City of Sweet Home
Personal Services Contract for
Operations, Maintenance, and Management Services

THIS AGREEMENT is entered into this _____ day of _____ , 2020, by and between the City of Sweet Home, a municipal corporation in the State of Oregon, with its mailing address at 3225 Main St, Sweet Home OR, 97386 (hereinafter the "OWNER")

and

Inframark, LLC, with its principal address at 2002 West Grandparkway North, Suite 100, Katy, TX 77449 (hereinafter "CONTRACTOR").

WHEREAS, OWNER owns and provides for the operation of a wastewater system, including maintenance, repair, expansion administration, billing, collection, customer service and permitting functions; and,

WHEREAS, OWNER owns and provides for the operation of a water system, including maintenance, repair, expansion administration, billing, distribution, customer service and permitting functions; and,

WHEREAS, OWNER desires to employ CONTRACTOR to perform the operation, maintenance, repair functions for the compensation provided for herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, OWNER and CONTRACTOR agree as follows:

1. General

1.1 Definitions of words and phrases used in this Agreement and the attachments are contained in Exhibit A.

1.2 The following exhibits are hereby incorporated by reference into this Agreement:
Exhibit A – Definitions
Exhibit B – Oregon Public Contracting Requirements
Exhibit C – Scope of Services
Exhibit D – NPDES Permit and Wastewater Treatment Characteristics
Exhibit E – Request for Proposals
Exhibit F – CONTRACTOR's Proposal

1.3 All land, buildings, facilities, easements, licenses, rights-of-way, equipment and vehicles presently or hereinafter acquired or owned by OWNER shall remain the exclusive property of OWNER unless specifically provided for otherwise in this Agreement.

1.4 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Oregon.

1.5 This Agreement shall be binding upon the successors and assigns of each of the parties, but neither party shall assign this Agreement without the prior written consent of the

other party. Consent shall not be unreasonably withheld. CONTRACTOR may assign this Agreement to a parent, subsidiary, or affiliate without such prior written consent.

1.6 All notices shall be in writing and transmitted to the party's address stated above. All notices shall be deemed given when delivered, if delivered personally or by courier mail service, delivered after such notice has been deposited in the United States mail postage prepaid, if mailed certified or registered U.S. mail, return receipt requested; or received by the party for which notice is intended if given in any other manner.

1.7 This Agreement, including Exhibits A through F, is the entire Agreement between the parties. This Agreement may be modified only by written agreement signed by both parties. Wherever used, the terms "CONTRACTOR" and "OWNER" shall include the respective officers, agents, directors, elected or appointed officials and employees and, where appropriate, subcontractors or anyone acting on their behalf.

1.8 Any provision of this Agreement which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and such remaining provisions shall remain in full force and effect.

1.9 CONTRACTOR shall be an independent contractor for all purposes and shall be entitled to no compensation other than the compensation provided for under this Agreement. While OWNER reserves the right to set various schedules and evaluate the quality of CONTRACTOR's completed work, OWNER cannot and will not control the means and manner of CONTRACTOR's performance. CONTRACTOR is responsible for determining the appropriate means and manner of performing work. CONTRACTOR is responsible for all federal and state taxes applicable to compensation and payment paid to CONTRACTOR under the Contract and will not have any amounts withheld by OWNER to cover CONTRACTOR's tax obligations. CONTRACTOR is not eligible for any OWNER fringe benefit plans.

1.10 The Services provided under this Agreement are of a professional nature and shall be provided in a safe, secure, effective and efficient manner and shall meet the highest standards prevalent in the industry, the provisions of this Agreement, Applicable Law, and the NPDES Permit and Wastewater Treatment Characteristics attached hereto as Exhibit D. Such services shall not be considered engineering services and nothing herein is intended to imply that CONTRACTOR is to supply professional engineering services to OWNER unless specifically stated in this Agreement to the contrary.

1.11 If any litigation is necessary to enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees which are directly attributed to such litigation in addition to any other relief to which it may be entitled.

1.12 Nothing in this Agreement shall be construed to create in any third party or in favor of any third party any right(s), license(s), power(s) or privilege(s).

1.13 This Agreement shall be interpreted in accordance with its plain meaning and not strictly for or against either party hereto.

1.14 The provisions of Sections 1 (General), 8 (Indemnity, Liability and Insurance), 9 (Term, Termination, and Default), and 10 (Disputes and Force Majeure) shall survive the expiration or termination of this Agreement. Any and all other provisions of this

Agreement that would reasonably be expected to survive the termination of this Agreement will do so.

1.15 This Agreement includes fulfilling the requirements identified in the Scope of Services listed in Exhibit C.

1.16 This Agreement may be executed and delivered (including by facsimile transmission, pdf or other means of electronic signature) in any number of counterparts, each of which will be deemed an original, but all of which together will constitute but one and the same instrument.

2. CONTRACTOR's Services – General

2.1 Within fifteen (15) days after CONTRACTOR begins service under this Agreement, CONTRACTOR will provide a physical inventory of the OWNER's equipment in use at the Project and a general statement as to the condition of each vehicle or piece of equipment.

2.2 CONTRACTOR will provide OWNER with a physical inventory of chemicals and other consumables on hand when CONTRACTOR begins services under this Agreement. CONTRACTOR will provide OWNER with the same quantity of chemicals or equivalent upon termination of this Agreement.

2.3 Visits may be made at a reasonable time by OWNER's officers so designated by the OWNER's representative. Keys for the Project shall be provided to OWNER by CONTRACTOR for such visits. All visitors to the Project shall comply with CONTRACTOR's operating and safety procedures.

2.4 In any emergency affecting the safety of persons or property, CONTRACTOR shall take good faith, reasonable actions without written amendment or change order, at CONTRACTOR's discretion, to prevent threatened damage, injury or loss. CONTRACTOR shall be compensated by OWNER for any such emergency work notwithstanding the lack of a written amendment. Such compensation shall include CONTRACTOR's non-labor direct Costs for the emergency work. Nothing contained in this Section shall impose upon CONTRACTOR a duty to perform any emergency work absent a change order and failure to perform any such emergency work shall not impose upon CONTRACTOR any liability for errors and omissions.

2.5 CONTRACTOR shall be responsible for all Maintenance and Repair expenditures not to exceed the Maintenance and Repair Limit (which Maintenance and Repair Limit shall be included in the Annual Compensation). CONTRACTOR will track Maintenance and Repair expenditures incurred against the Maintenance and Repair Limit. All expenditures charged to the Maintenance and Repair Limit shall be itemized and referenced to related work orders. If, at any point during an Agreement Year, the actual Maintenance and Repair expenditures would exceed the Maintenance and Repair Limit, the CONTRACTOR shall request OWNER approval prior to the expenditure. Such approval shall be requested and considered for each instance. The approval of any particular expenditure request does not guarantee the approval of other expenditures. Upon receipt of OWNER approval CONTRACTOR will proceed with the expenditure. CONTRACTOR will invoice OWNER after completion of the work in accordance with Section 6.5.

3. CONTRACTOR's Scope of Services – Wastewater & Water

3.1 CONTRACTOR shall perform the services as set forth in Exhibit C for the OWNER's wastewater treatment system and water treatment system (the "Services").

4. OWNER's Duties

4.1 All grounds, facilities, equipment and vehicles now owned by OWNER or acquired by OWNER shall remain the property of OWNER. OWNER grants CONTRACTOR, free of charge, a license to use said grounds, facilities, equipment and vehicles, including all owned by OWNER and which have been assigned by OWNER to the Project**.**

4.2 The OWNER shall fund all necessary Capital Expenditures, which will be performed by CONTRACTOR under a written change order to this Agreement. Priority shall be given to safety and the ADA related expenses. Any loss, damage, or injury resulting from OWNER's failure to provide capital improvements and/or funds in excess of the Maintenance and Repair Limit when reasonably requested by CONTRACTOR shall be the sole responsibility of OWNER.

4.3 The OWNER shall keep in force all Project warranties, guarantees, easements and licenses that have been granted to OWNER and are not transferred to CONTRACTOR under this Agreement.

4.4 The OWNER shall provide CONTRACTOR, within a reasonable time after request and on an "as available" basis, with the temporary use of any piece of OWNER's heavy equipment that is available so that CONTRACTOR may discharge its obligations under this Agreement in the most cost effective manner.

4.5 OWNER warrants that during the interim period between the initial Project inspection by CONTRACTOR and the Commencement Date, the plants, facilities and equipment have been operated only in the normal course of business.

4.6 The OWNER shall continue to be responsible and pay for the general administration and enforcement of (i) the water distribution and wastewater collection systems, and (ii) long-term System and Service Area planning. Typical administration costs associated with the above activities include costs such as the services of the auditor, lawyer, and liability insurance.

4.7 The OWNER shall perform all duties and discharge all responsibilities and obligations relating to the operation and maintenance of the Project not contemplated by the parties within Exhibit C to this Agreement.

5. Compensation

5.1 CONTRACTOR's Annual Compensation under this Agreement shall consist of an Annual Fee plus a Maintenance and Repair Limit. The Annual Fee for the period _____ through June 30, 2022 shall be $778,564, and the Maintenance and Repair Limit for the same period shall be $70,000, the total of which is payable in equal monthly installments of $70,713.67.

5.2 The services being provided under this Agreement are based on reasonably expected overtime for normal breakdowns or services required after hours. Any additional expenses including straight or over time wages caused by severe weather, a disaster or unplanned event that may be recovered through billing any third party including the State or Federal Government FEMA funds will be billed to the OWNER for reimbursement.

5.3 The Annual Fee shall be negotiated each year at least four (4) months prior to the beginning of the City's fiscal year on July 1 of each year. Negotiated fee adjustments shall take effect on July 1 of each year. Should OWNER and CONTRACTOR fail to agree, the Annual Fee will be adjusted by multiplying the existing Annual Fee by the percentage increase in the Consumer Price Index for all Urban Consumers – Water and Sewerage Maintenance (CPI-U) for the U.S. City Average, 1982-84=100 (series ID CUUR0000SEHG01) as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics for the twelve (12) months prior to the beginning of the period for which an adjusted Annual Fee is being calculated not to exceed 3%.

5.4 If the Maintenance and Repair Limit is exceeded by twenty-five percent (25%) or the Maintenance and Repair expenditures do not exceed seventy-five percent (75%) of the Maintenance and Repair Limit for two (2) consecutive Agreement Years, the parties shall negotiate in good faith to adjust the Maintenance and Repair Limit.

6. Payment of Compensation

6.1 One-twelfth (1/12) of the total of the Annual Fee plus the Maintenance and Repair Limit for the current year shall be due and payable on the first of the month for each month that services are provided.

6.2 All other compensation to CONTRACTOR is due upon receipt of CONTRACTOR's invoice and payable within thirty (30) days.

6.3 OWNER shall pay interest at an annual rate equal to 18% (1.5% per month), said rate of interest not to exceed any limitation provided by law, on payments not paid and received within thirty (30) calendar days of the due date, such interest being calculated from the due date of the payment. In the event the charges hereunder might exceed any limitation provided by law, such charges shall be reduced to the highest rate or amount within such limitation.

6.4 Any disputes regarding invoices shall be raised, in writing setting forth sufficient detail regarding the nature of the dispute, within twenty (20) business days of the receipt of said CONTRACTOR'S invoice by OWNER. If OWNER does not properly raise a dispute with an invoice within twenty (20) business days from the date of said invoice, any such disputes will be waived.

6.5 OWNER shall either directly pay for Maintenance and Repair expenses that exceed the Maintenance and Repair Limit or reimburse or compensate the CONTRACTOR for such costs that exceed the Maintenance and Repair Limit plus an administrative fee of 8% of the cost thereof. Such costs must be pre-approved by OWNER as described in Section 2.5 in order to qualify as reimbursable or compensable. OWNER shall pay the CONTRACTOR such amounts within 30 days of receipt of an invoice by CONTRACTOR. CONTRACTOR shall reimburse OWNER an amount, if any, equal to

all unexpended amounts remaining in the Maintenance and Repair Limit by August 31 of each year.

6.6 The Annual Fee and any additional service rates provided in this Agreement have been derived under the premise and understanding that the Services to be furnished hereunder do not require the CONTRACTOR to pay its employees prevailing wage rates pursuant to Applicable Law. If a determination is made by the OWNER or by any governmental agency with competent jurisdiction thereof that the nature of the Services are such that the CONTRACTOR is required to pay any of its employees who are performing the Services prevailing wage rates, then the OWNER shall immediately notify CONTRACTOR and be responsible for the increase in the CONTRACTOR's cost of providing the Services as a result thereof. OWNER may consider such changes in the prevailing wage determination as a Scope Change under Section 7.1.4 for which OWNER may initiate renegotiation of the Services to mitigate the impact to OWNER'S costs.

7. Scope Changes

7.1 A Change in Scope of services shall occur when and as CONTRACTOR's costs of providing services under this Agreement change as a result of:

7.1.1 Any change in Project operations or personnel minimum qualifications, or other cost which is a result of an Unforeseen Circumstance;

7.1.2 Increases or decreases of not less than ten percent (10%) in the influent flow or loadings as demonstrated by a twelve month floating average compared to the twelve month period ending on the effective date of this Agreement (baseline flow and loading information is located in Exhibit D); or increases or decreases of not less than ten percent (10%) in the raw water flow, or raw water characteristics as demonstrated by the twelve month average.

7.1.3 OWNER's request of CONTRACTOR and CONTRACTOR's consent to provide additional services.

7.1.4 Issuance of a new permit from a governmental agency having jurisdiction; statute or rule interpretations/determinations by a governmental agency having jurisdiction; prevailing wage determinations by a governmental agency having jurisdiction; or a change in the Applicable Laws or other factors, which causes an increase in the cost of providing the Services.

7.2 For Changes in Scope described in Sections 7.1.1 and 7.1.2, the Annual Fee shall be increased (or decreased) by an amount equal to CONTRACTOR's additional (reduced) Cost associated with the Change in Scope plus ten percent (10%). Modifications of the Annual Fee as a result of conditions described in Section 7.1.2 shall be retroactive to the beginning of the twelve-month comparison period.

7.3 OWNER and CONTRACTOR shall negotiate a change in CONTRACTOR's Annual Fee for Changes in Scope based on Section 7.1.3.

7.4 OWNER and CONTRACTOR shall negotiate a change in CONTRACTOR's Annual Fee and/or a change in the Scope of Services for Changes in Scope based on Section 7.1.4.

In the event of a change in the Applicable Law or other factor which causes an increase in the CONTRACTOR's cost of providing the Services, the CONTRACTOR may provide notice to the OWNER and the parties shall negotiate in good faith to adjust the Annual Fee to account for such change in CONTRACTOR's costs. If the parties are unable to reach a negotiated agreement within sixty (60) days of the date of notice, then the contract may be terminated by the CONTRACTOR with sixty (60) days termination notice.

In the event the OWNER is issued a new permit that changes the requirements set forth in Exhibit D, the CONTRACTOR may provide notice to the OWNER and the parties shall negotiate in good faith to adjust this Agreement to account for such change in the permit requirement. If the parties are unable to reach a negotiated agreement within sixty (60) days of the date of notice, then the contract may be terminated by the CONTRACTOR with sixty (60) days termination notice.

In the event that a governmental agency with jurisdiction determines that Prevailing Wage Rates apply to the performance of any of the Services, the OWNER may initiate renegotiation of the Services with the CONTRACTOR to mitigate the impact to OWNER'S costs.

8. Indemnity, Liability and Insurance

8.1 During the term of this Agreement, CONTRACTOR shall maintain, at its own expense, the following types of insurance in the following amounts:

8.1.1 Comprehensive general liability insurance, including coverage for premises operations, independent contractors, protected products, completed operations, contractual liability, personal injury, and broad form for property damage (including coverage for explosion, collapse, and underground hazards, if applicable):

- Worker's Compensation $2,000,000 policy limit and $2,000,000 employee limit.
- Business Automobile Liability $2,000,000 combined single limit coverage.
- Commercial General Liability $1,000,000 per occurrence and $2,000,000 aggregate.
- Pollution Liability $2,000,000 per claim and aggregate
- Umbrella Liability Coverage $8,000,000 per claim and $12,000,000 in the aggregate.
- Coverage shall also include contractual liability coverage for the indemnity provided under this Agreement.

8.1.2 The limits required in this Section 8.1 may be met with a combination of underlying and umbrella coverage.

8.2 Policies shall provide that OWNER, its council, officers, representatives, employees, and agents will be included as an additional insured with respect to the coverages required in Section 8.1.1 and a waiver of subrogation against them shall be obtained for all coverages.

8.3 All coverages under Section 8.1 shall be primary over any insurance OWNER may carry on its own.

8.4 All policies of insurance shall be issued by companies with a rating A+ or better and that are qualified to do business in the state of Oregon.

8.5 CONTRACTOR shall furnish OWNER with certificates of insurance evidencing all required coverages prior to commencing any work or services under this Agreement. If requested by OWNER, CONTRACTOR shall furnish OWNER with executed copies of such policies of insurance. CONTRACTOR shall furnish OWNER with at least 30 days' written notice of cancellation of, or any modification to, the required insurance coverages. Failure to maintain any required insurance coverages in the minimum required amounts shall constitute a material breach of this Agreement and shall be grounds for immediate termination of this Agreement.

8.6 All liability insurance, except for Workers' Compensation, Professional Liability, and Network Security and Privacy Liability (if applicable), required under this Agreement must include an additional insured endorsement with the certificate of insurance specifying the OWNER, its council, officers, representatives, employees, and agents as Additional Insureds, including additional insured status with respect to liability arising out of ongoing operations and completed operations, but only with respect to Contractor's activities to be performed under this Agreement. Coverage shall be primary and non-contributory with any other insurance and self-insurance. The Additional Insured endorsement with respect to liability arising out of your ongoing operations must be on ISO Form CG 20 10 07 04 or equivalent and the Additional Insured endorsement with respect to completed operations must be on ISO form CG 20 37 04 13 or equivalent and attached to Certificate of Insurance.

8.7 CONTRACTOR, its subcontractors, if any, and all employers working under this Agreement are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide workers' compensation coverage for all subject workers.

8.8 CONTRACTOR warrants that all persons engaged in Contract work and subject to the Oregon Workers' Compensation Law are covered by a workers' compensation plan or insurance policy that fully complies with Oregon law. CONTRACTOR shall indemnify OWNER for any liability incurred by OWNER as a result of CONTRACTOR's breach of the warranty under this paragraph.

8.9 OWNER hereby agrees to indemnify and hold CONTRACTOR harmless from any liability for damages from third party claims for bodily injury, including death, property damages and pollution damages to the extent such claims arise from OWNER's negligence or willful misconduct under this Agreement; provided, OWNER shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.

8.10 CONTRACTOR shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after _____, 20[__], of the wastewater effluent quality requirements provided for in Exhibit D to the extent that such fines or civil penalties are a result of CONTRACTOR's negligence or willful misconduct.

8.11 CONTRACTOR shall be liable for those fines or civil penalties imposed by a regulatory or enforcement agency for violations occurring on or after _____, 20[__], of the drinking water treatment effluent quality requirements provided for in Oregon Health

Authority rules to the extent that such fines or civil penalties are a result of CONTRACTOR's negligence or willful misconduct.

