 feet of a six-foot square shaft built into the bedrock below the alluvium. Portions of the shaft are supported by redwood beams. There are ten access hatches spaced about 600 feet apart. Groundwater percolating through the alluvium collects in the tunnel and, after chlorination, is channeled into the Company's potable water system. Two wells supply the remainder of our domestic supply. Domestic water is distributed by six booster pump stations through 25 miles of pipeline to five reservoirs.

The domestic water system provides service to the San Antonio Heights, also known as our Basic Service Area. Consisting primarily of large residential lots, the Heights is an unincorporated area of San Bernardino County approximately 2.6 square miles in size located immediately north of the City of Upland. The Company provides water to individual residential lots through 1,200 domestic meters.

The irrigation system primarily receives water from surface water diversions in the San Antonio Canyon. Additional irrigation water is supplied through seven wells located in three groundwater basins; Cucamonga Basin, Six Basins and Chino Basin. Irrigation water is distributed by three booster pump stations through 21 miles of pipeline to four reservoirs.

The irrigation system provides service to the Company's 'extended' service area. Shareholders in the extended service area include municipal and private companies. A majority of the distributed irrigation water is treated by municipal shareholders and then delivered to their customers as domestic water. The remaining irrigation water is used for farming, landscaping and commercial use (quarry).

The Company's current map book was created using AutoCAD DWG files. As a part of its 2017 Master Plan (attached), the Company created a hydraulic model of both the domestic and irrigation water systems.

## Project Scope of Services

### Task 1 – Project Management

Provide overall project management services including:

- Quality assurance/ quality control
- Teleconferences and meetings at appropriate intervals to keep Company staff updated on progress and address any needed management level decisions.
- Present recommendations for Company selection regarding software, hardware and database organization.
- Develop appropriate documentation regarding data standards, operation, maintenance and upkeep of GIS system.

### Task 2 – Data Gathering and System Evaluation Criteria

The Company recognizes that a major upfront component of this project involves discovery tasks that will assist in developing a remaining scope of work. Consultant shall propose a mechanism to collaboratively work with staff to review, prioritize, sequence and implement dependent tasks.

As a minimum the Consultant shall:

- Conduct a technical audit of the Company's existing hard-copy and digital data that can be converted to GIS data.
- Conduct a technical needs assessment to determine optimal data conversion methodologies and techniques and well as general data format and structure specifications.
- Develop a detailed, prioritized implementation work plan for development of Company geospatial database.

### Task 3 – Database Creation

- Utilizing information from Task 1 and Task 2, develop Company geospatial database.
- Convert data from various sources into a standard GIS format.
- Spatially reference geographic data from multiple sources to the same spatial reference specification.

### Task 4 – Implementation

- Install GIS Server and computer/tablet software in coordination with Company staff and Company IT Consultant.
- Configure server, desktop, laptop and handheld software
- Conduct training to field and office staff

## Task 5 – Maintenance

For a two-year period after implementation, Consultant shall provide maintenance services, including as-needed software support and quarterly database updates.

## Schedule

The Company anticipates the following timeline and key milestones for award of the project:

<b>Proposal Due Date</b>	<b>August 29, 2019</b>
Interview	TBD – If necessary
Board of Director’s Approval	September 17, 2019
Consultant’s Notification	September 20, 2019

## Proposal Requirements

The proposal shall not exceed 19 pages excluding resumes, cover letter, dividers, front and back covers. No other documents will be reviewed. Please do not submit additional material. Responses to this RFP shall be in the following order and shall include:

### Executive Summary (2 pages maximum)

Summarize the contents of your firm’s proposal in a clear and concise manner.

### Firm Background and Experience (4 pages maximum)

Brief description of the firm and subconsultants, if any, including the size of the organization, location of offices and relevant capabilities and resources in relation to the project. This section should include:

- I. Experience with developing and maintaining a GIS database
- II. Experience developing policies and procedures related to creation and maintenance of a GIS database.
- III. Experience in water system planning.
- IV. Similar projects with other water companies or districts
- V. Firm’s local experience
- VI. Procedures and/or policies associated with or related to work quality and cost control
- VII. Management and organizational capabilities
- VIII. Verification of professional liability insurance for coverage of not less than \$1,000,000.