8.12 OWNER shall be liable for those fines or civil penalties imposed by any regulatory or enforcement agencies on OWNER and/or CONTRACTOR that are not a result of CONTRACTOR's negligence or willful misconduct or are otherwise directly related to the ownership of the Project and shall indemnify and hold CONTRACTOR harmless from the payment of any such fines and/or penalties.

8.13 If the OWNER's wastewater treatment system and water treatment system loading exceed its design parameters or if influent contains: i) abnormal, toxic or other substances which cannot be removed or treated by the existing OWNER's wastewater treatment system and water treatment system; or ii) discharges which violate applicable ordinances, the CONTRACTOR will use its best efforts to maximize performance of the OWNER's wastewater treatment system and water treatment system but shall not be responsible for associated effluent characteristics or damages, fines or penalties which result.

8.14 Contractor shall save, hold harmless, and indemnify the OWNER and their officers, employees and agents from and against all third party claims, suits, actions, losses, damages, liabilities, costs (including attorneys' fees) and expenses (collectively, "Claims") of any nature whatsoever resulting from, arising out of, or relating to the activities of Contractor or its officers, employees, subcontractors, or agents under this Agreement, including but not limited to, unauthorized disclosure of Confidential Information, professional malfeasance, infringement of intellectual property rights, negligence, intentional, willful, or wanton wrongful acts, and acts outside the scope of Services set forth in this Agreement; provided, CONTRACTOR shall be liable only for that percentage of total damages that corresponds to its percentage of total negligence or fault.

8.15 Contractor is liable for all Claims for personal injury (including death), damage to real property and damage to tangible and intangible personal property of the OWNER or any of its employees, officers, subcontractors or agents resulting from, arising out of, or relating to the intentional, reckless or negligent acts or omissions of CONTRACTOR or its officers, employees, subcontractors, or agents under this Agreement.

8.16 Except for liability arising out of or related to Section 8.14 or 8.15, CONTRACTOR's liability for damages for any cause whatsoever shall be limited to twice the Annual Compensation of this Agreement, exclusive of any insurance and bonding.

8.17 Except for liability to third persons arising out of or related to Section 8.14 or 8.15, neither party will be liable to the other for any lost profits, lost savings, or punitive, indirect, exemplary, consequential, or incidental damages.

8.18 Under no circumstances shall CONTRACTOR be responsible for any damages, losses, settlement, payment deficiencies, liabilities, costs and expenses arising directly or indirectly because of the execution or implementation of instruction or directions provided by the OWNER or any of its directors, officers, employees, agents, or representatives.

8.19 CONTRACTOR shall not be liable for any liabilities, losses, damages, expenses, fines, or penalties incurred by the OWNER or any third party as a result of a data security breach or other cyber security breach to the Project or the OWNER's computer systems, operating systems, and all other technological or information systems related to the Project and Services provided hereunder, except to the extent such liability, loss, damage, expense, fine, or penalty is the direct result of CONTRACTOR's willful or negligent acts or omissions.

8.20 The warranties and/or performance guarantees for any components, parts, materials, and equipment provided under this Agreement shall be limited to those as provided by the manufacturer or supplier; CONTRACTOR shall be responsible for maintaining all manufacturers' warranties on the equipment provided hereunder. In addition, the CONTRACTOR shall assist the OWNER in enforcing the warranties and guarantees, if any, for the services, parts, materials, and equipment provided hereunder. The OWNER's remedies for the manufacturer or supplier's breach of its warranty obligations or performance guarantees shall be limited to those provided by the manufacturer or supplier and the CONTRACTOR shall not have additional liability beyond the remedies provided for by the manufacturer or supplier.

8.21 If any information, opinions, recommendations, advice, or other work product or any data, information, procedures, charts, spreadsheets, logs, instruments, documents, plans, designs, specifications, customer data, billing information, regulatory filings, permits, authorizations, licenses, or other records are provided by the OWNER or any third party acting on behalf the OWNER (excluding OWNER's prior operator for the Facility) are provided to and used or relied on by CONTRACTOR, the OWNER will be liable for any damages resulting directly or indirectly from such use and reliance.

9. Term, Termination, Default, and Remedies

9.1 The initial term of this Agreement shall be five (5) years commencing on the Commencement Date and ending June 30, 2026 ("Initial Term"). Thereafter, this Agreement shall be automatically renewed for successive terms of five (5) years each unless canceled in writing by either party no less than one hundred and twenty (120) days prior to expiration.

9.2 OWNER may terminate this Agreement for convenience as follows:

9.2.1 During the Initial Term: The Agreement may not be terminated for convenience prior to the start of the fourth year of the Agreement except for Unforeseen Circumstances. If OWNER terminates the contract for convenience during the fourth or fifth year of the Agreement, OWNER shall provide CONTRACTOR with at least six (6) months prior written notice of termination and OWNER shall pay CONTRACTOR a demobilization fee equal to 5% of the current base fee.

9.2.2 After the Initial Term: If OWNER terminates the contract for convenience during a successive term as described in Section 9.1, OWNER shall provide CONTRACTOR with at least one hundred and twenty (120) days prior written notice of termination and there shall be no demobilization fee.

9.3 Termination for Cause.

9.3.1 A party may terminate this Agreement for a material breach of the Agreement by the other party; only after giving written notice of breach; and, except as provided in 9.3.2, only after allowing the other party thirty (30) days to cure or commence taking reasonable steps to cure the breach.

9.3.2 In case of a breach by OWNER for nonpayment of CONTRACTOR's invoices, CONTRACTOR shall provide sixty (60) days prior written notice of termination.

9.4 In the event that this Agreement is terminated for any reason prior to the ending date of the Initial Term or successive terms, OWNER shall pay to CONTRACTOR any funds identified in Section 7.2 that have not been paid to CONTRACTOR through the date of termination.

9.5 Upon notice of termination by OWNER, CONTRACTOR shall assist OWNER in assuming operation of the Project. If additional Cost is incurred by CONTRACTOR at request of OWNER, OWNER shall pay CONTRACTOR such Cost within 30 days of invoice receipt.

9.6 Upon termination of this Agreement and all renewals and extensions of it, CONTRACTOR will return the Project to OWNER in the same condition as it was upon the effective date of this Agreement, with improvements made thereto, ordinary wear and tear excepted. Equipment and other personal property purchased by CONTRACTOR for use in the operation or maintenance of the Project shall remain the property of CONTRACTOR upon termination of this Agreement unless the property was directly paid for by OWNER or OWNER specifically reimbursed CONTRACTOR for the cost incurred to purchase the property or this Agreement provides to the contrary.

9.7 Upon CONTRACTOR's failure to perform the scope of work or meet established performance standards, and after complying with Section 9.3 cure process, the OWNER may use the remedies set out in ORS279B.060(2)(h) in the best interests of the City and any other remedies allowed by law.

10. Disputes and Force Majeure

10.1 In the event activities by employee groups or unions cause a disruption in CONTRACTOR's ability to perform at the Project, OWNER, with CONTRACTOR's assistance or CONTRACTOR at its own option, may seek appropriate injunctive court orders. During any such disruption, CONTRACTOR shall operate the facilities on a best efforts basis until any such disruptions cease.

10.2 Neither party shall be liable for its failure to perform its obligations under this Agreement if such failure is due to any Unforeseen Circumstances beyond its reasonable control or force majeure. However, this Section may not be used by either party to avoid, delay or otherwise affect any payments due to the other party.

11. Nondiscrimination

During the term of this Agreement, CONTRACTOR shall not discriminate against any employee or applicant for employment on the basis of any protected class as defined in ORS279A.112(b).

12. Governing Law, Jurisdiction, Venue

12.1 This Agreement shall be governed by and construed in accordance with the laws of the state of Oregon without regard to principles of conflicts of law.

12.2 In the event of any disputes hereunder, the parties shall first attempt to resolve the situation by good faith discussions which shall take place in a timely manner. If the dispute cannot be resolved within sixty (60) days, the parties may mediate their dispute before a mediator acceptable to both parties. If they cannot agree on the selection of a mediator, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The parties shall bear their own costs of the mediation but the parties shall share equally the costs of the mediator and the mediation facilities.

12.3 If the parties are unable to resolve any disputes through good faith discussions or mediation, such dispute may be submitted for binding arbitration as mutually agreed upon by the parties, which shall be governed by the rules of the American Arbitration Association or such other rules as the parties may agree. The parties agree that any judgment issued as a result of arbitration may be entered in the court having jurisdiction thereof.

12.4 Any claim, action, suit or proceeding (collectively "Claim") between OWNER and CONTRACTOR that arises from or relates to this Agreement that the parties do not to submit to arbitration shall be brought and conducted solely and exclusively within the Circuit Court of Linn County for the state of Oregon; provided, however, if a Claim must be brought in a federal forum, then it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR BY EXECUTION OF THIS AGREEMENT, HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS.

Nothing herein shall be construed as a waiver of OWNER's protections under the Oregon Tort Claims Act.

13. Time is of the Essence

Time is of the essence under this Agreement.

14. Waivers

No waiver by OWNER or CONTRACTOR of any provision of this Agreement shall be deemed to be a waiver of any other provision hereof or of any subsequent breach by the other party of the same or any other provision. OWNER'S consent to or approval of any act by CONTRACTOR requiring OWNER'S consent or approval shall not be deemed to render unnecessary the obtaining of OWNER'S consent to or approval of any subsequent act by CONTRACTOR, whether or not similar to the act so consented to or approved.

15. Non-Solicitation

Neither party may actively solicit, for hire, the employees of the other party during the term of this Agreement or for one year following the termination of this Agreement.

16. Certificate of Compliance with Oregon Tax Laws

By executing this Agreement, CONTRACTOR certifies under penalty of perjury that CONTRACTOR is, to the best of CONTRACTOR's knowledge, not in violation of any Oregon tax laws described in ORS 305.385(6) and (7).

Both parties indicate their approval of this Agreement by their signatures below, and each party warrants that all corporate or governmental action necessary to bind the parties to the terms of this Agreement has been taken. The representatives signing on behalf of the parties certify that they are duly authorized by the party for which they sign to make this Agreement.

CITY OF SWEET HOME

By:_____

Name: Ray Towry

Title: City Manager

Date: _____

Authorized & Approved by the City Council.
City Manager approves contract.

CONTRACTOR

By:_____
Authorized Signature

Name: _____

Title: _____

Date: _____

Approved as to form.

By:_____

Name: Robert Snyder

Title: City Attorney

Date: _____

Exhibit A

Definitions

A.1 "Adequate Nutrients" means plant influent nitrogen, phosphorus and iron contents proportional to BOD_5 in the ratio of five (5) parts nitrogen, one (l) part phosphorus, and one-half (0.5) part iron for each one hundred (100) parts BOD_5.

A.2 "Annual Fee" means a predetermined, fixed sum for CONTRACTOR's services. The Annual Fee includes Cost and profit.

A.3 "Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Project; (c) health and welfare of individuals working at or visiting the Project; and (d) the collection, delivery and treatment of the OWNER's raw and finished water.

A.4 "Biologically Toxic Substances" means any substance or combination of substances contained in the plant influent in sufficiently high concentration so as to interfere with the biological processes necessary for the removal of the organic and chemical constituents of the wastewater required to meet the discharge requirements of OWNER's Certificate of Approval. Biologically toxic substances include, but are not limited to, heavy metals, phenols, cyanides, pesticides and herbicides.

A.5 "Capital Expenditures" means any expenditures for (1) the purchase of new equipment or facility items that cost more than One Thousand Dollars ($1,000); or (2) major repairs which significantly extend equipment or facility service life and cost more than Five Thousand Dollars ($5,000) or (3) expenditures that are planned, nonroutine and budgeted by OWNER.

A.6 "Commencement Date" shall mean _____.

A.7 "Cost" means all Direct Cost and indirect cost determined on an accrual basis in accordance with generally accepted accounting principles.

A.8 "Direct Cost" means the actual cost incurred for the direct benefit of the Project including, but not limited to, expenditures for project management and labor, employee benefits, chemicals, lab supplies, repairs, repair parts, maintenance parts, safety supplies, gasoline, oil, equipment rental, legal and professional services, quality assurance, travel, office supplies, other supplies, uniforms, telephone, postage, utilities, tools, memberships and training supplies.

A.9 "Maintenance" means those routine and/or repetitive activities required or recommended by the equipment or facility manufacturer or by CONTRACTOR to maximize the service life of the equipment, sewer, vehicles and facilities.

A.10 "Maintenance and Repair Limit" means the total Maintenance and Repair expenditures that are not included in the Annual Fee. Such expenditures exclude any labor costs for CONTRACTOR's staff assigned to the Project. CONTRACTOR's specialized

maintenance personnel, not assigned at the Project, who provide such specialized services such as, but not limited to, vibration, thermographic and electrical analyses, instrumentation maintenance and repair will be charged to the Maintenance and Repair Limit.

A.11 “Project” means all equipment, vehicles, grounds, rights of way, and facilities described in Exhibit C and, where appropriate, the operations and maintenance of such.

A.12 “Repairs” means those nonroutine/nonrepetitive activities required for operational continuity, safety and performance generally due to failure or to avert a failure of the equipment, sewer, vehicles or facilities or some component thereof.

A.13 “Unforeseen Circumstances” shall mean any event or condition which has an effect on the rights or obligations of the parties under this Agreement, or upon the Project, which is beyond the reasonable control of the party relying thereon and constitutes a justification for a delay in or non-performance of action required by this Agreement, including but not limited to (i) an act of God, landslide, lightning, earthquake, tornado, pandemic/epidemic, fire, explosion, flood, failure to possess sufficient property rights, acts of the public enemy, war, blockade, sabotage, insurrection, riot or civil disturbance, (ii) preliminary or final order of any local, state, administrative agency or governmental body of competent jurisdiction, (iii) any change in law, regulation, rule, requirement, interpretation or statute adopted, promulgated, issued or otherwise specifically modified or changed by any local, state or governmental body, (iv) labor disputes, strikes, work slowdowns or work stoppages, but excluding labor disputes, strikes, work slowdowns or work stoppages by employees of CONTRACTOR; and (v) loss of or inability to obtain service from a utility necessary to furnish power for the operation and maintenance of the Project.

Exhibit B

Oregon Public Contracting Requirements

ORS CHAPTERS 279B AND 279C REQUIREMENTS

B.1 CONTRACTOR shall pay promptly, as due, all persons supplying labor or materials for the prosecution of the work provided for in the contract, and shall be responsible for such payment of all persons supplying such labor or material to any Subcontractor.

B.2 CONTRACTOR shall promptly pay all contributions or amounts due the Industrial Accident Fund from such CONTRACTOR or Subcontractor incurred in the performance of the contract.

B.3 CONTRACTOR shall not permit any lien or claim to be filed or prosecuted against the OWNER on account of any labor or material furnished and agrees to assume responsibility for satisfaction of any such lien so filed or prosecuted.

B.4 CONTRACTOR and any Subcontractor shall pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.617.

B.5 If CONTRACTOR fails, neglects or refuses to make prompt payment of any claim for labor or materials furnished to the CONTRACTOR or a Subcontractor by any person in connection with the contract as such claim becomes due, the OWNER may pay such claim to the persons furnishing the labor or material and charge the amount of payment against funds due or to become due CONTRACTOR by reason of the contract. The payment of a claim in the manner authorized hereby shall not relieve the CONTRACTOR or his surety from his or its obligation with respect to any unpaid claim. If the OWNER is unable to determine the validity of any claim for labor or material furnished, the OWNER may withhold from any current payment due CONTRACTOR an amount equal to said claim until its validity is determined and the claim, if valid, is paid.

B.6 CONTRACTOR shall promptly, as due, make payment to any person, copartnership, association, or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to employees of such CONTRACTOR, of all sums which the CONTRACTOR agrees to pay for such services and all monies and sums which the CONTRACTOR collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

B.7 CONTRACTOR shall pay CONTRACTOR's employees who work under the public contract at least time and a half for all overtime the employees work in excess of 40 hours in any one week, except for employees under a personal services public contract who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

B.8 The CONTRACTOR must give notice to employees who work on this Agreement in writing, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and the days per week that the employees may be required to work.

B.9 All subject employers working under the CONTRACTOR are either employers that will comply with ORS 656.017, or employers that are exempt under ORS 656.126.

B.10 All sums due the State Unemployment Compensation Fund from the CONTRACTOR or any Subcontractor in connection with the performance of the contract shall be promptly so paid.

B.11 The contract may be canceled at the election of OWNER for any willful failure on the part of CONTRACTOR to faithfully perform the contract according to its terms.

B.12 CONTRACTOR certifies compliance with all applicable Oregon tax laws, in accordance with ORS 305.385.

B.13 CONTRACTOR certifies that it has not discriminated against minorities, women or emerging small business enterprises in obtaining any required subcontractors.

Exhibit C

Scope of Services

Exhibit C - SCOPE OF WORK

1 GENERAL

1.1 The Contractor will be responsible for all operations, maintenance and management duties required to ensure efficient and effective operation of the Facilities. These duties include, but are not limited to:

- Day to day operations and monitoring.
- Performing scheduled preventive, predictive maintenance, and asset management functions to ensure the long-term efficient operation of facility infrastructure.
- Performing scheduled and unscheduled maintenance, repairs, and replacements as needed on infrastructure components.
- Maintaining operations and maintenance & repair records for all infrastructure components in electronic format.
- Maintaining the inventory and electronic inventory records for the consumable supplies needed for system operations and maintenance.
- On-going evolution and development of automated systems and capabilities
- Preparation for anticipated new regulatory requirements

1.2 The operations will be performed to comply with all federal, state, and local laws and regulations. The Contractor shall also be responsible for operating, maintaining, and managing the Facility pursuant to the requirements in this scope of work. The services shall be provided in a safe, secure, effective and efficient manner and shall meet the highest standards prevalent in the industry.

1.3 Provide a site Manager who shall attend Owner's staff and council meetings when requested. The Contractor shall permit the Owner the right to review and approve the Project Manager whenever a change of persons in this position takes place, which approval shall not be unreasonably withheld.

1.4 Provide staff for operation of the facilities, as required by permit(s), seven (7) days per week, including response to emergency calls 24 hours per day, 7 days per week, within one hour of its occurrence. Contractor shall designate, as a minimum, one staff member as standby to respond to such calls.

1.5 Staff the Project with a sufficient number of qualified employees who possess the managerial, administrative, and technical skills to perform the services specified in this Agreement, and where appropriate, the certification requirements mandated by the State of Oregon.

1.6 Contractor is required to be Direct Responsible Charge of the water and wastewater treatment facilities. As such the Contractor is required to maintain on site staffing to meet the requirements below within 30 days of notice to proceed. This staff shall be employed on site full time at the Owner’s project and shall not be time shared with another project without Owner’s prior written permission.

- One individual with Oregon DEQ Wastewater Treatment Grade IV certification AND One individual with Oregon OHA Water Treatment Grade Level III certification; OR
- One individual possessing both of the above certifications.

1.7 Contractor is required to perform corrective and predictive maintenance, in addition to

manufacturer recommended preventive maintenance. As such the Contractor is required to maintain on site staffing of one individual with Millwright certification or equivalent experience, within 30 days of notice to proceed, who shall be employed on site full time at the Owner's project and shall not be time shared with another project without Owner's prior written permission. Labor costs for said staff shall be included in the annual operational base fee and shall not be charged to the repair budget.

1.8 The Contractor is required to maintain required certifications and fulfill system supervisory requirements. If the Contractor is unable to meet these requirements for more than 90 days, the Owner will consider such a breach of this contract and cause for termination.

1.9 Contractor shall develop and maintain an ongoing training program that provides cross-training and includes certification of its operators in both water and wastewater treatment.

1.10 Contractor agrees to provide job related training for personnel in the areas including but not limited to operation, quality, maintenance, safety, supervisory skills, laboratory, and energy management. All such training shall be fully documented.

1.11 Contractor shall comply with all State and Federal Laws with regards to affirmative action provisions for minority hiring.

1.12 Contractor is responsible for paying all costs incurred to meet service levels described in this scope of work.

1.13 The Owner shall be responsible for direct payment of the following Facility operating costs:

- Electricity
- Natural gas
- Internet, landline telephone, and SCADA communication services
- Domestic garbage service
- Residuals disposal hauling & tipping fees (biosolids, grit, and screenings)
- Bulk chemicals as listed in sections 2.8 and 3.12.

The City may entertain alternative base fee arrangements for chemicals and utilities if the Proposer proposes an alternative method which is more advantageous to both the City and the Proposer.

1.14 Contractor is required to provide any vehicles required to execute scope of work. Contractor will coordinate with City to utilize City owned equipment such as forklift and Vactor for special projects.

1.15 Provide and document all Repairs for the Facilities. Conduct a "repair vs replace" analysis for all Repairs for the Facilities. Where Repairs are less than 40 percent (40%) of replacement costs, the item will normally be repaired. Where Repair cost are more than 40 percent (40%) of replacement costs and the item qualifies as a Capital Expense, the analysis will be submitted to the Owner for a decision concerning repair or replacement. The cost of Repairs shall not include the salary cost of Contractor's onsite personnel making such repair. However, due to the size, complexity, technical nature, or timing for completion of such Repairs, Contractor may subcontract such Repairs and charge such services to the Repairs budget. Contractor to provide Owner with a detailed monthly report and accounting of all Repairs.

1.16 Contractor shall manage the Maintenance and Repair Limit according to the following plan as described below.

- ≤ $3,000 Maintenance and Repairs expenses are charged to the Maintenance and Repair Limit and do not require City approval.
- $3,001- $5,000 Maintenance and Repairs expenses are charged to the Maintenance and Repair Limit and must be approved by the City with quotes prior to repair being completed.
- ≥ $5,000 quotes per work order item are considered capital expenses and must be submitted to the Owner for pre-approval and bills for approved repairs sent directly to the city for payment. These bills do not come out of the Maintenance and Repair Limit.

1.17 The Maintenance and Repair Limit will include parts, components and specialty repair services. Labor costs for use of onsite staff shall not be charged to the Maintenance and Repair Limit. The repair costs associated with Contractor's use of offsite personnel and subcontractors shall be pre-approved by the Owner. All repairs charged to the Maintenance and Repair Limit must be referenced to specific work orders and be itemized with receipts showing all costs charged. Itemized statements shall be submitted to the Owner monthly for accounting of the repair budget.

1.18 Contractor shall perform all maintenance activities in conformance with manufacturer recommendations unless pre-approved by the Owner. Contractor shall provide a monthly summary of activities including corrective, preventive, and predictive maintenance.

1.19 Maintain aesthetics of the Facilities; in general, maintain all facilities in a clean, neat and orderly fashion; administrative and other occupied spaces shall be kept clean, dry and habitable; other spaces and floors shall be clean and free of sewage, screenings, sludge, and other debris; settled grit, grease, and floatable material shall be cleaned and removed from lift station wet wells at the plants; equipment, tools, and material will be properly stored; trees and shrubs shall be kept trimmed, grass shall be maintained at a height of less than six (6) inches, and other grounds shall be free of noxious weeds; buildings, structures , equipment and piping shall be maintained and painted to minimize deterioration and corrosion. Submerged metal components require special preparation and painting techniques and are excepted from this provision.

1.20 Alter as needed, the process and/or facilities to achieve the objectives of this Agreement; provided, however, that no alteration shall be without Owner's written approval if alteration shall cost in excess of Three Thousand Dollars ($3,000.00).

1.21 The cost of any capital improvement required at the Project to bring the facilities within Oregon OSHA compliance at commencement of services will be paid by the Owner. Any changes in Oregon OSHA regulations requiring subsequent improvements to the facilities will be an out-of-scope event subject to compensation changes. Contractor is responsible for providing and maintaining personal protective equipment and associated materials and supplies.

1.22 Maintain all manufacturer warranties on new equipment purchased by the City for the Project and assist the Owner in enforcing existing equipment warranties and guarantees as such relate to the Facilities.

1.23 Perform process control observations and analyses to optimize efficient operations of the Facilities. Inform the City whenever process control trending indicates a change in process performance outside of industry accepted statistical variation. Be a transparent partner and include the City in open discussions about process control methods and results to the satisfaction of the City.

1.24 Provide computerized maintenance, process control and laboratory management systems for the Project. City shall have access to data during normal business hours. The maintenance program will include a complete asset inventory and documentation of spare parts inventory. The systems shall be capable of providing historical data and trending.

1.25 Contractor shall prepare and submit all required reports to both regulatory agencies and to the City of Sweet Home. The City shall be copied on all regulatory correspondence. Reporting requirements include:

- Mandatory reporting to Client - Monthly report of activities and challenges.
- Monthly/yearly NPDES reporting
- Monthly/Yearly OHA Reports
- Monthly/Yearly itemized invoicing detail for repairs with all charges tracked to work orders.

1.26 Contractor shall be a transparent partner by keeping the City advised of any operational difficulties so that additional resources and knowledge can be combined to each an efficient solution.

1.27 Place, at each permanently staffed project facility, a copy of Contractor's Corporate Safety Program and provide all employees training specific to this Program, within forty-five (45) days from the effective date of this Agreement.

1.28 Contractor shall implement best practices while promoting innovation and continuous improvement. The following plans and topic areas shall be developed, maintained, and implemented as part of this agreement.

a) A Customer Service Plan shall be submitted upon execution of contract. The plan shall describe the Contractors procedures for responding to calls during normal business hours, after hours and holidays. Procedures for responding to odor complaints and documentation of issue response and resolution.

b) A Safety and Security Plan shall be submitted within 45 days of contract effective date. An outline of this plan shall be included with the Proposal. The plan shall include but is not limited to the following elements:

- Safety Facility Safety Inspections
- Health and Safety Training
- Exposure Control Plan
- Personal Protective Equipment requirements
- OSHA required programs
- Accident Investigation
- Safety Committee Training
- Confined Space Entry
- Facility Security procedures

c) A Facilities Emergency Response Plan shall be submitted within 60 days of contract effective date. The plan shall include identification of potential emergencies, response procedures, preparation for and prevention of emergencies, incident management and a notification contact list.

d) The Operations and Maintenance Plan shall be submitted within 90 days of contract effective date. An outline of this plan shall be submitted with the Proposal. The plan shall describe the Contractor's strategies and practices to manage the following:
    - NPDES permit & Drinking Water compliance and reporting
    - Sanitary Sewer Overflow (SSO) response
    - Communication protocols
    - Record keeping and documentation
    - Operations and Maintenance database/software
    - Unit process operation goals and monitoring practices
    - System criticality and work prioritization
    - Standard Operating Procedures (SOP)
    - Process control plan
    - Laboratory QA/QC Plan
    - Sampling and analysis plan
    - Manufacturers manuals
    - Preventive maintenance practices
    - Predictive maintenance practices
    - Corrective maintenance plan
    - Plan for management of biosolids
    - Troubleshooting and contingency plans
    - Planned maintenance programs and plans, tank and wet well cleaning, painting, etc.

e) A Staffing Plan shall for the Facilities shall be submitted within 30 days of contract effective date. The plan shall include the following elements:
    - Organizational chart
    - Job classifications and descriptions
    - Experience and competency requirements
    - Primary job responsibilities
    - Staff schedules and "on call" coverage
    - Personnel costs
    - Incentives and recognition
    - Recruitment plan

f) A Training Plan shall be submitted within 90 days of contract effective date. An outline of the plan shall be submitted with the Proposal. Topics shall include training specific to the Sweet Home Water/Wastewater system and include proficiency testing. Elements of the plan shall include the following:
    - Regulatory compliance
    - System operation and process control
    - Maintenance procedures
    - Equipment troubleshooting and repair

- Laboratory sampling and analysis
- Emergency response
- Microsoft Office software
- Administrative procedures
- Safety
- Operator certification

g) A Repair and Replacement Plan shall be submitted within 120 days of contract effective date. Elements of the plan shall include the following:
   - Computerized maintenance management
   - Condition monitoring and operational assessment
   - Levels of service
   - Repair and refurbishment
   - Capital replacement
   - Critical components and emergency spares
   - Asset Management

h) A Transition Plan will be developed by the Owner and Contractor within 30 days of contract effective date. An outline shall be submitted with the Proposal that includes:
   - Transition Team organization
   - Communication protocols
   - Functional transition start-up and contingency plans
   - Timelines and activities
   - Update Facility Plans
   - Staffing specifications and compensation package
   - Staff Recruitment
   - Operations, Maintenance and Management implementation
   - Administration and business processes
   - Maintenance management
   - Process control and laboratory
   - Performance monitoring
   - Health and Safety
   - Transfer material and support services contracts
   - Transfer emergency response responsibilities
   - Implement administrative, maintenance and operations software
   - Inventory transfer of materials, chemical, fuel inventory
   - Update Oregon DEQ contact and supervisory forms
   - Transfer NPDES permit responsibilities
   - Create first year operations and maintenance plan

i) A Performance Management Plan shall be maintained for the Facilities. The plan will describe the Contractor's strategies for addressing the following areas:
   - Alignment with City and department goals
   - Regulatory compliance
   - Wastewater system goals and objectives
   - Planning and scheduling
   - Monitoring and reporting

1.29 Additional services that are outside of this scope of work shall be documented and negotiated

between the Contractor and Owner prior to commencing work.

2 WASTEWATER TREATMENT PLANT

2.1 All equipment, grounds, and facilities now existing within the current property boundaries of or being used to operate Owner's Wastewater Treatment Plant(s) located at: 1357 Pleasant Valley Rd, Sweet Home, Oregon

2.2 Wastewater Treatment Plant Design Capacity is described as follows (from 1992 Record Drawings):

ADWF 1.38 mgd.
AWWF 2.68 mgd.
BOD, summer 1,900 lbs/day
BOD, winter 2,170 lbs/day

2.3 The current Wastewater Treatment Plant Loading is described as follows (from 2019 DMR Data):

ADWF 1.06 mgd
AWWF 2.68 mgd
BOD, summer 1846 lbs/day Average. 7879 lbs/day Max
BOD, winter 1330 lbs/day average, 2936 lbs/day Max

2.4 Within the design capacity and capability of the Wastewater Treatment Plant (Plant), manage, operate, and maintain the Plant so that effluent discharged from the Plant meets the requirements specified in NPDES permit No. 101657, unless one or more of the following occurs:

a. Plant influent does not contain adequate nutrients to support operation of the Plant's biological processes and/or contains biologically toxic substances that cannot be removed by the existing processes and facilities.
b. Dischargers into Owner's sewer system violate any or all regulations as stated in the applicable Sewer Ordinance.
c. The flow, influent biochemical demand and/or total suspended solids exceeds the Plant's design parameters.

2.5 Operate the facilities in a manner such that odor and noise are minimized within the design capacity capabilities of the facilities. The cost for the future odor control and odor scrubbing devices to the facility will be treated as a Capital Improvement. The cost for any other upgrades or modifications to the facility above its capacity and specifications will also be treated as a Capital Improvement.

2.6 Prepare and submit to the Owner for transmittal to appropriate agencies, all regulatory reports pertaining to routine operation and maintenance of the facilities specified herein. Contractor shall comply with all current local, State and Federal notice and reporting requirements, regarding violations, upsets, excursions, or emergencies related to the Wastewater Treatment facilities.

2.7 Coordinate third-party disposal of dewatered sludge for disposal at Landfill.

2.8 Contractor shall maintain and manage inventory of following chemicals to ensure adequate amounts on hand to meet all operational treatment requirements:

- Hypochlorite
- Sulfur Dioxide
- Polymer
- Caustic

2.9 Where land application is used as the method for disposal of biosolids, Contractor shall comply with the State and Federal 40 CFR 503 regulations applicable to such method. Specifically, Contractor shall assist Owner in securing all permits and land use agreements, and perform soils and biosolids testing, and report the volume and quantity of biosolids land applied. Contractor may use the existing Owner secured permits and land application sites.

2.10 Perform all laboratory testing and sampling currently required by the NPDES permit. Develop and maintain adequate process control and analysis to demonstrate Facility performance. Additional laboratory testing and sampling requested by the Owner will be provided on a fee per test basis to be determined at the time of the request.

2.11 Perform laboratory sampling and analysis as required by the NPDES permit, Schedule B. Contractor shall submit a laboratory sampling and analysis plan to the Owner for approval prior to the notice to proceed.

2.12 Operational constraints to be considered with the WasteWater treatment plant.

3 WATER TREATMENT PLANT

3.1 All equipment, grounds and facilities now existing within the current property boundaries of or being used to operate Owner's Water Treatment Plant located at: 1500 47th Avenue, Sweet Home, Oregon.

3.2 Raw Water Quality and Finished Water Requirements of the Water Treatment Plant. The facilities shall be operated and maintained in accordance with all applicable federal, state and local regulations pertaining to water treatment, contaminant monitoring, and reporting. All analytical methods used to demonstrate compliance shall be in accordance with methods approved by the Owner and State Agencies, as applicable. In the event that a parameter does not have a method approved by State Agencies, methods approved by EPA as of the date hereof, as contained in the Disinfectants and Disinfection Byproducts Rule (as promulgated in the Federal Register on December 16, 1998), shall be used.

3.3 System Demand. Contractor shall assume an average demand for water of 1.096 mgd and a peak daily demand of 2.304, at the commencement of this agreement. Contractor acknowledges that the Owner has the right to demand up to 2.304 mgd on any day and Contractor shall undertake, as and when needed, the necessary arrangements to assure that enough personnel are available to satisfy additional demand overtime. Any change of ten percent (10%) or more in the average demand for water as listed above, based on a twelve (12) month moving average, will constitute a change in scope, and an appropriate adjustment of fee shall be negotiated.

3.4 Contractor shall be responsible for meeting the water treatment performance standards

established above, but shall not be responsible for events outside the control of Contractor, which include but are not limited to:

- Toxic materials contained in the raw water supply
- Raw water supply is insufficient to meet demand
- The demand for water exceeds the design capacity of the facilities specified.
- Vandalism
- Unforeseen Circumstances, Acts of God or Force Majeure events

3.5 Within the design capacity and capability of the Water Treatment Plant (Plant), manage, operate, and maintain the Plant so that finished water discharged from the Project meets the requirements specified by the State of Oregon and U.S. EPA for Public Water Systems and National Primary Water Treatment Regulations as outlined in Appendix C. Contractor shall be responsible for meeting potable water quality limitations established therein unless the raw water supply contains Toxic Materials.

3.6 Provide for the disposal of sludges to existing permitted disposal sites. Owner and CONTRACTOR agree that Owner is the Generator of the residuals.

3.7 Perform all daily, weekly, monthly, quarterly and annual laboratory testing and sampling currently required by the State and Federal Safe Drinking Water Regulations for the Existing Water Facility. Owner is responsible for any re-sampling that may occur in the event of a positive bacteria count including but not limited to additional manpower associated with additional sampling. Owner is responsible for all costs associated with sampling required by the State and Federal Safe Drinking Water Regulations for the Water Facility including but not limited to additional manpower associated with that sampling.

3.8 Laboratory testing and sampling required by the State and Federal Drinking Water Regulation on an infrequent or irregular basis will be invoiced to the Owner as a pass- through.

3.9 Contractor will collect and analyze two weekend distribution samples for free chlorine residual in the distribution system as requested by the Department of Human Services, Drinking Water Division.

3.10 Cleaning of backwash ponds will be conducted by Contractor personnel using Owner-provided equipment to a designated location within 300 feet of backwash ponds. Owner shall be responsible for all materials and the site at which the material is stored.

3.11 Source water to facility is provided by an inlet structure located at Foster Dam. This structure includes an air compressor building located on Foster Dam Rd, which services this inlet. Contractor will maintain daily operation of this facility, perform manufacturer recommended equipment maintenance, and endure all costs associated.

3.12 Contractor shall maintain and manage inventory of following chemicals to ensure adequate amounts on hand to meet all operational treatment requirements:

- Hypochlorite
- Fluoride
- Aluminum Chlorohydrate
- Soda Ash
- Polymer Coagulant

Exhibit D

NPDES PERMIT AND
WASTEWATER TREATMENT CHARACTERISTICS

D.1 CONTRACTOR will operate so that effluent will meet the requirement of NPDES Permit No. 101657 (issued April 22, 2005), a full and complete copy of which is adopted by reference herein as of the date hereof. CONTRACTOR shall be responsible for meeting the effluent quality requirements of the Permit unless one or more of the following occurs: (1) the wastewater influent does not contain Adequate Nutrients to support operation of Project biological processes and/or contains Biologically Toxic Substances which cannot be removed by the existing process and facilities; (2) dischargers into OWNER's sewer system violate any or all regulations as stated in OWNER's Industrial Water and Sewer Ordinance(s) or as required by law; (3) the flow or influent BOD_5 and/or suspended solids exceeds the Project design parameters identified in Exhibit C Scope of Work Section 2.2 Wastewater Treatment Plant; (4) if the wastewater treatment facility and/or associated appurtenances is inoperable or can operate only at a reduced capacity on account of construction activities, fire, flood, adverse weather conditions, labor disputes or other causes beyond CONTRACTOR's control.

D.2 CONTRACTOR shall not be responsible for fines or legal action as a result of discharge violations within the period that influent exceeds design parameters, does not contain Adequate Nutrients, contains Biologically Toxic Substances or is inoperable, and the subsequent recovery period.

D.3 The Annual Fee for services under this Agreement is based upon the project influent characteristics as described in Exhibit C Section 2.3. Any change of 10 percent (10%) or more in any of these characteristics, based upon a twelve (12) month moving average, will constitute a Change in Scope (See Article 9).

NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM
WASTE DISCHARGE PERMIT

Department of Environmental Quality
Western Region – Salem Office
750 Front Street NE, Suite 120, Salem, OR 97301-1039
Telephone: (503) 378-8240

Issued pursuant to ORS 468B.050 and The Federal Clean Water Act

ISSUED TO:

City of Sweet Home
1140 Twelfth Avenue
Sweet Home, OR 97386

SOURCES COVERED BY THIS PERMIT:

Type of Waste	Outfall Number	Outfall Location
Treated Wastewater	001	R.M. 31.5
Emergency Overflow Pump Station Overflow	002	Ames Creek R.M. 0.1

FACILITY TYPE AND LOCATION:

Activated Sludge
Sweet Home STP
1357 Pleasant Valley Road
Sweet Home
Treatment System Class: Level III
Collection System Class: Level II (prior to compliance with Schedule C, Condition 6)
Collection System Class: Level III (after compliance with Schedule C, Condition 6)

RECEIVING STREAM INFORMATION:

Basin: Willamette
Sub-Basin: South Santiam
Receiving Stream: South Santiam
Hydro Code: 1230064446867 31.5 D
County: Linn

EPA REFERENCE NO: OR002034-6

Issued in response to Application No. 983953 received November 10, 2003. This permit is issued based on the land use findings in the permit record.