### Project Organization and Experience of the Project Team (2 pages maximum, not including resumes)

Proposing firm shall identify the team to be assigned to the project, by name, including at a minimum the principal, project manager, key staff and any subconsultants. Proposing firm shall describe the project team’s qualifications and experience on projects related to this specific project. Proposing firm shall explain the project team’s experience regarding all tasks associated with the scope of work. This section should include:

- I. Describe proposed project organization, including identification and responsibilities of key personnel, including sub-consultants. Include only one- page resumes.
- II. Describe the experience of the Project Manager and the experience that the proposed personnel have working on past projects as a team.
- III. Describe project management approach to the work effort, locations where work will be done, responsibilities for coordination with the Company, and lines of communication necessary to maintain project on schedule.

#### Project Understanding and Approach (8 pages maximum)

Proposer shall demonstrate its preliminary understanding of the project by providing a clear and concise description of the project and major issues, based on the information provided in this RFP.

Proposer shall clearly define the tasks and activities necessary to meet the objectives outlined in the scope of work of Task III. This section should include:

- I. Description of the tasks and activities, the methodology that will be used to accomplish them.
- II. Description of the products that would result from each task and activity.
- III. Identification of points of input and review with District staff.
- IV. Proposed project schedule identifying key tasks, their expected duration, and milestone dates.
- V. Proposers are invited to suggest additional (optional) work tasks that could be performed in conjunction with or subsequent to the scope of work in Section III. Any such tasks are to be described as optional and the benefits of performing such tasks shall be described.

#### Past Projects (3 pages maximum)

Proposer shall provide project descriptions of up to three similar projects. Include the following information:

- I. Owner contact name and phone number
- II. Project team members
- III. Project size and description

**Proposed Total Professional Fee and Fee Schedule Submitted Under Separate Sealed Cover**  
Proposed fee shall not be the sole basis of award but will be used to evaluate the Consultant's understanding of the Scope of Work.

Include the hourly rates of all staff that will charge to the project.

Fee schedule shall be clearly separated into two parts; implementation (Tasks 1-4) and maintenance (Task 5). Company expects to award a 'time and material, not to exceed' contract for Implementation and an 'on-call, as-needed' contract for maintenance.

## Exceptions to this RFP

The Consultant shall certify that it takes no exceptions to this RFP including, but not limited to, the Consultant Services Agreement (attached).

## Evaluation Criteria

The evaluation criteria and the respective weights that will be given to each criterion are as follows:

- a) 30% Understanding and approach to the work to be done
- b) 10% Experience of firm with similar kinds of work
- c) 30% Experience of staff for work to be done
- d) 10% Overall clarity and presentation of Proposal
- e) 5% Firm's Local Experience
- f) 7.5% Proposed Project Fee
- g) 7.5% Proposed Annual Maintenance Fee

## Selection Process and Schedule

The Company will enter into negotiations with the top ranked firm. At this time, the Company contemplates the use of a Time and Material Not to Exceed contract for the services requested. Negotiations will cover scope of work, contract terms and conditions, attendance requirements, and appropriateness of the proposed fee.

After negotiating a proposed agreement that is fair and reasonable the General Manager will present the contract to the Company's Board for authorization to execute a contract with the most responsive firm.

## Related Documents

- Company standard Professional Service Agreement (attached)

Link for downloading available Upon Request

- 2017 Company Water Master Plan
- Most Recent Company Facilities Atlas
- 2017 InfoWater Computer Simulation Model

## Submittal Requirements

One (1) executed original marked "ORIGINAL" in red ink and 6 copies of the Proposal shall be submitted. One single sealed Proposed Fee Estimate marked "FEE ESTIMATE – 2019 WMP" in red ink shall be submitted separate from the proposal. Emailed proposals will not be accepted. Submit one electronic copy of the proposal in PDF format. The Response shall be signed by an

individual, partner, officer or officers authorized to execute legal documents on behalf of the Firm.

The Response Proposal must be received no later than **3:00 p.m.** local time, on or before **August 29<sup>th</sup>, 2019** at the office of:

**PROPOSAL – 2019 Mapping and GIS**  
**San Antonio Canyon Water Company**  
**139 North Euclid Avenue**  
**Upland, CA 91786**  
**Attn: Brian Lee**

Failure to comply with the requirements of this RFP may result in disqualification. Questions regarding this RFP shall be submitted in writing to [blee@sawaterco.com](mailto:blee@sawaterco.com).

PROFESSIONAL SERVICES AGREEMENT  
BETWEEN  
SAN ANTONIO WATER COMPANY  
AND  
**CONSULTANT**

THIS AGREEMENT (“Agreement”) is made this X<sup>th</sup> day of Y, 2019, by and between San Antonio Water Company, a California Corporation, located in Upland, California, hereafter referred to as (“Client”) and **CONSULTANT**, a California Corporation, located in Z, California, hereafter referred to as (“Consultant”). This Agreement consists of the following terms and conditions, all exhibits and attachments, and any written and approved modifications hereto.

**RECITALS**

Whereas, Client requires professional engineering construction management services during construction of the Holly Drive Tank Site, Phase I in the San Antonio Heights, and

Whereas, Client and Consultant desire to enter into a contract for the provision of professional engineering construction management services subject to the terms and conditions of this Agreement.

Now therefore, in consideration of the promises and covenants hereinafter set forth, the parties hereto mutually agree as follows:

**1. Scope of Services:**

The scope of services to be provided by Consultant is as described in and attached hereto as Attachment “A” and entitled “Scope of Services.” The scope of services defines the specific work to be performed and the resulting work product(s) to be delivered. The corresponding schedule for performance of the work will be presented at the initial “kick off” meeting.

During the term of this Agreement, Client may request subsequent and related engineering services at its discretion. Such services to be performed by Consultant shall be stated in a separate “Letter of Authorization” setting forth the specific work to be performed, the resulting work product(s) to be delivered, the corresponding schedule for performance of the work, the compensation terms for the work to be performed, and signed by Client and Consultant. The provisions of this Agreement shall be incorporated into the Letter of Authorization by specific reference.

**2. Professional Services Charges:**

Client agrees to pay for services provided by Consultant each month, as charges accrue and applicable invoices are received, in accordance with the Consultant’s current schedule of hourly rates, as defined in and attached hereto as Attachment “B.” Charges shall not exceed \$0 for the services and deliverables referenced in Attachment “A” or any subsequent and related Letter of Authorization without prior written approval by the Client and written concurrence by the Consultant. For other services, which may be requested by Client, compensation to Consultant shall be as mutually negotiated in writing between both parties and set forth in a Letter of Authorization.

The Consultant's current schedule of hourly rates would be the basis for negotiating such compensation. Any changes to the Consultant's schedule of hourly rates must be submitted to Client in written form prior to any negotiation for services to be billed at rate(s) other than those shown on Attachment "B".

**3. Independent Contractor Status:**

In performing its services under this Agreement, Consultant is an independent contractor to the Client. No other relationship exists between Consultant and Client. Consultant and Client also agree that Client has no contractual relationship with any Sub-Consultants who are engaged solely by Consultant to perform supporting services and who shall be in all respects the responsibility of Consultant.

**4. Standard of Care:**

Consultant's services shall be conducted, within the limits prescribed by this Agreement, in a manner consistent with that level of care and skill ordinarily exercised by members of the same professions currently practicing under similar conditions within the surrounding regional area of the State. No other guarantee, warranty, or representation, either express or implied, is included or intended herein or in proposals, contracts or reports. Client agrees to provide Consultant prompt written notice of any defect or suspected defect in its services.

**5. Delays:**

Neither the Client nor Consultant shall be liable for delays in or failures to perform services caused by circumstances beyond their reasonable control, including, but not limited to, acts of God, acts and/or omissions by federal, state and local government authorities and regulatory agencies, strikes, riots, civil unrest, war, lockouts, and accidents. For delays in providing services hereunder, resulting from actions or in actions of Client or third parties, Consultant may be given an appropriate time extension and may be compensated for those delay related costs of labor, equipment and other direct costs incurred by Consultant and clearly caused by circumstances beyond Consultant's control.

Client acknowledges that delays related to processing of properly and fully completed permit applications, the subsequent approval of permits or required reviews by governmental agencies are beyond the direct control of Consultant. However, Consultant agrees to diligently pursue any such required reviews and approvals for any item(s) of work within Consultant's scope of services, but makes no warranties and Client waives any claims against Consultant relating to the timeliness or the success of approvals of permit applications or required agency reviews which are properly and fully prepared and pursued under this Agreement.