Mark E Hamlin
for Michael H. Kortenhof, Western Region Water Quality Manager

April 22, 2005
Date

PERMITTED ACTIVITIES

Until this permit expires or is modified or revoked, the permittee is authorized to construct, install, modify, or operate a wastewater collection, treatment, control and disposal system and discharge to public waters adequately treated wastewaters only from the authorized discharge point or points established in Schedule A and only in conformance with all the requirements, limitations, and conditions set forth in the attached schedules as follows:

Unless specifically authorized by this permit, by another NPDES or WPCF permit, or by Oregon Administrative Rule, any other direct or indirect discharge of wastewater is prohibited, including discharge to waters of the state or an underground injection control system.

SCHEDULE A

1. Waste Discharge Limitations not to be exceeded after permit issuance.

a. Treated Effluent Outfall 001

(1) May 1 - October 31:

Parameter	Average Effluent Concentrations Monthly	Weekly	Monthly* Average lb/day	Weekly* Average lb/day	Daily* Maximum lbs
$CBOD_5$ (See Note 1)	10 mg/L	15 mg/L	120	180	240
TSS	10 mg/L	15 mg/L	120	180	240

(2) November 1 - April 30:

Parameter	Average Effluent Concentrations Monthly	Weekly	Monthly* Average lb/day	Weekly* Average lb/day	Daily* Maximum lbs
$CBOD_5$ (See Note 1)	15 mg/L	23 mg/L	290	460	630
TSS	20 mg/L	30 mg/L	350	520	690

* Average dry weather design flow to the facility equals 1.38 MGD. Mass load limits have been individually assigned and are based upon prior permit.

(3) Other parameters (year-round except as noted) (see Note 2)

Parameter	Limitations
E. coli Bacteria	Shall not exceed 126 organisms per 100 mL monthly geometric mean. No single sample shall exceed 406 organisms per 100 mL. (See Note 3)
pH	Shall be within the range of 6.3 - 9.0
$CBOD_5$ and TSS Removal Efficiency (May through October)	Shall not be less than 85% monthly average for $CBOD_5$ and TSS.
$CBOD_5$ and TSS Removal Efficiency (November through April)	Shall not be less than 70% monthly average for $CBOD_5$ and TSS.
Total Residual Chlorine	Shall not exceed a monthly average concentration of 0.02 mg/L and a daily maximum concentration of 0.05 mg/L (see Note 4)
Ammonia-N (May through October)	Shall not exceed a monthly average concentration of 5.1 mg/L and a daily maximum concentration of 11 mg/L (see Note 5)

(4) Except as provided for in OAR 340-045-0080, no wastes shall be discharged and no activities shall be conducted which violate Water Quality Standards as adopted in OAR 340-041-0445 except in the following defined mixing zone:

The allowable mixing zone is that portion of the South Santiam River extending from a point ten (10) feet upstream of the outfall to a point one hundred (100) feet downstream from the outfall. The Zone of Immediate Dilution (ZID) shall be defined as that portion of the allowable mixing zone that is within ten (10) feet of the point of discharge.

b. Emergency Overflow Outfall 002

(1) No wastes shall be discharged from these outfalls, unless the cause of the discharge is due to storm events as allowed under OAR 340-041-0009 (6) or (7) as follows:

(2) Raw sewage discharges are prohibited to waters of the State from May 22 through October 31, except during a storm event greater than the one-in-ten-year, 24-hour duration storm. If an overflow occurs between May 22 and June 1, and if the permittee demonstrates to the Department's satisfaction that no increase in risk to beneficial uses occurred because of the overflow, no violation shall be triggered if the storm associated with the overflow was greater than the one-in-five-year, 24-hour duration storm.

c. No activities shall be conducted that could cause an adverse impact on existing or potential beneficial uses of groundwater. All wastewater and process related residuals shall be managed and disposed in a manner that will prevent a violation of the Groundwater Quality Protection Rules (OAR 340-040).

d. Septage shall not be accepted at this facility for treatment or processing without written approval from the Department.

NOTES:

1. The $CBOD_5$ concentration limits are considered equivalent to the minimum design criteria for BOD_5 specified in Oregon Administrative Rules (OAR) 340-041. These limits and $CBOD_5$ mass limits may be adjusted (up or down) by permit action if more accurate information regarding $CBOD_5/BOD_5$ becomes available.

2. No thermal load limits were proposed in this permit. This permit may be re-opened, and new temperature and/or thermal load limits assigned upon approval of a Total Maximum Daily Load for temperature for this sub-basin, or when more accurate effluent temperature data becomes available.

3. If a single sample exceeds 406 organisms per 100 mL, then five consecutive re-samples may be taken at four-hour intervals beginning within 28 hours after the original sample was taken. If the log mean of the five re-samples is less than or equal to 126 organisms per 100 mL, a violation shall not be triggered.

4. When the total residual chlorine limitation is lower than 0.10 mg/L, the Department will use 0.10 mg/L as the compliance evaluation level (i.e. daily maximum concentrations below 0.10 mg/L will be considered in compliance with the limitation).

5. The ammonia limits in Schedule A, Condition 1.a (3) shall become effective upon completion of the compliance schedule contained in Schedule C, Condition 5. The ammonia limits are based on the estimated dilution in the mixing zone and the 1986 EPA Gold Book Criteria. The limits are considered interim. The permittee may request that this permit be re-opened, and the limits modified or eliminated upon completion of the mixing zone dilution study required by Schedule C, Condition 4. In addition, the State of Oregon has adopted the EPA 1999 ammonia criteria. Upon approval of the new standard by the EPA, the following limits will automatically be applied to the discharge without a permit modification:

Parameter	Limitations
Ammonia-N	No limit

SCHEDULE B

1. **Minimum Monitoring and Reporting Requirements** (unless otherwise approved in writing by the Department).

The permittee shall monitor the parameters as specified below at the locations indicated. The laboratory used by the permittee to analyze samples shall have a quality assurance/quality control (QA/QC) program to verify the accuracy of sample analysis. If QA/QC requirements are not met for any analysis, the results shall be included in the report, but not used in calculations required by this permit. When possible, the permittee shall re-sample in a timely manner for parameters failing the QA/QC requirements, analyze the samples, and report the results.

a. Influent

The facility influent grab samples and measurements are taken at the headworks on the aeration basins. Composite samples are taken from the pump station wet well. The composite sampler is located in the control building.

Item or Parameter	Minimum Frequency	Type of Sample
$CBOD_5$	2/Week	Composite
TSS	2/Week	Composite
pH	3/Week	Grab

b. Treated Effluent Outfall 001

The facility effluent grab samples and measurements are taken after the final weir. Composite samples are taken just before the final weir. The composite sampler is located in the control building.

Item or Parameter	Minimum Frequency	Type of Sample
Total Flow (MGD)	Daily	Measurement
Flow Meter Calibration	Semi-Annual	Verification
$CBOD_5$	2/Week	Composite
Ammonia (NH3-N)	2/Week	Composite
TSS	2/Week	Composite
Hardness (mg/L $CaCO_3$)	See Notes 1 and 2	Grab
pH	3/Week	Grab
E. coli	2/Week	Grab (See Note 3)
Quantity Chlorine Used	Daily	Measurement
Chlorine Residual	Daily	Grab
Pounds Discharged ($CBOD_5$ and TSS)	2/Week	Calculation
Average Percent Removed ($CBOD_5$ and TSS)	Monthly	Calculation
Effluent Temperature, Daily Max	Daily	Continuous (see Note 4)
Toxics:		
Cadmium, copper, lead, mercury, silver and zinc (measured as total in mg/L) and cyanide	Semi-annually (See Note 1)	24-hour Composite (See Note 5)
Whole Effluent Toxicity	Annually (See Note 6)	Acute & chronic
Priority Pollutants	(See Note 2)	24-hour Composite

b. Treated Effluent Outfall 001 (Continued)

Item or Parameter	Minimum Frequency	Type of Sample
Nutrients (see Note 7):		
TKN, NO2+NO3-N, Total Phosphorus	1/Week (May-Oct)	24-hour Composite

c. Biosolids Management

Item or Parameter	Minimum Frequency	Type of Sample
Sludge analysis including: Total Solids (% dry wt.) Volatile solids (% dry wt.) Biosolids nitrogen for: NH_3-N; NO_3-N; & TKN (% dry wt.) Phosphorus (% dry wt.) Potassium (% dry wt.) pH (standard units) Sludge metals content for: As, Cd, Cu, Hg, Mo, Ni, Pb, Se & Zn, measured as total in mg/kg	Annually	Composite sample to be representative of the product to be land applied (See Note 8)
Record of locations where biosolids are applied on each DEQ approved site. (Site location maps to be maintained at treatment facility for review upon request by DEQ)	Each Occurrence	Date, volume & locations where sludges were applied recorded on site location map.
Quantity and type of alkaline product used to stabilize biosolids (when required to meet federal pathogen and vector attraction reduction requirements in 40 CFR 503.32(b)(3) and 40 CFR 503.33(b)(6))	Each occurrence	Measurement
Initial time when solids that received alkaline agent ascended to pH >= 12	Each batch	Date, time, and actual pH measurement (corrected to standard at 25°C)
2 hours after initial alkaline addition and sustained at pH >= 12	Each batch	Date, time, and actual pH measurement (corrected to standard at 25°C)
24 hours after initial alkaline addition and pH >= 11.5 was sustained	Each batch	Date, time, and actual pH measurement (corrected to standard at 25°C)

d. Emergency Overflow Outfall 002

Item or Parameter	Minimum Frequency	Type of Sample
Flow	Daily (during each occurrence)	Duration and volume

e. South Santiam River

Item or Parameter	Minimum Frequency	Type of Sample
Cadmium, copper, lead, mercury, silver and zinc (measured as total in mg/L) and cyanide	Semi-annually (See Note 9)	Grab
TSS	See Note 9	Grab
Hardness (mg/L $CaCO_3$)	See Note 9	Grab

2. Reporting Procedures

a. Monitoring results shall be reported on approved forms. The reporting period is the calendar month. Reports must be submitted to the appropriate Department office by the 15th day of the following month.

b. State monitoring reports shall identify the name, certificate classification and grade level of each principal operator designated by the permittee as responsible for supervising the wastewater collection and treatment systems during the reporting period. Monitoring reports shall also identify each system classification as found on page one of this permit.

c. Monitoring reports shall also include a record of the quantity and method of use of all sludge removed from the treatment facility and a record of all applicable equipment breakdowns and bypassing.

3. Report Submittals

a. For any year in which biosolids are land applied, a report shall be submitted to the Department by February 19 of the following year that describes solids handling activities for the previous year and includes, but is not limited to, the required information outlined in OAR 340-050-0035(6)(a)-(e).

NOTES:

1. During the first two years after permit issuance, special monitoring for cadmium, copper, lead, mercury, silver, zinc and cyanide shall be conducted on the effluent at the specified frequency. TSS and hardness shall be monitored simultaneously. The special monitoring for cadmium, copper, lead, silver and zinc shall be conducted using a "clean" sampling method, an "ultra-clean" sampling method, EPA method 1669 or any other test method approved by the Department. The special monitoring for mercury shall be conducted in accordance with EPA Method 1631. After the first two years, special monitoring of the effluent may be eliminated unless otherwise notified in writing by the Department. For all tests, the method detection limit shall be reported along with the sample result.

2. The permittee shall perform all testing required in Part D of EPA Form 2A. The testing includes all metals (total recoverable), cyanide, phenols, hardness and the 85 pollutants included under volatile organic, acid extractable and base-neutral compounds. Three scans are required during the 4 ½ years after permit issuance. Two of the three scans must be performed no fewer than 4 months and no more than 8 months apart. The effluent samples shall be 24-hour daily composites, except where sampling volatile compounds. In this case, six (6) discrete samples (not less than 40 mL) collected over the operating day are acceptable. The permittee shall take special precautions in compositing the individual grab samples for the volatile organics to insure sample integrity (i.e. no exposure to the outside air). Alternately, the discrete samples collected for volatiles may be analyzed separately and averaged.

3. *E. coli* monitoring must be conducted according to any of the following test procedures as specified in **Standard Methods for the Examination of Water and Wastewater, 19th Edition,** or according to any test procedure that has been authorized and approved in writing by the Director or an authorized representative:

Method	Reference	Page	Method Number
mTEC agar, MF	Standard Methods, 18th Edition	9-29	9213 D
NA-MUG, MF	Standard Methods, 19th Edition	9-63	9222 G
Chromogenic Substrate, MPN	Standard Methods, 19th Edition	9-65	9223 B
Colilert QT	Idexx Laboratories, Inc.		

4. When continuous monitors are used, indicate the time interval between temperature readings, and results are to be tabulated and submitted in an annual report. Continuous temperature monitors must be audited in June and December, following procedures described in DEQ Procedural Guidance for Water Temperature Monitoring. Continuous temperature monitors are to be checked visually monthly to insure that the devices are still in place and submerged.

5. For effluent cyanide samples, at least six (6) discrete grab samples shall be collected over the operating day. Each aliquot shall not be less than 100 mL and shall be collected and composited into a larger container, which has been preserved with sodium hydroxide for cyanide samples to insure sample integrity.

6. Beginning no later than calendar year 2005, the permittee shall conduct Whole Effluent Toxicity testing for a period of four (4) years in accordance with the frequency specified above. If the Whole Effluent Toxicity tests show that the effluent samples are not toxic at the dilutions determined to occur at the Zone of Immediate Dilution and the Mixing Zone, no further Whole Effluent Toxicity testing will be required during this permit cycle. Note that four Whole Effluent Toxicity test results will be required along with the next NPDES permit renewal application.

7. Starting in 2006, the permittee shall monitor nutrients at the specified frequency and season for two years. After two years, nutrient monitoring of the effluent may be eliminated unless otherwise notified in writing by the Department.

8. Composite samples from the Dewatered biosolids shall be taken from reference areas in the Dewatered biosolids pursuant to Test Methods for Evaluating Solid Waste, Volume 2; Field Manual, Physical/Chemical Methods, November 1986, Third Edition, Chapter 9.

   Inorganic pollutant monitoring must be conducted according to Test Methods for Evaluating Solid Waste, Physical/Chemical Methods, Second Edition (1982) with Updates I and II and third Edition (1986) with Revision I.

9. During the first year after permit issuance, the South Santiam River shall be monitored for cadmium, copper, lead, mercury, silver, zinc and cyanide shall be conducted on the effluent at the specified frequency. TSS and hardness shall be monitored simultaneously. The special monitoring for cadmium, copper, lead, silver and zinc shall be conducted using a "clean" sampling method, an "ultra-clean" sampling method, EPA method 1669 or any other test method approved by the Department. The special monitoring for mercury shall be conducted in accordance with EPA Method 1631. After the first year, South Santiam River monitoring may be eliminated. For all tests, the method detection limit shall be reported along with the sample result.

SCHEDULE C

Compliance Schedules and Conditions

1. Within 180 days of permit issuance, the permittee shall submit to the Department for review and approval an updated proposed program and time schedule for identifying and reducing inflow. Within 60 days of receiving written Department comments, the permittee shall submit a final approvable program and time schedule. The program shall consist of the following:

   a. Identification of all overflow points and determination that sewer system overflows are or are not occurring up to a 24-hour, 5-year storm event or equivalent;

   b. Monitoring of all pump station overflow points;

   c. A program for identifying and removing all inflow sources into the permittee's sewer system over which the permittee has legal control; and

   d. If the permittee does not have the necessary legal authority for all portions of the sewer system or treatment facility, a program and schedule for gaining legal authority to require inflow reduction and a program and schedule for removing inflow sources.

2. The permittee shall annually appropriate and expend a minimum of $50,000 exclusively for the purpose of identifying and reducing inflow and infiltration into the sewage collection system. Qualified expenditures shall not include routine maintenance, repairs, cleaning or unplugging activities. An annual report shall be submitted to the Department by March 1 each year which details the following items:

   a. A summary of sewer collection maintenance activities and associated expenditures that have been done in the previous year.

   b. An analysis of sewer system flow data that evaluates the effectiveness of the City's efforts to control and reduce inflow and infiltration.

   c. A summary and associated budget of maintenance activities scheduled for the upcoming year for identifying and reducing inflow and infiltration.

   d. Documentation as necessary to verify that at a minimum of $50,000 have been expended for the purpose of reducing inflow and infiltration into the sewage collection system.

3. Industrial Waste Survey Update/Pretreatment Program

   a. As soon as practicable, but by no later than six (6) months from permit issuance date, the permittee shall submit to the Department an update to the industrial waste survey. The update should be completed as described in 40 CFR 403.8(f)(2)(i-iii) and suitable to make a determination as to the need for development of a pretreatment program.

   b. Should the Department determine that a pretreatment program is required, the permit shall be reopened and modified in accordance with 40 CFR 403.8(e) to incorporate a compliance schedule to require development of a pretreatment program. The compliance schedule requiring program development shall be developed in accordance with the provisions of 40 CFR 403.12(k), and shall not exceed twelve (12) months.

4. By no later than December 31, 2005, the permittee must submit for Department approval a plan and schedule for conducting a mixing zone dilution study using a dye study or other Department approved method.. By no

later than one year after Department approval, the permittee must submit the results of the study to the Department. If the dilution achieved is significantly different than the computer model prediction, the permittee may request a permit modification to adjust the total residual chlorine limit and/or the ammonia limit, and/or other limits, as appropriate

5. By no later than June 30, 2007, the permittee shall submit an evaluation of whether or not the discharge has the potential to violate the ammonia limits. If the evaluation indicates the permittee has a reasonable potential to violate the ammonia limits, the permittee shall complete the following schedule:

   a. By no later than December 31, 2007, the permittee shall submit to the Department an evaluation of alternatives for corrective action that will result in compliance with the ammonia limits.

   b. By no later than December 31, 2008, the permittee shall submit to the Department for approval final engineering plans and specifications for the corrective actions necessary to comply with the ammonia limits.

   c. By no later than December 31, 2009, the permittee shall complete construction of all necessary improvements and comply with the ammonia limits.

6. By no later than December 31, 2006, the permittee shall provide one or more collection system operators who hold valid certification at Level III or above.

7. By no later than December 31, 2006, the permittee shall submit an evaluation of whether or not the biosolids processing can consistently comply with the vector attraction and pathogen reduction requirements in 40 CFR Part 503. If the biosolids processing cannot consistently comply, the submittal must include proposed plan and schedule for coming into compliance. Upon Department approval of the plan and schedule, the permittee shall implement the plan.

8. The permittee is expected to meet the compliance dates which have been established in this schedule. Either prior to or no later than 14 days following any lapsed compliance date, the permittee shall submit to the Department a notice of compliance or noncompliance with the established schedule. The Director may revise a schedule of compliance if he/she determines good and valid cause resulting from events over which the permittee has little or no control.