**6. Breach of Agreement:**

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, It shall have ten (10) calendar days after receipt of written notice of such default in which to cure the default by rendering a satisfactory performance. If Consultant fails to cure the default within the specified time, the Client shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled.

**7. Termination/Suspension of Services:**

Either party may terminate or suspend this Agreement at any time upon fifteen- (15) calendar day's written notice. Upon termination or suspension, the Client shall compensate Consultant for all

authorized services performed up to the date of termination or suspension. Said compensation shall include payment for completed tasks and payment of applicable hourly rates as indicated in Attachment "B" for all uncompleted tasks. Payment will be made within thirty calendar days of receipt of an invoice for all authorized services performed and all expenses directly attributable thereto, including, but not limited to, any previously acknowledged cancellation charges by Sub-Consultants and/or contractors, if any. In the event that the period of Client initiated suspension exceeds one hundred and eighty-two calendar days; the Consultant's fee shall be equitably adjusted by mutual agreement prior to the resumption of services.

**8. Notice:**

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing same in any United States Post Office, registered or certified, postage prepaid, addressed to:

San Antonio Water Company  
139 No. Euclid Avenue  
Upland, CA. 91786  
(909) 982-4107 // Fax (909) 920-3047

Consultant  
Consultant's Address  
Consultant's City, State and Zip  
Consultant's Phone Number

**9. Ownership of Documents:**

Unless expressly agreed otherwise, Client is the owner of all final documents, including, but not limited to, reports, investigations, written analysis, plans and specifications and opinions of cost generated by Consultant within the scope of services. Consultant is the owner of all other documents, including, but not limited to, all proposals, draft documents and other written communications generated within the scope of services. Consultant may retain copies of all final documents owned by Client. However, any reuse of the final documents by the Client for other than their specific intended purpose shall be at the sole risk of the Client and without liability or legal exposure to the Consultant.

Except as provided in Section 10, "Confidentiality", Consultant agrees that all project documents shall not be made available to any individual or organization, private or public, without the prior written consent of the Client.

**10. Confidentiality:**

Consultant and Client shall hold confidential all business or technical information obtained from the other or its affiliates under this Agreement and shall not disclose such information without the other's written consent except to the extent required for (1) performance of services under this Agreement; (2) compliance with professional standards of conduct for preservation of the public safety, health and welfare; (3) compliance with any court order or other legitimate governmental directive; and/or (4) protection of the disclosing party against claims or liabilities arising from performance of services under this Agreement. The parties' obligations hereunder shall not apply to information in the public domain or information lawfully acquired on a non-confidential basis from others.

**11. Insurance:**

Consultant agrees to maintain Comprehensive General Liability, Automobile Liability plus Errors and Omissions policies against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the services hereunder by the Consultant, its officers, employees, agents, invitees and subcontractors. An insurer admitted to conduct business

in the State with an A.M. Best & Co. rating of at least B+7 must issue these policies. Insurance endorsements shall be furnished to the Client within seven (7) days following the execution of this Agreement by both parties. Notwithstanding any inconsistent statement in the policy or any subsequent endorsement attached thereto, the protection offered by the Liability policy shall name the Client, its officers, directors, employees, and agents as additionally insured.

The Consultant shall maintain the following limits of liability:

- General Liability: \$1,000,000 per occurrence for bodily injury, personal injury, and property damage.
- Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.
- Errors and Omissions: \$ 1,000,000 in the aggregate.

The Client, its officers, directors, employees and agents shall not be responsible for any claims in law or equity occasioned by failure of the Consultant to comply with Section 3700 of the State Labor Code. By execution of this Agreement, the Consultant certifies to the following:

“I am aware of and will comply with Section 3700 of the State Labor Code which requires every qualifying employer to be insured against liability of Workers’ Compensation or to undertake self-insurance before commencing any services hereunder.”

For any claims related to this Agreement, the Consultant’s insurance coverage, as evidenced by an endorsement to its policy, shall be primary insurance as respects the Client, its officers, directors, employees, and agents. Any insurance or self-insurance maintained by the Client, its officers, directors, employees, and agents shall be excess of the Consultant’s insurance.

All such insurance shall bear an endorsement or shall have attached a rider whereby it is provided that, in the event of expiration or proposed cancellation of such policy, the Client shall be notified by registered mail, postage prepaid, return receipt requested, not less than thirty (30) calendar days before expiration or cancellation is to become effective.