SCHEDULE D

Special Conditions

1. Unless otherwise approved in writing by the Department, all inflow sources are to be permanently disconnected from the sanitary sewer system.

2. All biosolids shall be managed in accordance with the current, DEQ approved biosolids management plan, and the site authorization letters issued by the DEQ. Any changes in solids management activities that significantly differ from operations specified under the approved plan require the prior written approval of the DEQ.

   All new biosolids application sites shall meet the site selection criteria set forth in OAR 340-050-0070 and must be located within Linn County. All currently approved sites are located in Linn County. No new public notice is required for the continued use of these currently approved sites. Property owners adjacent to any newly approved application sites shall be notified, in writing or by any method approved by DEQ, of the proposed activity prior to the start of application. For proposed new application sites that are deemed by the DEQ to be sensitive with respect to residential housing, runoff potential or threat to groundwater, an opportunity for public comment shall be provided in accordance with OAR 340-050-0030.

3. This permit may be modified to incorporate any applicable standard for biosolids use or disposal promulgated under section 405(d) of the Clean Water Act, if the standard for biosolids use or disposal is more stringent than any requirements for biosolids use or disposal in the permit, or controls a pollutant or practice not limited in this permit.

4. **Whole Effluent Toxicity Testing**

   a. The permittee shall conduct Whole Effluent Toxicity (WET) tests as specified in Schedule B of this permit.

   b. WET tests may be dual end-point tests, only for the fish tests, in which both acute and chronic end-points can be determined from the results of a single chronic test (the acute end-point shall be based upon a 48-hour time period). Chronic tests shall be run using the following dilution series: 12.5%, 25%, 50%, 75%, and 100%

   c. Acute Toxicity Testing - Organisms and Protocols

      (1) The permittee shall conduct 48-hour static renewal tests with the *Ceriodaphnia dubia* (water flea) and the *Pimephales promelas* (fathead minnow).

      (2) The presence of acute toxicity will be determined as specified in **Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms**, Fourth Edition, EPA/600/4-90/027F, August 1993.

      (3) An acute WET test shall be considered to show toxicity if there is a statistically significant difference in survival between the control and 100 percent effluent, unless the permit specifically provides for a Zone of Immediate Dilution (ZID) for toxicity. If the permit specifies such a ZID, acute toxicity shall be indicated when a statistically significant difference in survival occurs at dilutions greater than that which is found to occur at the edge of the ZID.

d. Chronic Toxicity Testing - Organisms and Protocols

(1) The permittee shall conduct tests with: *Ceriodaphnia dubia* (water flea) for reproduction and survival test endpoint, *Pimephales promelas* (fathead minnow) for growth and survival test endpoint, and *Raphidocelis subcapitata* (green alga formerly known as *Selanastrum capricornutum*) for growth test endpoint.

(2) The presence of chronic toxicity shall be estimated as specified in **Short-Term Methods for Estimating the Chronic Toxicity of Effluents and Receiving Waters to Freshwater Organisms**, Third Edition, EPA/600/4-91/002, July 1994.

(3) A chronic WET test shall be considered to show toxicity if a statistically significant difference in survival, growth, or reproduction occurs at dilutions greater than that which is known to occur at the edge of the mixing zone. If there is no dilution data for the edge of the mixing zone, any chronic WET test that shows a statistically significant effect in 100 percent effluent as compared to the control shall be considered to show toxicity.

e. Quality Assurance

(1) Quality assurance criteria, statistical analyses and data reporting for the WET tests shall be in accordance with the EPA documents stated in this condition and the Department's **Whole Effluent Toxicity Testing Guidance Document**, January 1993.

f. Evaluation of Causes and Exceedances

(1) If toxicity is shown, as defined in sections c.(3) or d.(3) of this permit condition, another toxicity test using the same species and Department approved methodology shall be conducted within two weeks, unless otherwise approved by the Department. If the second test also indicates toxicity, the permittee shall follow the procedure described in section f.(2) of this permit condition.

(2) If two consecutive WET test results indicate acute and/or chronic toxicity, as defined in sections c.(3) or d.(3) of this permit condition, the permittee shall evaluate the source of the toxicity and submit a plan and time schedule for demonstrating compliance with water quality standards. Upon approval by the Department, the permittee shall implement the plan until compliance has been achieved. Evaluations shall be completed and plans submitted to the Department within 6 months unless otherwise approved in writing by the Department.

g. Reporting

(1) Along with the test results, the permittee shall include: 1. the dates of sample collection and initiation of each toxicity test; 2. the type of production; and 3. the flow rate at the time of sample collection. Effluent at the time of sampling for WET testing should include samples of required parameters stated under Schedule B, condition 1. of this permit.

(2) The permittee shall make available to the Department, on request, the written standard operating procedures they, or the laboratory performing the WET tests, are using for all toxicity tests required by the Department.

h. Reopener

(1) If WET testing indicates acute and/or chronic toxicity, the Department may reopen and modify this permit to include new limitations and/or conditions as determined by the

Department to be appropriate, and in accordance with procedures outlined in Oregon Administrative Rules, Chapter 340, Division 45.

5. The permittee shall comply with Oregon Administrative Rules (OAR), Chapter 340, Division 49, "Regulations Pertaining To Certification of Wastewater System Operator Personnel" and accordingly:

   a. The permittee shall have its wastewater system supervised by one or more operators who are certified in a classification and grade level (equal to or greater) that corresponds with the classification (collection and/or treatment) of the system to be supervised as specified on page one of this permit.

Note: A "supervisor" is defined as the person exercising authority for establishing and executing the specific practice and procedures of operating the system in accordance with the policies of the permittee and requirements of the waste discharge permit. "Supervise" means responsible for the technical operation of a system, which may affect its performance or the quality of the effluent produced. Supervisors are not required to be on-site at all times.

   b. The permittee's wastewater system may not be without supervision (as required by Special Condition 5.a. above) for more than thirty (30) days. During this period, and at any time that the supervisor is not available to respond on-site (i.e. vacation, sick leave or off-call), the permittee must make available another person who is certified at no less than one grade lower then the system classification.

   c. If the wastewater system has more than one daily shift, the permittee shall have the shift supervisor, if any, certified at no less than one grade lower than the system classification.

   d. The permittee is responsible for ensuring the wastewater system has a properly certified supervisor available at all times to respond on-site at the request of the permittee and to any other operator.

   e. The permittee shall notify the Department of Environmental Quality in writing within thirty (30) days of replacement or redesignation of certified operators responsible for supervising wastewater system operation. The notice shall be filed with the Water Quality Division, Operator Certification Program, 811 SW 6th Ave, Portland, OR 97204. This requirement is in addition to the reporting requirements contained under Schedule B of this permit.

   f. Upon written request, the Department may grant the permittee reasonable time, not to exceed 120 days, to obtain the services of a qualified person to supervise the wastewater system. The written request must include justification for the time needed, a schedule for recruiting and hiring, the date the system supervisor availability ceased and the name of the alternate system supervisor(s) as required by 5.b. above.

6. The permittee shall notify the DEQ Western Region - Salem Office (phone: (503) 378-8240) in accordance with the response times noted in the General Conditions of this permit, of any malfunction so that corrective action can be coordinated between the permittee and the Department.

7. The permittee shall not be required to perform a hydrogeologic characterization or groundwater monitoring during the term of this permit provided:

   a. The facilities are operated in accordance with the permit conditions, and;

   b. There are no adverse groundwater quality impacts (complaints or other indirect evidence) resulting from the facility's operation.

If warranted, at permit renewal the Department may evaluate the need for a full assessment of the facilities impact on groundwater quality.

SCHEDULE F
NPDES GENERAL CONDITIONS – DOMESTIC FACILITIES

SECTION A. STANDARD CONDITIONS

1. Duty to Comply with Permit

The permittee must comply with all conditions of this permit. Failure to comply with any permit condition is a violation of Oregon Revised Statutes (ORS) 468B.025, and 40 Code of Federal Regulations (CFR) Section 122.41(a), and grounds for an enforcement action. Failure to comply is also grounds for the Department to modify, revoke, or deny renewal of a permit.

2. Penalties for Water Pollution and Permit Condition Violations

ORS 468.140 allows the Department to impose civil penalties up to $10,000 per day for violation of a term, condition, or requirement of a permit. Additionally 40 CFR 122.41 (A) provides that any person who violates any permit condition, term, or requirement may be subject to a federal civil penalty not to exceed $25,000 per day for each violation.

Under ORS 468.943 and 40 CFR 122.41(a), unlawful water pollution, if committed by a person with criminal negligence, is punishable by a fine of up to $25,000 imprisonment for not more than one year, or both. Each day on which a violation occurs or continues is a separately punishable offense.

Under ORS 468.946, a person who knowingly discharges, places, or causes to be placed any waste into the waters of the state or in a location where the waste is likely to escape into the waters of the state is subject to a Class B felony punishable by a fine not to exceed $200,000 and up to 10 years in prison. Additionally, under 40 CFR 122.41(a) any person who knowingly discharges, places, or causes to be placed any waste into the waters of the state or in a location where the waste is likely to escape into the waters of the state is subject to a federal civil penalty not to exceed $100,000, and up to 6 years in prison.

3. Duty to Mitigate

The permittee must take all reasonable steps to minimize or prevent any discharge or sludge use or disposal in violation of this permit that has a reasonable likelihood of adversely affecting human health or the environment. In addition, upon request of the Department, the permittee must correct any adverse impact on the environment or human health resulting from noncompliance with this permit, including such accelerated or additional monitoring as necessary to determine the nature and impact of the noncomplying discharge.

4. Duty to Reapply

If the permittee wishes to continue an activity regulated by this permit after the expiration date of this permit, the permittee must apply for and have the permit renewed. The application must be submitted at least 180 days before the expiration date of this permit.

The Department may grant permission to submit an application less than 180 days in advance but no later than the permit expiration date.

5. Permit Actions

This permit may be modified, revoked and reissued, or terminated for cause including, but not limited to, the following:

a. Violation of any term, condition, or requirement of this permit, a rule, or a statute
b. Obtaining this permit by misrepresentation or failure to disclose fully all material facts
c. A change in any condition that requires either a temporary or permanent reduction or elimination of the authorized discharge
d. The permittee is identified as a Designated Management Agency or allocated a wasteload under a Total Maximum Daily Load (TMDL)
e. New information or regulations
f. Modification of compliance schedules
g. Requirements of permit reopener conditions
h. Correction of technical mistakes made in determining permit conditions
i. Determination that the permitted activity endangers human health or the environment

j. Other causes as specified in 40 CFR 122.62, 122.64, and 124.5

The filing of a request by the permittee for a permit modification, revocation or reissuance, termination, or a notification of planned changes or anticipated noncompliance, does not stay any permit condition.

6. Toxic Pollutants
The permittee must comply with any applicable effluent standards or prohibitions established under Oregon Administrative Rules (OAR) 340-041-0033 for toxic pollutants within the time provided in the regulations that establish those standards or prohibitions, even if the permit has not yet been modified to incorporate the requirement.

7. Property Rights and Other Legal Requirements
The issuance of this permit does not convey any property rights of any sort, or any exclusive privilege, or authorize any injury to persons or property or invasion of any other private rights, or any infringement of federal, tribal, state, or local laws or regulations.

8. Permit References
Except for effluent standards or prohibitions established under OAR 340-041-0033 for toxic pollutants and standards for sewage sludge use or disposal established under Section 405(d) of the Clean Water Act, all rules and statutes referred to in this permit are those in effect on the date this permit is issued.

9. Permit Fees
The permittee must pay the fees required by Oregon Administrative Rules.

SECTION B. OPERATION AND MAINTENANCE OF POLLUTION CONTROLS

1. Proper Operation and Maintenance
The permittee must at all times properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) that are installed or used by the permittee to achieve compliance with the conditions of this permit. Proper operation and maintenance also includes adequate laboratory controls and appropriate quality assurance procedures. This provision requires the operation of back-up or auxiliary facilities or similar systems that are installed by a permittee only when the operation is necessary to achieve compliance with the conditions of the permit.

2. Duty to Halt or Reduce Activity
For industrial or commercial facilities, upon reduction, loss, or failure of the treatment facility, the permittee must, to the extent necessary to maintain compliance with its permit, control production or all discharges or both until the facility is restored or an alternative method of treatment is provided. This requirement applies, for example, when the primary source of power of the treatment facility fails or is reduced or lost. It is not a defense for a permittee in an enforcement action that it would have been necessary to halt or reduce the permitted activity in order to maintain compliance with the conditions of this permit.

3. Bypass of Treatment Facilities

a. Definitions
(1) "Bypass" means intentional diversion of waste streams from any portion of the treatment facility. The term "bypass" does not apply if the diversion does not cause effluent limitations to be exceeded, provided the diversion is to allow essential maintenance to assure efficient operation or the diversion is due to nonuse of nonessential treatment units or processes at the treatment facility.
(2) "Severe property damage" means substantial physical damage to property, damage to the treatment facilities or treatment processes that causes them to become inoperable, or substantial and permanent loss of natural resources that can reasonably be expected to occur in the absence of a bypass. Severe property damage does not mean economic loss caused by delays in production.

b. Prohibition of bypass.
(1) Bypass is prohibited unless:
(a) Bypass was necessary to prevent loss of life, personal injury, or severe property damage;
(b) There were no feasible alternatives to the bypass, such as the use of auxiliary treatment facilities, retention of untreated wastes, or maintenance during normal periods of

equipment downtime. This condition is not satisfied if adequate backup equipment should have been installed in the exercise of reasonable engineering judgment to prevent a bypass that occurred during normal periods of equipment downtime or preventative maintenance; and

(c) The permittee submitted notices and requests as required under General Condition B.3.c.

(2) The Department may approve an anticipated bypass, after considering its adverse effects and any alternatives to bypassing, when the Department determines that it will meet the three conditions listed above in General Condition B.3.b.(1).

c. Notice and request for bypass.

(1) Anticipated bypass. If the permittee knows in advance of the need for a bypass, a written notice must be submitted to the Department at least ten days before the date of the bypass.

(2) Unanticipated bypass. The permittee must submit notice of an unanticipated bypass as required in General Condition D.5.

4. Upset

a. Definition. "Upset" means an exceptional incident in which there is unintentional and temporary noncompliance with technology based permit effluent limitations because of factors beyond the reasonable control of the permittee. An upset does not include noncompliance to the extent caused by operation error, improperly designed treatment facilities, inadequate treatment facilities, lack of preventative maintenance, or careless or improper operation.

b. Effect of an upset. An upset constitutes an affirmative defense to an action brought for noncompliance with such technology-based permit effluent limitations if the requirements of General Condition B.4.c are met. A determination made during administrative review of claims that noncompliance was caused by upset, and before an action for noncompliance is not final administrative action subject to judicial review.

c. Conditions necessary for a demonstration of upset. A permittee who wishes to establish the affirmative defense of upset must demonstrate, through properly signed, contemporaneous operating logs, or other relevant evidence that:

(1) An upset occurred and that the permittee can identify the causes(s) of the upset;

(2) The permitted facility was at the time being properly operated;

(3) The permittee submitted notice of the upset as required in General Condition D.5, hereof (24-hour notice); and

(4) The permittee complied with any remedial measures required under General Condition A.3 hereof.

d. Burden of proof. In any enforcement proceeding the permittee seeking to establish the occurrence of an upset has the burden of proof.

5. Treatment of Single Operational Upset

For purposes of this permit, A Single Operational Upset that leads to simultaneous violations of more than one pollutant parameter will be treated as a single violation. A single operational upset is an exceptional incident that causes simultaneous, unintentional, unknowing (not the result of a knowing act or omission), temporary noncompliance with more than one Clean Water Act effluent discharge pollutant parameter. A single operational upset does not include Clean Water Act violations involving discharge without a NPDES permit or noncompliance to the extent caused by improperly designed or inadequate treatment facilities. Each day of a single operational upset is a violation.

6. Overflows from Wastewater Conveyance Systems and Associated Pump Stations

a. Definitions

(1) "Overflow" means the diversion and discharge of waste streams from any portion of the wastewater conveyance system including pump stations, through a designed overflow device or structure, other than discharges to the wastewater treatment facility.

(2) "Severe property damage" means substantial physical damage to property, damage to the conveyance system or pump station which causes them to become inoperable, or substantial and permanent loss of natural resources which can reasonably be expected to occur in the absence of an overflow.

(3) "Uncontrolled overflow" means the diversion of waste streams other than through a designed overflow device or structure, for example to overflowing manholes or overflowing into residences, commercial establishments, or industries that may be connected to a conveyance system.

b. Prohibition of storm related overflows. Storm related overflows of raw sewage are prohibited to waters of the State. However, the Environmental Quality Commission (EQC) recognizes that it is impossible to design and construct a conveyance system that will prevent overflows under all storm conditions. The State of Oregon has determined that all wastewater conveyance systems should be designed to transport storm events up to a specific size to the treatment facility. Therefore, such storm related overflows will not be considered a violation of this permit if:

(1) The permittee has conveyance and treatment facilities adequate to prevent overflows except during a storm event greater than the one-in-five-year, 24-hour duration storm from November 1 through May 21 and except during a storm event greater than the one-in-ten-year, 24-hour duration storm from May 22 through October 31;

(2) The permittee has provided the highest and best practicable treatment and/or control of wastes, activities, and flows and has properly operated the conveyance and treatment facilities in compliance with General Condition B.1.;

(3) The permittee has properly implemented a Department approved Overflow Response Plan; and

(4) The permittee has implemented a program to evaluate and maintain the capacity of the conveyance system

c. Prohibition of other overflows. All overflows other than stormwater-related overflows (discussed in Schedule F, Section B, Condition 6.b.) are prohibited unless:

(1) Overflows were unavoidable to prevent an uncontrolled overflow, loss of life, personal injury, or severe property damage;

(2) There were no feasible alternatives to the overflows, such as the use of auxiliary pumping or conveyance systems, or maximization of conveyance system storage; and

(3) The overflows are the result of an upset as defined in General Condition B.4. and meeting all requirements of this condition.

d. Uncontrolled overflows are prohibited where wastewater is likely to escape or be carried into the waters of the State by any means.

e. Reporting required. Unless otherwise specified in writing by the Department, all overflows and uncontrolled overflows must be reported orally to the Department within 24 hours from the time the permittee becomes aware of the overflow. Reporting procedures are described in more detail in General Condition D.5. Reports concerning storm related overflows must include information about the amount and intensity of the rainfall event causing the overflow.

7. Public Notification of Effluent Violation or Overflow

If effluent limitations specified in this permit are exceeded or an overflow occurs, upon request by the Department, the permittee must take such steps as are necessary to alert the public about the extent and nature of the discharge. Such steps may include, but are not limited to, posting of the river at access points and other places, news releases, and paid announcements on radio and television.

8. Removed Substances

Solids, sludges, filter backwash, or other pollutants removed in the course of treatment or control of wastewaters must be disposed of in such a manner as to prevent any pollutant from such materials from entering waters of the state, causing nuisance conditions, or creating a public health hazard.

SECTION C. MONITORING AND RECORDS

1. Representative Sampling

Sampling and measurements taken as required herein must be representative of the volume and nature of the monitored discharge. All samples must be taken at the monitoring points specified in this permit, and shall be taken, unless otherwise specified, before the effluent joins or is diluted by any other waste stream, body of water, or substance. Monitoring points may not be changed without notification to and the approval of the Department.

2. Flow Measurements

Appropriate flow measurement devices and methods consistent with accepted scientific practices must be selected and used to ensure the accuracy and reliability of measurements of the volume of monitored discharges.

The devices must be installed, calibrated and maintained to insure that the accuracy of the measurements is consistent with the accepted capability of that type of device. Devices selected must be capable of measuring flows with a maximum deviation of less than ± 10 percent from true discharge rates throughout the range of expected discharge volumes.

3. Monitoring Procedures
Monitoring must be conducted according to test procedures approved under 40 CFR part 136, unless other test procedures have been specified in this permit.

4. Penalties of Tampering
The Clean Water Act provides that any person who falsifies, tampers with, or knowingly renders inaccurate any monitoring device or method required to be maintained under this permit may, upon conviction, be punished by a fine of not more than $10,000 per violation, imprisonment for not more than two years, or both. If a conviction of a person is for a violation committed after a first conviction of such person, punishment is a fine not more than $20,000 per day of violation, or by imprisonment of not more than four years, or both.

5. Reporting of Monitoring Results
Monitoring results must be summarized each month on a Discharge Monitoring Report form approved by the Department. The reports must be submitted monthly and are to be mailed, delivered or otherwise transmitted by the 15th day of the following month unless specifically approved otherwise in Schedule B of this permit.

6. Additional Monitoring by the Permittee
If the permittee monitors any pollutant more frequently than required by this permit, using test procedures approved under 40 CFR part 136 or as specified in this permit, the results of this monitoring must be included in the calculation and reporting of the data submitted in the Discharge Monitoring Report. Such increased frequency must also be indicated. For a pollutant parameter that may be sampled more than once per day (e.g., Total Chlorine Residual), only the average daily value must be recorded unless otherwise specified in this permit.

7. Averaging of Measurements
Calculations for all limitations that require averaging of measurements must utilize an arithmetic mean, except for bacteria which shall be averaged as specified in this permit.

8. Retention of Records
Except for records of monitoring information required by this permit related to the permittee's sewage sludge use and disposal activities, which shall be retained for a period of at least five years (or longer as required by 40 CFR part 503). The permittee must retain records of all monitoring information, including: all calibration, maintenance records, all original strip chart recordings for continuous monitoring instrumentation, copies of all reports required by this permit, and records of all data used to complete the application for this permit for a period of at least 3 years from the date of the sample, measurement, report, or application. This period may be extended by request of the Department at any time.

9. Records Contents

Records of monitoring information must include:
a. The date, exact place, time, and methods of sampling or measurements;
b. The individual(s) who performed the sampling or measurements;
c. The date(s) analyses were performed;
d. The individual(s) who performed the analyses;
e. The analytical techniques or methods used; and
f. The results of such analyses.

10. Inspection and Entry

The permittee must allow the Department representative upon the presentation of credentials to:
a. Enter upon the permittee's premises where a regulated facility or activity is located or conducted, or where records must be kept under the conditions of this permit;
b. Have access to and copy, at reasonable times, any records that must be kept under the conditions of this permit;
c. Inspect at reasonable times any facilities, equipment (including monitoring and control equipment), practices, or operations regulated or required under this permit, and
d. Sample or monitor at reasonable times, for the purpose of assuring permit compliance or as otherwise authorized by state law, any substances or parameters at any location.

SECTION D. REPORTING REQUIREMENTS

1. Planned Changes
The permittee must comply with OAR chapter 340, division 52, "Review of Plans and Specifications" and 40 CFR Section 122.41(l) (1). Except where exempted under OAR chapter 340, division 52, no construction, installation, or modification involving disposal systems, treatment works, sewerage systems, or common sewers may be commenced until the plans and specifications are submitted to and approved by the Department. The permittee must give notice to the Department as soon as possible of any planned physical alternations or additions to the permitted facility.

2. Anticipated Noncompliance
The permittee must give advance notice to the Department of any planned changes in the permitted facility or activity that may result in noncompliance with permit requirements.

3. Transfers
This permit may be transferred to a new permittee provided the transferee acquires a property interest in the permitted activity and agrees in writing to fully comply with all the terms and conditions of the permit and the rules of the Commission. No permit may be transferred to a third party without prior written approval from the Department. The Department may require modification, revocation, and reissuance of the permit to change the name of the permittee and incorporate such other requirements as may be necessary. The permittee must notify the Department when a transfer of property interest takes place.

4. Compliance Schedule
Reports of compliance or noncompliance with, or any progress reports on interim and final requirements contained in any compliance schedule of this permit must be submitted no later than 14 days following each schedule date. Any reports of noncompliance must include the cause of noncompliance, any remedial actions taken, and the probability of meeting the next scheduled requirements.

5. Twenty-Four Hour Reporting
The permittee must report any noncompliance that may endanger health or the environment. Any information must be provided orally (by telephone) within 24 hours, unless otherwise specified in this permit, from the time the permittee becomes aware of the circumstances. During normal business hours, the Department's Regional office must be called. Outside of normal business hours, the Department must be contacted at 1-800-452-0311 (Oregon Emergency Response System).

A written submission must also be provided within 5 days of the time the permittee becomes aware of the circumstances. Pursuant to ORS 468.959 (3) (a), if the permittee is establishing an affirmative defense of upset or bypass to any offense under ORS 468.922 to 468.946, delivered written notice must be made to the Department or other agency with regulatory jurisdiction within 4 (four) calendar days of the time the permittee becomes aware of the circumstances. The written submission must contain:

a. A description of the noncompliance and its cause;
b. The period of noncompliance, including exact dates and times;
c. The estimated time noncompliance is expected to continue if it has not been corrected;
d. Steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance; and
e. Public notification steps taken, pursuant to General Condition B.7

The following must be included as information that must be reported within 24 hours under this paragraph:

f. Any unanticipated bypass that exceeds any effluent limitation in this permit;
g. Any upset that exceeds any effluent limitation in this permit;
h. Violation of maximum daily discharge limitation for any of the pollutants listed by the Department in this permit; and
i. Any noncompliance that may endanger human health or the environment.

The Department may waive the written report on a case-by-case basis if the oral report has been received within 24 hours.

6. Other Noncompliance
The permittee must report all instances of noncompliance not reported under General Condition D.4 or D.5, at the time monitoring reports are submitted. The reports must contain:

a. A description of the noncompliance and its cause;
b. The period of noncompliance, including exact dates and times;

c. The estimated time noncompliance is expected to continue if it has not been corrected; and
d. Steps taken or planned to reduce, eliminate, and prevent reoccurrence of the noncompliance.

7. Duty to Provide Information
The permittee must furnish to the Department within a reasonable time any information that the Department may request to determine compliance with this permit. The permittee must also furnish to the Department, upon request, copies of records required to be kept by this permit.

Other Information: When the permittee becomes aware that it has failed to submit any relevant facts or has submitted incorrect information in a permit application or any report to the Department, it must promptly submit such facts or information.

8. Signatory Requirements
All applications, reports or information submitted to the Department must be signed and certified in accordance with 40 CFR Section 122.22.

9. Falsification of Information
Under ORS 468.953, any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit, including monitoring reports or reports of compliance or noncompliance, is subject to a Class C felony punishable by a fine not to exceed $100,000 per violation and up to 5 years in prison. Additionally, according to 40 CFR 122.41(k)(2), any person who knowingly makes any false statement, representation, or certification in any record or other document submitted or required to be maintained under this permit including monitoring reports or reports of compliance or non-compliance shall, upon conviction, be punished by a federal civil penalty not to exceed $10,000 per violation, or by imprisonment for not more than 6 months per violation, or by both.

10. Changes to Indirect Dischargers
The permittee must provide adequate notice to the Department of the following:
a. Any new introduction of pollutants into the POTW from an indirect discharger which would be subject to section 301 or 306 of the Clean Water Act if it were directly discharging those pollutants and;
b. Any substantial change in the volume or character of pollutants being introduced into the POTW by a source introducing pollutants into the POTW at the time of issuance of the permit.
c. For the purposes of this paragraph, adequate notice shall include information on (i) the quality and quantity of effluent introduced into the POTW, and (ii) any anticipated impact of the change on the quantity or quality of effluent to be discharged from the POTW.

SECTION E. DEFINITIONS

1. BOD means five-day biochemical oxygen demand.
2. CBOD means five day carbonaceous biochemical oxygen demand
3. TSS means total suspended solids.
4. "Bacteria" includes but is not limited to fecal coliform bacteria, total coliform bacteria, and E. coli bacteria.
5. FC means fecal coliform bacteria.
6. Total residual chlorine means combined chlorine forms plus free residual chlorine
7. Technology based permit effluent limitations means technology-based treatment requirements as defined in 40 CFR Section 125.3, and concentration and mass load effluent limitations that are based on minimum design criteria specified in OAR Chapter 340, Division 41.
8. mg/l means milligrams per liter.
9. kg means kilograms.
10. m^3/d means cubic meters per day.
11. MGD means million gallons per day.

12. 24-hour Composite sample means a sample formed by collecting and mixing discrete samples taken periodically and based on time or flow. The sample must be collected and stored in accordance with 40 CFR part 136.
13. Grab sample means an individual discrete sample collected over a period of time not to exceed 15 minutes.
14. Quarter means January through March, April through June, July through September, or October through December.
15. Month means calendar month.
16. Week means a calendar week of Sunday through Saturday.
17. POTW means a publicly owned treatment works

Update 2-28-05 AR der
Update 3-16-05 PN 199693 der

Oregon
John A. Kitzhaber, M.D., Governor

Department of Environmental Quality
Western Region
Salem Office
750 Front St. NE
Suite 120
Salem, OR 97310
(503) 378-8240
(503) 378-3684 TTY

COPY TO MIKE @ P.W.

January 19, 1999

Mr. Timothy R. McQuery
Mayor
City of Sweet Home
1140 12th Avenue
Sweet Home, OR 97386

Re: WQ - Sweet Home STP
File No. 86840
Linn County
Mutual Agreement and Order No. WQ/M-WR-98-221

Dear Mr. McQueary:

The final Mutual Agreement and Order (MAO) negotiated between the Department of Environmental Quality (Department) and the City of Sweet Home is enclosed.

Please read the conditions and compliance dates carefully. If you should have any questions please contact Mark Hamlin at (503) 378-8240, extension 239.

Sincerely,

Steve Greenwood

Steve Greenwood
Regional Administrator
Western Region

e:\winword\permits\MAOs\sweethome98\SweetHomeMAOsigReq

cc: Water Quality File - Salem
Enforcement Section, DEQ - NWR

BEFORE THE ENVIRONMENTAL QUALITY COMMISSION

OF THE STATE OF OREGON

IN THE MATTER OF: CITY OF SWEET HOME, Permittee,	)))))	MUTUAL AGREEMENT AND ORDER No. WQ/M-WR-98-221 LINN COUNTY

WHEREAS:

1. On January 31, 1992, the Department of Environmental Quality (Department or DEQ) issued National Pollutant Discharge Elimination System Permit Number 100856 (Permit) to the City of Sweet Home (Permittee). The Permit authorizes the Permittee to construct, install, modify or operate wastewater collection, treatment, control and disposal facilities in conformance with the requirements, limitations and conditions set forth in the Permit. The Permit expired on December 31, 1996. The Permit is in effect on this date as the Permittee has made a timely application for renewal of the Permit.

2. The Permittee submitted a flow study report to the Department dated February 18, 1997 that estimated the one-in-five-year, 24-hour storm. The wastewater flows associated with that storm are significantly greater than what the present wastewater facilities can transport and treat. Therefore, an expansion of the wastewater treatment works is likely necessary.

3. Condition 1 of Schedule A of the Permit specifies certain effluent discharge limits for the Permittee's wastewater treatment facilities. On occasion, the Permittee has not been able to comply with these limits.

4. General Condition B.6.b of the Permit prohibits overflows of raw sewage from the wastewater collection system. The Permittee has experienced several overflows each year from the wastewater collection system during heavy storm events.

5. During the time period the Permit has been in effect, Permittee has not met the above conditions in violation of Oregon Revised Statutes (ORS) 468B.025(2), Oregon Administrative Rules (OAR) 340-45-015(5)(b), and the Permit. Failure to comply with Permit

requirements caused the Department to issue Notices of Noncompliance (NON) to the Permittee on June 27, 1996 and March 23, 1998.

6. DEQ and the Permittee recognize that until Permittee completes the actions required by this Mutual Agreement and Order (MAO), Permittee will continue to violate the Permit and Oregon law.

7. The Permittee presently is capable of meeting the following interim effluent limitations, measured as specified in the Permit for wastewater flows up to seven (7) million gallons per day (MGD):

A. June 1 - September 30:

Permittee shall comply with summer time and year-round limits in Schedule A.

B. October 1 - May 31:

Permittee shall comply with winter time and year-round limits in Schedule A except as noted below:

Parameter	Average Effluent Concentrations Monthly	Weekly	Monthly Average lb/day	Weekly Average lb/day	Daily Maximum lbs
$CBOD_5$	15 mg/l	23 mg/l	630	1300	1800
TSS	20 mg/l	30 mg/l	840	1800	2300

On any day that the daily flow to the treatment facility exceeds 2.76 MGD (twice the average dry weather design flow of 1.38 MGD), the daily mass load limit shall not apply and pH shall be within the range 5.5 to 9.0. Wastewater flows in excess of seven (7) MGD may be overflowed to Ames Creek.

8. The Department and Permittee recognize that the Environmental Quality Commission has the power to impose a civil penalty and to issue an abatement order for violations of conditions of the Permit. Therefore, pursuant to ORS 183.415(5), the Department and Permittee wish to settle those past violations referred to in Paragraph 3, 4 and 5 and to limit and resolve the future violations referred to in Paragraph 6 in advance by this MAO.

9. This MAO is not intended to limit, in any way, the Department's right to proceed against Permittee in any forum for any past or future violations not expressly settled herein.

NOW THEREFORE, it is stipulated and agreed that:

10. The Environmental Quality Commission shall issue a final order:

A. Requiring Permittee to comply with the following schedule:

(1) By no later than thirty (30) days after this MAO is signed, the Permittee shall submit an updated Overflow Response Plan for notifying the public during periods of discharge of raw sewage to the Department for approval. The Plan shall include procedures to be followed by the Permittee during periods of discharge of untreated sewage that may include, but not be limited to, stream sampling, posting of warning signs and other public notification steps.

(2) By no later than sixty (60) days after this MAO is signed, the Permittee shall submit to the Department a draft Inflow Reduction Plan as described in OAR 340-41-120(9)(a)(G)(i-iv). Within sixty (60) days of receiving written Department comments, the Permittee shall submit a final approvable plan and shall initiate the approved Inflow Reduction Plan.

(3) By no later than January 15, 2000, the Permittee shall complete removal of all reasonably removable inflow sources into the Permittee's wastewater collection system over which the Permittee has legal control. For the purposes of this MAO, inflow shall be defined as water other than wastewater that enters a sewer system (including sewer service connections) from sources such as, but not limited to, roof drains, basement sump pumps, yard or area drains, drains from springs and swampy areas, manhole covers in sump conditions, cross connections between storm sewers and sanitary sewers, catch basins, cooling towers, surface runoff, or street wash waters. Inflow that is unreasonable to remove shall be determined by the Department on a case-by-case basis after consultation between the Permittee and the Department.

(4) By no later than October 31, 1999, the Permittee shall submit to the Department for approval a plan for performing flow monitoring within the wastewater collections system and evaluating the results.

(5) By no later than March 31, 2000, the Permittee shall submit to the Department a report detailing wastewater collections system flows as determined using the Department approved flow monitoring plan. If the report indicates that collections system flows continue to exceed the capacity of the wastewater collection and treatment faciltiies, the Permittee shall comply with the remainder of this schedule.

(6) By no later than September 30, 2000, the Permittee shall submit a draft facility plan that evaluates alternatives for reducing raw sewage overflows down to the one-in-five-year, 24-hour storm event and complying with all applicable water quality standards. Within ninety (90) days of receiving written Department comments, the Permittee shall submit a final approvable facilities plan and an application for a new or modified NPDES permit for the proposed facility.

(7) By no later than six (6) months after issuance of the new or modified NPDES permit, the Permittee shall submit draft plans and specifications for construction of improvements to the wastewater facilities as necessary to reduce raw sewage overflows down to the one-in-five-year, 24-hour storm event and comply with all requirements of the Permit. Within ninety (90) days of receiving written Department comments, the Permittee shall submit final approvable plans and specifications.

(8) By no later than six (6) months after Department approval of the plans and specifications, the Permittee shall award contracts for the construction of the wastewater improvements.

(9) By no later than two (2) years after award of construction contracts, the Permittee shall complete construction of the wastewater improvements.

(10) By no later than two (2) months after completion of construction, the Permittee shall attain operational level of the wastewater improvements, reduce raw sewage overflows down to the one-in-five-year, 24-hour storm event and comply with the Permit.

B. Requiring the Permittee to meet the interim effluent limitations set forth in Paragraph 7 above until completion of necessary corrective actions as required by the schedule in Paragraph 10.A. In addition, Permittee may discharge raw, untreated sewage that is in excess of an instantaneous flow of 7.0 MGD provided:

(1) The sewerage facilities shall be operated as effectively as practicable to minimize the discharges of untreated sewage;

(2) Incoming sewage that is not in excess of an instantaneous flow of 7.0 MGD shall be treated and meet the effluent limitations in Paragraph 7; and,

(3) The Permittee fully implements the approved plan required in Paragraph 10.A.(1).

C. Requiring Permittee, upon receipt of a written notice from the Department for any violations of this MAO, to pay the following civil penalties:

(1) $250 for each day of each violation of the schedule of compliance set forth in Paragraph 10.A.

(2) $500 for each violation of an interim monthly average waste discharge limitation set forth in Paragraph 10.B.

(3) $100 for each violation of an interim weekly average or daily maximum waste discharge limitation set forth in Paragraph 10.B., or for any other condition of this MAO.

11. Execution of the MAO between the Department and the Permittee shall satisfy the requirements for submission by the Permittee of a formal plan and time schedule for achieving permit compliance as described in the NPV #WQMW-WR-95-181.

12. If any event occurs that is beyond Permittee's reasonable control and that causes or may cause a delay or deviation in performance of the requirements of this MAO, Permittee shall immediately notify the Department verbally of the cause of delay or deviation and its anticipated duration, the measures that have been or will be taken to prevent or minimize the delay or deviation, and the timetable by which Permittee proposes to carry out such measures. Permittee shall confirm in writing this information within five (5) working days of the onset of the event. It is Permittee's responsibility in the written notification to demonstrate to the Department's satisfaction that the delay or deviation has been or will be caused by circumstances beyond the control and despite due diligence of Permittee. If Permittee so demonstrates, the Department shall extend times of performance of related activities under this MAO as appropriate. Circumstances or events beyond Permittee's control include, but are not limited to acts of nature, unforeseen strikes, work stoppages, fires, explosion, riot, sabotage, or war. Increased cost of performance or consultant's failure to provide timely reports may not be considered circumstances beyond Permittee's control.