## **12. Limitation of Liability:**

- A. Neither the Client nor Consultant shall be liable for indirect or consequential damages, incurred by either or by their subsidiaries or successors except as stated in Section 13A, applicable to Consultant.
- B. In addition to the limitations provided in Section 12A and notwithstanding any other provision herein, Consultant’s liability shall be limited to bodily injury/death, property damage and economic loss (hereinafter collectively referred to as “Loss”) caused by the negligence of Consultant, its officers, employees, agents, invitees, and subcontractors hereunder.

## **13. Indemnity:**

- A. Consultant agrees to indemnify, and hold harmless Client, its officers, directors, employees and agents, to the fullest extent permitted by law from and against any and all actual or alleged loss, cost, damage, expense and liability (including reasonable attorneys’ fees and other costs of defense and/or settlement), for bodily injury/death, property damage and economic loss arising from the negligent acts, errors or omissions or the willful misconduct of Consultant, its officers,

employees, agents, invitees or subcontractors in the performance of services rendered under this Agreement.

- B. Client agrees to indemnify and hold harmless Consultant, its officers, employees, agents, invitees, and subcontractors to the fullest extent permitted by law from and against any and all actual or alleged loss, cost, damage, expense and liability (including reasonable attorneys' fees and other costs of defense and/or settlement), for bodily injury/death, property damage and economic loss arising from the negligent acts, errors or omissions or the willful misconduct of Client, its officers, directors, employees, and agents, contractors or subcontractors in matters relative to this Agreement.

**14. Right of Entry and Property Responsibility:**

Client shall grant, or cause to be granted at Client's expense, free access to any property upon which services are to be performed. The Client shall notify the owners and possessors of such property, whether they are lawfully or unlawfully in possession, that Client has granted Consultant free access to such property. Client shall secure permission and any permits necessary to allow Consultant free access to such property at no charge to Consultant unless otherwise specifically agreed to in writing.

Consultant shall be responsible for its own activities at the property including the safety of its employees, subcontractors, agents and invitees, but shall not assume control of or responsibility for the property.

**15. Severability:**

Any provisions of this Agreement held in violation of any law or ordinance shall be deemed stricken and all remaining provisions shall continue valid and binding upon the parties. Client and Consultant shall attempt, in good faith, to replace any invalid or unenforceable provisions of this Agreement with provisions which are valid and enforceable, and which come as close as possible to expressing the intention of the original provisions.

**16. Assignments and Third-Party Beneficiaries:**

This Agreement and all of the terms, conditions, and provisions hereof shall inure to the benefit of and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that no assignment of this Agreement shall be made without written consent of the parties to this Agreement. Any attempt by Consultant to assign or otherwise transfer any interest in this Agreement without the prior written consent of the Client shall be void.

This Agreement shall not create any rights or benefits in any person or entity other than Client and Consultant, nor is it intended to create any third-party beneficiaries to it.

**17. Governing Law and Remedies:**

Unless otherwise provided, this Agreement shall be performed and construed under the laws of the State of California without regard to that State's conflict of laws provision. In the event of any claim, dispute or other matter in question between the parties, Client and Consultant agree to submit the matter to binding arbitration in accordance with the then-existing rules of the American Arbitration Association. Arbitration shall be held in westerly San Bernardino County, California unless otherwise agreed to by the parties hereto. Before the invocation of such arbitration, or promptly after the invocation of such arbitration, if such invocation is reasonably needed to protect either party against the running of a statute of limitations or similar defense, the parties shall meet to discuss, in

good faith, the possible resolution of the matter without formal proceeding. Either party may ask for the use of non-binding mediation with a third party or other alternative dispute resolution procedures, which shall be pursued in good faith until either party determines them to be unlikely to produce a resolution.

**18. Attorneys' Fees:**

In the event of mediation, arbitration or litigation between Client and Consultant arising out of the Agreement, each party shall be entitled to all reasonable costs and attorneys' fees to the extent that party prevails.

The signatories to this Agreement represent that they have the authority to execute this Agreement on behalf of the parties first named above.

San Antonio Water Company:

Consultant:

\_\_\_\_\_  
Brian C. Lee  
General Manager/CEO

\_\_\_\_\_  
Consultant's Authorized Executive  
Executive's Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date