13. Regarding the violations set forth in Paragraphs 3, 4 and 5 above, which are expressly settled herein without penalty, Permittee and the Department hereby waive any and all of their rights to any and all notices, hearing, judicial review, and to service of a copy of the final MAO herein. The Department reserves the right to enforce this MAO through appropriate administrative and judicial proceedings.

14. The terms of this MAO may be amended by the mutual agreement of the Department and Permittee.

15. The Department may amend the compliance schedule and conditions in this MAO upon finding that such modification is necessary because of changed circumstances or to protect public health and the environment. The Department shall provide Permittee a minimum of thirty (30) days written notice prior to issuing an Amended Order modifying any

compliance schedules or conditions. If Permittee contests the Amended Order, the applicable procedures for conduct of contested cases in such matters shall apply.

16. This MAO shall be binding on the parties and their respective successors, agents, and assigns. The undersigned representative of each party certifies that he or she is fully authorized to execute and bind such party to this MAO. No change in ownership or corporate or partnership status relating to the facility shall in any way alter Permittee's obligations under this MAO, unless otherwise approved in writing by DEQ.

17. Unless otherwise directed in writing by the Department, all reports, notices and other communications required under or relating to this MAO should be directed to Mark Hamlin, DEQ Salem Regional Office, 750 Front Street NE, Suite 120, Salem, Oregon 97310; phone number (503) 378-8240, extension 239. Unless otherwise directed in writing by the Permittee, the contact person for Permittee shall be Director of Public Works, City of Sweet Home, 1730 North Ninth Avenue, Sweet Home, Oregon 97386.

18. Permittee acknowledges that it has actual notice of the contents and requirements of the MAO and that failure to fulfill any of the requirements hereof would constitute a violation of this MAO and subject Permittee to payment of civil penalties pursuant to Paragraph 10C. above.

19. Any stipulated civil penalty imposed pursuant to Paragraph 10C. shall be due upon written demand. Stipulated civil penalties shall be paid by check or money order made payable to the "Oregon State Treasurer" and sent to: Business Office, Department of Environmental Quality, 811 S.W. Sixth Avenue, Portland, Oregon 97204. Within 21 days of receipt of a "Demand for Payment of Stipulated Civil Penalty" Notice from the Department, Permittee may request a hearing to contest the Demand Notice. At any such hearing, the issue shall be limited to Permittee's compliance or non-compliance with this MAO. The amount of each stipulated civil penalty for each violation and/or day of violation is established in advance by this MAO and shall not be a contestable issue.

20. Providing Permittee has paid in full all stipulated civil penalties pursuant to Paragraph 19 above, this MAO shall terminate 60 days after Permittee demonstrates full compliance with the requirements of the schedule set forth in Paragraph 10.A. above.

CITY OF SWEET HOME

1/19/99
Date

Timothy R. McQueary, Mayor

DEPARTMENT OF ENVIRONMENTAL QUALITY

1/19/99
Date

Steve Greenwood, Regional Administrator

FINAL ORDER

IT IS SO ORDERED:

ENVIRONMENTAL QUALITY COMMISSION

1/19/99
Date

Steve Greenwood, Regional Administrator

Department of Environmental Quality
Pursuant to OAR 340-11-136(1)

Exhibit E

Request for Proposals

CITY OF SWEET HOME, OREGON

REQUEST FOR PROPOSALS
for the
OPERATION, MAINTENANCE AND MANAGEMENT
of the
CITY'S WATER AND WASTEWATER TREATMENT FACILITIES

Closes 4:00 pm, July 15, 2020

Table of Contents

1 Introduction

The City of Sweet Home (City) is soliciting proposals for a Treatment Facilities Contract Operator (Contractor) to provide treatment operations full-service operations, maintenance and management of the City's water and wastewater treatment facilities (Facilities) described in Section 1.4 as an independent contractor to the City.

This RFP, issued in accordance with the provisions of the laws including statutes, ordinances, resolutions, and rules, of the State of Oregon and the City of Sweet Home, invites qualified firms (Proposers) to submit their Proposals to provide the services described. Subject to approval by the City, the contract term under consideration is for five years.

1.1 Background and Objectives

The City of Sweet Home is an Oregon municipal corporation with city limits covering approximately 6 square miles. The population of the City is approximately 9,225. The City is located in Linn County, 25 miles east of I-5, and is the third largest city in the county. The City Council consists of the Mayor and six council members elected from the city at large. The Council acts as the local contract review board for the City. The City operates under a City Manager form of government.

The City has an annual expenditure budget of over $14.3 million with revenue from a variety of sources. The funding is derived primarily from property tax support, fees, grants and contracts.

The City owns and operates a number of public facilities including the following:

- Water treatment plant (Trident HS package filter).
- Water storage reservoirs (5), booster pump stations (2), and distribution system (54 miles of pipe).
- Wastewater treatment plant (activated sludge).
- Wastewater collection system (49 miles of gravity pipe).
- Storm water conveyance system discharging to Ames Creek, Wiley Creek, and the South Santiam River (42 miles of pipe and ditches).

The City has contracted out operations of the Facilities since 2006. The contract values including pass-through costs for the past three years are summarized below. The estimated contract value without pass-through costs is approximately $750,000 annually. The existing contract included an annual repair budget of $30,000.

Fiscal Year	Annual Fee
2017	$1,030,359
2018	$1,061,270
2019	$1,093,108

The City is currently investigating various management options that include both contracted professional services and self-performance.

The objectives of potential continued outsourcing of operations include:

- Manage operations and maintenance of all Facilities as described in Section 1.4.
- Extend the useful life of the Facilities.
- Reduce total lifecycle costs of the Facilities.

- Minimize significant cost increase.
- Manage and maintain regulatory compliance.
- Provide technical assistance to address the City's existing assets, future capacity and regulatory issues.
- Provide operational coordination during construction of major facility upgrades as described in Section 1.4.1.

Full-service contract operations require the contractor to provide all staffing required to meet service deliverables. The contractor will be responsible for:

- All aspects of facility operation, maintenance and management. Costs including hiring, training and personnel administration.
- Furnishing and maintaining vehicles and light-duty vehicles to carry on daily operations.
- Maintaining all heavy-duty service trucks, land, buildings, improvements and permanent equipment. Equipment maintenance shall be performed by the contractor in accordance with the manufacturer's recommendations, and the contractor will be required to provide proof thereof to the satisfaction of the City.

Required capital expenditures will continue to be the responsibility of the City.

1.2 Purpose of Solicitation

In issuing this RFP, the City is seeking to ensure the overall efficiency and operation of the Facilities by contracting with a firm having the technical and financial resources to perform the required operation, maintenance and management services.

The City's ultimate objectives for operation of the Facilities is to select a Contractor who will provide a strong technical support team, operate in compliance with state and federal regulations, and improve maintenance and operational efficiencies. The City is seeking a contractor experienced in developing and implementing plans that reduce exposure to risks related to regulatory compliance and safety.

1.3 Scope of Work

Attachment A presents the Scope of Work and is intended to establish the level of service for the proposed contract. The selected Contractor shall be required to provide various services associated with all or a portion of the Facilities. This may include, but not be limited to:

- Labor and benefits.
- Process chemicals.
- Laboratory and analytical services.
- Biosolids disposal.
- Routine maintenance of facilities and associated equipment.
- Reporting to regulatory agencies.
- O&M management.
- Coordination with construction project personnel during significant wastewater treatment plant upgrades.

The Contractor will be responsible for satisfying the State of Oregon regulatory requirements and for operating, maintaining and managing the Facilities in compliance with all other applicable local, state and federal laws and regulations. Services for the O&M and management of the Facilities shall be provided in a safe, secure, effective and efficient manner and shall meet

the highest standards prevalent in the industry.

Certified staff overseeing daily operations of the Facilities and one maintenance technician shall be assigned full time to the Sweet Home project as described in Attachment A, Scope of Work. The City will entertain alternatives for the Contractor to provide Direct Responsible Charge (DRC) oversight (in which case the DRC must be staffed full time on site at the Sweet Home project), or for the City to provide in-house DRC oversight.

Any non-mechanical (i.e., operational) event of the Facilities that results in a regulatory enforcement action during the period of the contracted services will be grounds to terminate the contract for cause.

Wastewater facility improvements are currently in design. Construction is expected to begin in early 2021 with completion in mid-2023. The City expects the contractor to provide adequate resources to maintain facility operation during the construction and commissioning phases.

The City anticipates a change in the scope of work as a result of the improvement project. The City and Contractor will develop a revised scope of work at a mutually agreed upon time.

1.4 Description of the Facilities

1.4.1 Wastewater Treatment Plant

The wastewater treatment plant, located at 1357 Pleasant Valley Rd, has a peak design capacity of 7 MGD and currently treats an average daily flow of 1.6 MGD. The wastewater treatment plant is operated under NPDES Permit # 101657 and currently consists of:

- Influent pump station
- Manual bar screens
- Aeration basins (complete mix)
- Secondary clarification
- Tertiary filters (traveling bridge)
- Chlorine disinfection
- Sulfur dioxide dechlorination
- Year-round outfall to the South Santiam River
- Aerobic digester (offline)
- Lime stabilization (offline)
- Solids dewatering (belt press)

Major plant upgrades for peak design capacity of 12 MGD are currently in design with construction anticipated in 2021-2023. Upon completion of the upgrades the wastewater treatment plant will consist of:

- Influent pump station
- Headworks (multirake screens)
- Grit removal
- Primary clarification
- Aeration basins (fine bubble)
- Secondary clarification
- Tertiary filters (cloth media)
- UV disinfection
- Year-round outfall to the South Santiam River

- Solids thickening (rotary drum)
- Anaerobic digestion
- Solids dewatering (screw press)

The City anticipates a change in the scope of work as a result of the improvement project. The City and Contractor will develop a revised scope of work at a mutually agreed upon time.

1.4.2 Water Production

The water production facilities consist of:

- Raw water intake in Foster Dam
- Air wash line and compressor building

1.4.3 Water Treatment Plant

The water treatment plant, located at 1500 47th Ave, has a design capacity of 6 MGD and currently treats an average daily flow of 1.2 MGD. The water treatment plant is operated under OAR 333 Division 61 and consists of:

- Raw water pump building
- Trident HS package filter trains (2 MGD each)
- Fluoridation
- Sodium hypochlorite disinfection

1.4.4 Reservoirs (City-Maintained)

Maintenance of the reservoirs is not included in the scope of services, however successful operation of the water treatment plant requires operating these City-maintained facilities via SCADA. The City will perform cleaning, inspection, and repairs. The contractor will produce water based on reservoir levels to maintain minimum storage for fire protection and provide adequate turnover rates.

- 49th Avenue Reservoir, 2 MG
- 10th Avenue Reservoirs, 0.3 MG, 0.7 MG, and 1.5 MG
- Strawberry Reservoir, 0.11 MG

2 Description of Procurement Process

2.1 Designated Contact

The designated contact for all inquiries regarding this solicitation is:

Steven Haney
Utilities Manager
1400 24th Ave
Sweet Home, Oregon 97386
shaney@sweethomeor.gov

The City has made pertinent information available to assist Proposers with preparing a proposal and developing an understanding of the water and wastewater operations, maintenance and management. Reference information regarding the Facilities is available on the City website RFP page at https://www.sweethomeor.gov/rfps.

Requests for additional information shall be directed to the designated contact. If the City agrees to providing additional information, Proposers will be notified by addendum. Some information may not be available in an electronic format and Proposers will need to make arrangements to view the materials onsite.

2.2 Pre-Submission Facilities Tour

The City will conduct an optional tour of the Facilities on June 10, 2020. Due to Oregon's restrictions on gatherings during the COVID-19 pandemic, each proposer will be allowed no more than 2 visitors to the site at a time. Proposers are encouraged to teleconference with additional staff. All proposers interested in attending a Facilities tour must email the designated contact to sign up no later than 4:00 p.m. June 8, 2020.

2.3 Inquiries

Questions concerning this RFP should be submitted in writing to the designated contact no later than 4:00 p.m. July 8, 2020.

2.4 Procurement Process and Schedule

A summary procurement schedule of the major activities associated with this solicitation process is presented below.

Activity	Date
Issue RFP	May 27, 2020
Facilities Tour Signup Deadline	June 8, 2020
Optional Facilities Tour	June 10, 2020
Proposals Due	**July 15, 2020**
Interviews (if needed)	July 27-31, 2020
Begin negotiations with selected Proposer	August 4, 2020
Anticipated Contract Award	September 8, 2020
Anticipated Start Date	March 8, 2021

2.5 City Rights and Options

The City, at its sole discretion, reserves the following rights:

- To supplement, add to, delete from, and change this solicitation document.
- To determine which Proposer(s), if any, should be selected for interviews and/or negotiations.
- To reject any or all proposals, to delay or suspend the procurement, to re-advertise, or to cancel the procurement in accordance with ORS 279B.100, if that would be in the best

interest of the City or the public.

- To supplement, amend, substitute, or otherwise modify this RFP at any time.
- To request additional data or information after the submittal date, if such data or information is considered pertinent, in the City's sole view, to aid the review and selection process.
- To conduct investigations with respect to the qualifications and experience of each Proposer.
- To take any action affecting the RFP or the services or facilities subject to this RFP that would be in the best interests of the City.
- To require one or more Proposers to supplement, clarify or provide additional information in order for the City to evaluate the proposals received.
- To waive any informality, minor defect, or technicality in any proposal received.
- To negotiate a final contract that is in the best interest of the City and the public.

2.6 Expense of Submittal Preparation

The City accepts no liability for the costs and expenses incurred by the Proposers in responding to this RFP, preparing responses for clarification, attending interviews, participating in contract development sessions, or meeting and presentations required for the contract approval 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 they cannot make any claims whatsoever for reimbursement from the City for the costs and expenses associated with the procurement process.

2.7 Public Records

All proposals submitted are the property of the City of Sweet Home, thus subject to disclosure pursuant to Oregon Public Records law, as qualified by ORS 279B.060(6) for similar personal services contracts. Accordingly, proposals received and opened shall not be available for public inspection until after City's notice of intent to award this contract is issued. Thereafter, except for information marked "Proprietary", all documents received by City shall be available for public disclosure. The City will attempt to maintain the confidentiality of materials marked "Proprietary" to the extent permitted under the Oregon Public Records law. By responding to this RFP, Proposers waive any challenge to the City's decisions in this regard.

If any submittal contains proprietary information, the Proposer must clearly label the specific portions sought to be kept confidential and specify the exemption that the Proposer is relying upon. Marking all, or substantially all of a response as confidential may result in the response being considered non-responsive by the City.

Notwithstanding the foregoing, Proposers recognize and agree that the City 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.

2.8 Equal Opportunity Requirements

The selected Contractor, in the performance of all services, will not discriminate based on age, race, color, religion, sex, sexual orientation, gender identity, national origin, veteran status, or disability.

2.9 Protests

2.9.1 Protests of Solicitation

Proposers are directed to the protest procedures contained in ORS 279B.405 and OAR 137-047-0730. A prospective Proposer may file a protest of the solicitation if the prospective Proposer believes that the procurement process is contrary to law or that a solicitation document is unnecessarily restrictive, is legally flawed or improperly specifies a brand name. Protests shall be submitted to the City in writing no later than ten (10) days prior to the solicitation closing date.

2.9.2 Protests of Contract Award

Proposers are directed to the protest procedures contained in ORS 279B.410 and OAR 137-047-0740. A Proposer may protest the award of a public contract or a notice of intent to award a public contract, whichever occurs first, if:

(a) The bidder or proposer is adversely affected because the bidder or proposer would be eligible to be awarded the public contract in the event that the protest were successful; and

(b) The reason for the protest is that:

(A) All lower bids or higher ranked proposals are nonresponsive;

(B) The contracting agency has failed to conduct the evaluation of proposals in accordance with the criteria or processes described in the solicitation materials;

(C) The contracting agency has abused its discretion in rejecting the protestor's bid or proposal as nonresponsive; or

(D) The contracting agency's evaluation of bids or proposals or the contracting agency's subsequent determination of award is otherwise in violation of this chapter or ORS chapter 279A.

Protests shall be submitted to the City in writing no later than seven (7) days following the notice of intent to award.

3 Submittal of Proposals

3.1 General Instructions and Submittal Deadline

Proposers shall provide four (4) hard copies and one (1) digital copy in .PDF format of the proposal in a sealed envelope clearly marked: "Proposal for the Operation, Maintenance and Management of the City's Water and Wastewater Facilities." Proposals shall be submitted by **4:00 p.m. on July 15, 2020** to:

Greg Springman
Public Works Director
1400 24th Ave
Sweet Home, Oregon 97386

The City of Sweet Home assumes no responsibility for delayed or undelivered mail or express packages. Proposals which are not delivered by the above specified time and date will not be considered. Faxed or electronically transmitted proposals will be rejected as non-responsive.

3.2 Qualifications and Technical Proposal

The Qualifications and Technical Proposal document must provide the following information and shall be organized into the following sections:

- Cover Letter
- Executive Summary
- Qualifications
    - Corporate Profile & Legal Qualifications
    - Financial Qualifications
    - Technical Experience & Qualifications
- Key Personnel
- Project Staffing and Project Management Plan
- Project Approach and Technical Plans
    - Operational Approach
    - Maintenance Plan
    - Transition Plan
    - Operations During Construction Plan
- Price Proposal
    - Proposed Base Fee
    - Proposed Method of Future Price Adjustments
- Appendices (if applicable)

Narrative pages are to be 8½x11 inches and all materials shall be bound into one volume. A clear and concise presentation of information is encouraged.

Failure of the Proposer to organize the information required by this RFP as outlined may result in the City, at its sole discretion, disqualifying the Proposer from further consideration.

3.2.1 Cover Letter

The proposal must include a letter of transmittal attesting to its accuracy. The cover letter shall provide the name, address, telephone and email addresses of the Proposer. Limited to 2 pages.

3.2.2 Executive Summary

This section should provide a short overview of the proposal and value proposition to the City. Limited to 3 pages.

3.2.3 Qualifications

Minimum Qualifications: Proposers must meet the following minimum qualifications to be evaluated.

- 5 years experience
- Good legal standing
- Demonstrate the ability to furnish insurance coverage as specified in Section 8 of the attached contract form.

Desired Qualifications: Proposers shall demonstrate their ability to undertake the City's project by providing the technical qualifications of the Proposer, individual team members and principal subcontractors, if applicable. The City reserves the right to conduct an independent

investigation of the Proposer's technical qualifications by contacting project references, accessing public information, inspecting facilities or contacting independent parties. Additional information may be requested during the evaluations of technical qualifications. The Proposer shall provide the following sections to demonstrate its technical qualifications:

Corporate Profile & Legal Qualifications

- Include the full name, tax identification number, main office address and telephone and facsimile numbers of the Proposer and the principal contact person. This shall include a description of the firm or organization (corporation, partnership, etc.) that will serve as the contracting party. A project organization chart clearly delineating lines of authority within the organization is required.
- The name of the person(s) authorized to represent the proposer in negotiating and signing any agreement which may result from the proposal.
- Identify when the Proposer was organized and, if a corporation, where incorporated and how many years engaged in providing contract operations, maintenance and management services under that name.
- Identify which portions of the work, if any, will be subcontracted. If subcontractors are proposed, the proposed contractual relationships between the Proposer and all major partners and subcontractors relative to the project shall be outlined in the proposal.
- Demonstrate good legal standing in Oregon and in home state (no bankruptcy in the last 10 years, no fraud, no illegal activities).
- Identify the impact(s) of any adverse outstanding litigation.
- If applicable, identify ownership status and/or employment practices regarding disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own, emerging small businesses or historically underutilized businesses.

Financial Qualifications

- Submit financial statements for the past three fiscal years. The financial statements must include income statements, balance sheets and statements of cash flow.
- Demonstrate the ability to furnish insurance coverage as specified in Section 8 of the attached contract form.

Technical Experience & Qualifications

- Provide information about the Proposer's overall experience with operating water and wastewater treatment facilities in the United States. Provide details (size, duration of relationship and processes utilized) on representative treatment facilities the Proposer operates under a private contract operations and maintenance arrangement in the United States.
- Have been in the business of providing full-service public-private contracts for operation, maintenance and management of water and wastewater treatment facilities for at least five years.
- Have existing full-service public-private contracts for operation, maintenance and management of water and wastewater treatment facilities that have been in effect for at least five years.
- Have operated treatment facilities in the United States for at least five years.
- Have operated facilities that are comparable in size, process and complexity to the City's current facilities as described in Section 1.4 and near future facilities as described in Section 1.4.1. Include descriptions of experience with SCADA systems, plant performance, efficient long term usage of resources/chemicals/utilities, Trident HS filters,

engine generator sets, and biosolids land application. Describe applicability of past/current projects to the Sweet Home project.
- Have experience managing wastewater operations during the design and construction of new and/or expanded facilities. This experience should include working with design engineers and construction contractors. Provide at least two examples of similar projects.
- Have demonstrable process control experience optimizing the treatment process to reduce operating costs or minimize capital expenditure.
- Have demonstrable experience performing proactive maintenance to maximize equipment useful lifespans and reduce total lifecycle costs.
- Have the capability to provide additional resources to assist in technical troubleshooting and capital planning. Explain how these resources are sourced (i.e., from affiliate companies, subcontractors) and whether these services are provided as part of the services offered under the base operating fee or are additional billing.
- Have a strong record of health, safety and environmental compliance. Provide the Proposer's current OSHA recordable rate and Experience Modifier Rate (EMR) and information about any health, safety or environmental violations within the last five years. Describe the Proposer's approach to meeting and guaranteeing permit compliance. Proposer must have an EMR of less than 1.0.

3.2.4 Key Personnel

Provide information on the Proposer's management staff, how it is organized, and how it supports delivery of the proposed services to the City. Provide a clear delineation of responsibility & authority.

3.2.5 Project Staffing and Project Management Plan

Proposer shall provide a project staffing and project management plan intended to meet the service levels specified in Attachment A.

Describe the Proposer's approach to providing the management and staffing of the Facilities, including:

- Describe the key staff and the management team who will be directly responsible for delivering the service and meeting the City's objectives. Include project manager and full-time on-site manager(s) if different. Include a description of key staff's experience maintaining operations during major facility construction.
- Specify whether the Proposer would provide DRC oversight of if the proposer desires the City to provide DRC oversight.
- Describe the Oregon certifications or reciprocity held by key staff.
- Describe the technical team that will support the Facility operation and maintenance, including off-site support staff expertise, capabilities and availability.
- Describe the proposed plan to staff the Facility.
- Describe the Proposer's plan to transition the management and operation of the Facility to the Proposer's control.

3.2.6 Project Approach and Technical Plans

In this section, Proposers will address their approach to operating, maintaining and managing the Facilities. These plans submitted in the proposal are preliminary documents that the

selected Proposer will further develop for implementation as per Attachment A following contract award. It is expected that these plans submitted in the proposal will be based on company templates with some minor adaptation to the Sweet Home project to indicate how they will apply.

This section shall Include:

- Operational Approach – describing how the Proposer will operate the Facilities daily to meet the objectives of this RFP. Include at minimum:
    - Approach to Facility operations, maintenance and management (including frequency & completeness of maintenance activities)
    - Approach to meeting regulatory NPDES & OHA requirements. Familiarity with agency reviews & permitting process.
    - Solids disposal
    - Odor & other nuisance abatement
    - Site housekeeping
    - Interaction and integration with the requirements/demands of the City's water distribution and wastewater collection systems and customers.
    - Approach to emergency situations
    - Measures for energy and chemical management
    - Measures for optimal utility and chemical use
    - Use of Asset Management/CMMS, SCADA, and other management software systems
- Maintenance Plan – describing how the maintenance of the Facilities will be managed and performed and the level of expertise that will be provided as a part of the base fee. Include at minimum:
    - Computerized maintenance management
    - Condition monitoring and operational assessment
    - Levels of service
- Transition Plan - describing how the Proposer will mobilize and take over the Facilities, including milestones and approximate timeline. Include at minimum:
    - Establishment of well planned, reliable and timely set of transitions
    - Availability of backup resources and expertise to augment onsite staff and/or temporarily fill positions
    - Achievable and desirable timelines
- Operations During Construction Plan - describing the Proposer's approach to maintaining operations of the Facilities during construction and commissioning of major wastewater Facilities improvements. Describe the Proposer's capacity and approach to working with design engineers and construction contractors.

3.3 Price Proposal

3.3.1 Proposed Base Fee

Provide the proposed base fee to provide services. The contract shall differentiate between the base fee and the repair budget as described below. Costs paid directly to vendors by the City are described in Attachment A, Section 1.13.

Base Fee

The initial base fee shall be effective through June 30, 2022 (anticipated duration approximately 16 months) so that future price adjustments align with the City's fiscal year which begins July 1.

The annual base fee shall include the following:

- Personnel Services – Includes, but is not limited to, salaries, wages, overtime, pay differential, longevity, unemployment compensation, holiday pay, meal allowance, education assistance, hospital, medical, dental plans, life insurance, retirement contributions, sick leave and other costs directly attributable to employees. Include one full-time maintenance individual on site as specified in Attachment A.
- Chemicals – any chemicals used in the treatment process or for the maintenance of the Facilities, except bulk chemicals directly paid by the City as specified in Attachment A. The City may entertain alternative base fee arrangements for chemicals if the Proposer proposes an alternative method which is more advantageous to both the City and the Proposer. Any such alternatives must be clearly identified and described in the proposal.
- Utilities - any utilities which are not specified in Attachment A as being directly paid by the City. The City may entertain alternative base fee arrangements for utilities if the Proposer proposes an alternative method which is more advantageous to both the City and the Proposer. Any such alternatives must be clearly identified and described in the proposal.
- Facilities routine maintenance - Include routine tools and incidental consumable materials such as grease, bolts, gaskets, fuses, etc used in preventive, predictive, and minor corrective maintenance.
- Residuals disposal – Labor costs associated with residual disposal including biosolids, grit, screenings, and trash. Third party residuals hauling costs will be directly paid by the City as specified in Attachment A.
- Equipment – Includes, but is not limited to, office equipment, laboratory equipment, safety equipment, tools, communication equipment, maintenance equipment, vehicles, mechanical equipment and manually operated equipment. Include the maintenance of Contractor owned equipment.
- Information technology – Includes computers, tablets, software, and software licenses.
- Materials and Supplies – Including but not limited to, gasoline and diesel fuel, vehicle supplies, vehicle accessories, office supplies, duplication and photo supplies, safety supplies, laboratory supplies, clothing and uniforms and other materials and supplies.
- Transition costs – Includes all costs associated with assuming management and operational control of the Facilities.

Repair Budget

The City has established $50,000 as the first year repair budget for the Facilities. The repair budget for subsequent years will be negotiated annually.

Itemized invoices shall be submitted to the City monthly for reimbursement out of the repair budget. Requests for additional repair funds in excess of the repair budget may be considered on a case by case basis at City's sole discretion.

Repairs shall be charged to the repair budget according to the following four-tier plan:

- ≤ $1,000 repairs per work order item are charged to the base fee and do not affect the repair budget.
- $1,001 - $3,000 repairs per work order item come out of the repair budget and do not require city approval.
- $3,001 - $5,000 repairs per work order item must be approved by the City with quotes prior to repair being completed.
- ≥ $5,000 quotes per work order item are considered capital expenses and must be submitted to the city for pre-approval and bills for approved repairs sent directly to the City for payment. These bills do not come out of the repair budget.

The repair budget will include parts, components, equipment rentals, and specialty repair services. Labor costs for use of onsite staff shall not be charged to the repair budget. The repair costs associated with Contractor's use of offsite personnel and subcontractors shall be pre-approved by the City.

3.3.2 Proposed Method of Future Price Adjustments

Provide details on how the base fee will be adjusted to account for changes in the Proposer's operating costs. Fee adjustments will take effect on July 1 each year to align with the City's fiscal year.

4 Review and Evaluation

Each proposal will be reviewed for completeness and responsiveness to the RFP requirements. The selection will be based on the Proposer's demonstrated ability to technically and financially perform the services outlined in this document. Specifically, proposals will be evaluated and scored based upon the criteria presented in the subsequent paragraphs.

4.1 Evaluation Criteria

In evaluating the proposal, the City will utilize the requirements outlined in this section to identify the contractor best qualified to perform the services.

Completeness & Responsiveness (all must be yes)

- Timeliness of submittal
- Satisfies minimum qualifications
    - 5 yr experience
    - Good legal standing
    - Documentation of ability to provide required insurances
- Includes all required sections
    - Corporate profile
    - Financial statements
    - Technical Experience & Qualifications
    - Staffing & Management Plan
    - Technical Plans
    - Proposed base fee & method of adjustment

Scoring Criteria

Proposals meeting the above Completeness & Responsiveness requirements will be evaluated by the City using the following criteria:

(8%) Corporate Information
Includes: 3.2.3 Qualifications (Corporate Profile & Legal Qualifications, Financial Qualifications)

(2%) Ownership status and employment practices regarding disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own, emerging small businesses or historically underutilized businesses.
Includes: 3.2.3 Qualifications (Corporate Profile & Legal Qualifications)

(15%) Specialized experience, capabilities and technical competence, which the prospective consultant may demonstrate with the prospective consultant's proposed approach and methodology to meet the project requirements.
Includes: 3.2.3 Qualifications (Technical Experience & Qualifications)

(15%) Record of past performance, including but not limited to price and cost data from previous projects, quality of work, ability to meet schedules, cost control and contract administration.
Includes: 3.2.3 Qualifications (Technical Experience & Qualifications)

(20%) Resources committed to perform the services and the proportion of the time that the prospective consultant's staff would spend to perform services for the contracting agency, including time for specialized services, within the applicable time limits.
Includes: 3.2.4 Key Personnel, 3.2.5 Project Staffing and Project Management Plan

(20%) Proposed project management techniques.
Includes: 3.2.6 Project Approach and Technical Plans.

(20%) Cost Effectiveness
Includes: 3.3.1 Proposed Base Fee, 3.3.2 Proposed Method of Future Price Adjustments

4.2 Evaluation of Proposals

Each proposal will be reviewed against the terms of this RFP to determine if the submittal is complete and responsive and how well the Proposer satisfies the evaluation criteria. The City may reject any submittal found to be incomplete, unresponsive or not in compliance with the format requirements set forth in this RFP. A submittal may be determined to be unresponsive if any aspect is found to be unacceptable or contrary to the best interests of the City.

The City regards the submission of the proposal in response to the RFP as the most important factor in the selection of a Contractor to provide services for the operation, maintenance and management of the Facilities. The City reserves the right to reject any or all responses to the RFP and is under no obligation to award a contract, as determined to be in the best interest of the City and at City's sole discretion.

The City reserves the right to interview one or more of the highest ranking Proposers as part of the evaluation process. Results of the evaluation will be posted to the RFP listing on the City website and will be emailed to the primary contact identified in each proposal.

The City intends to conduct serial negotiations beginning with the highest ranked Proposer pursuant to ORS 279B060(8)(d). If the City and the selected candidate are unable for any reason to negotiate a contract at a compensation level that is reasonable and fair to the City, the City shall, either orally or in writing, formally terminate negotiations with the selected candidate. The City may then negotiate with the next highest ranked candidate. The negotiation process may continue in this manner through successive candidates until an agreement is reached or the City terminates this RFP. Upon reaching agreement, the notice of intent to award will be posted and the contract will be presented to City Council for approval. If City Council approves the award of the contract as presented, then the agreement will be executed.

If the City awards a contract, the City shall award the contract to the responsible Proposer whose proposal the City determines in writing is the most advantageous to the City based on the evaluation process and evaluation factors described in this RFP and the outcome of any negotiations authorized by this RFP.

The responsibility for the final selection and negotiation rests solely with the City, as determined to be in the best interest of the City.

5 Contract

The City desires to enter into a personal services agreement in the form attached, which includes all services necessary for this position, whether or not the services are specifically outlined in this RFP.

The attached written agreement will incorporate this RFP and awardee's proposal. Negotiations may include cost and any other terms the City chooses to negotiate, in City's sole discretion.

It is anticipated that the City of Sweet Home will enter into a five (5) year agreement, which thereafter may be extended upon written consent of both parties for additional three (3) year terms.

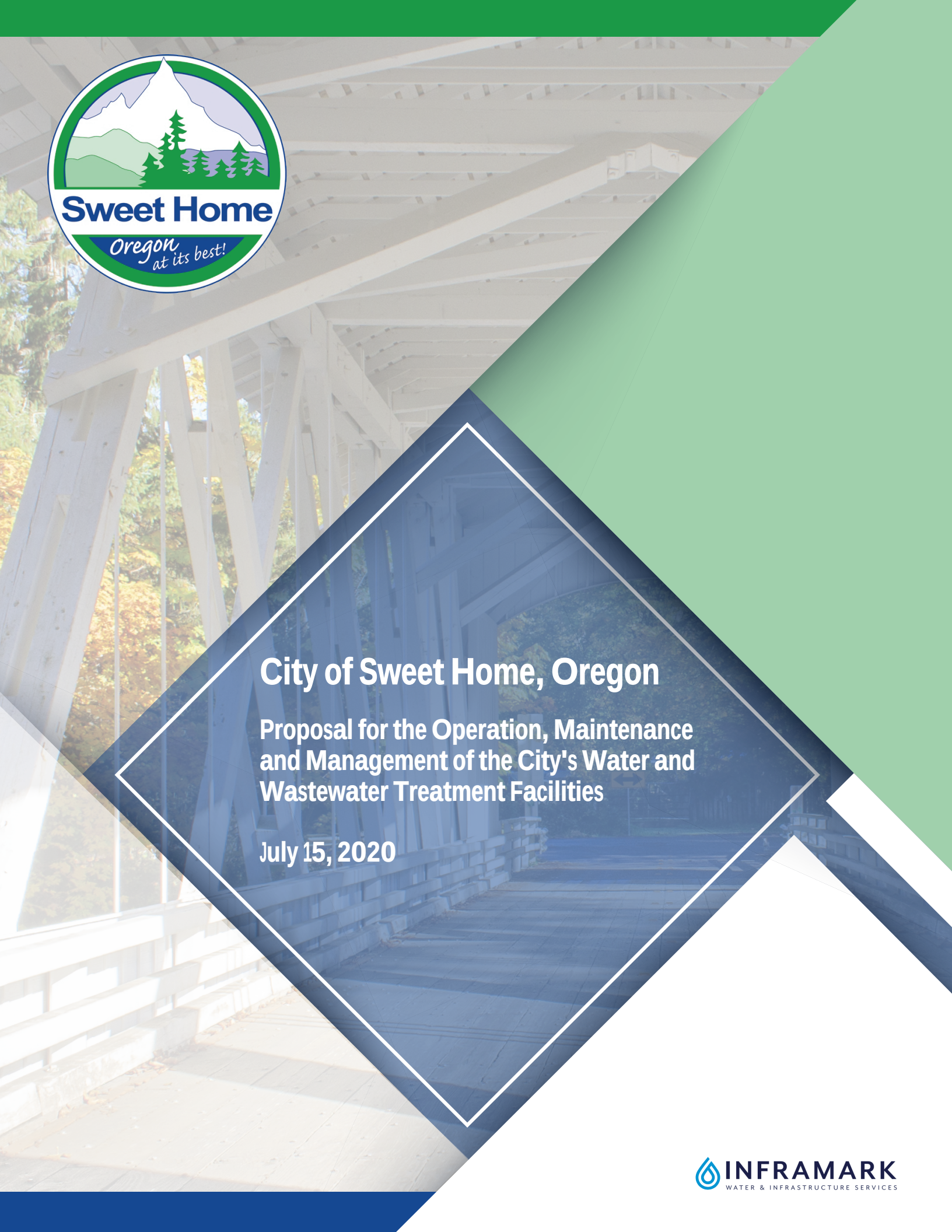
The City of Sweet Home is an Equal Opportunity/Affirmative Action Employer.
Women, Minorities and Disabled Persons are encouraged to apply.

This RFP is issued in accordance with the provisions of the laws including statutes, ordinances, resolutions, and rules, of the State of Oregon and the City of Sweet Home. Authorized & approved for posting by the City Council and the City Manager. Staff can amend the RFP and contract form to meet the best interests of the City with the approval of the City Manager.

THIS SOLICITATION IS NOT AN IMPLIED CONTRACT AND MAY BE MODIFIED OR REVOKED WITHOUT NOTICE.

Exhibit F

CONTRACTOR's Proposal



City of Sweet Home, Oregon

Proposal for the Operation, Maintenance and Management of the City's Water and Wastewater Treatment Facilities

July 15, 2020

INFRAMARK
WATER & INFRASTRUCTURE SERVICES

Table of Contents

1 Cover Letter

July 15, 2020

220 Gibraltar Rd. | Ste. 200 |
Horsham, PA 19044 |
T: 215.646.9201 |
M: 253.232.6922 |
www.inframark.com |

Mr. Greg Springman
Public Works Director
City of Sweet Home
1400 24th Ave.
Sweet Home, OR 97386

RE: Proposal for the Operation, Maintenance and Management of the City's Water and Wastewater Treatment Facilities

Dear Mr. Springman,

On behalf of Inframark, LLC (Inframark), we are pleased to provide our proposal to partner with the City of Sweet Home (the City) for the operation, maintenance and management of the City's water and wastewater treatment facilities.

The majority of the 300-plus communities we serve are similar in size to the City. We understand the challenges small- and medium-size cities experience in operating and maintaining their facilities. We are ready to build a strong and successful partnership with the City, and ensure uninterrupted service to the residents and businesses while providing best-in-class maintenance to extend the useful life of your facilities.

In the coming years, the City is planning a large capital project to upgrade the wastewater treatment plant (WWTP). The project will require coordination and planning among the City, its design engineer, construction contractor and the operations and maintenance (O&M) team. Inframark has an unmatched resume working with all types of engineering and construction partners in providing support to projects, performing design and technology reviews, and reviewing equipment sizing for permit compliance and system capacity to meet client objectives for long-term operational performance. We will be happy to work with your team in bringing the new WWTP online. Our proposal demonstrates our deep pool of technical expertise to ensure continuity of services during the WWTP upgrade.

Finally, we are aware that turnover and recruitment of certified operators has been a challenge over the years due to labor market competition with larger cities and towns. Inframark has planned accordingly to ensure we can attract, train, and retain talent should there be vacancies during the transition or throughout the contract.

Our document is submitted in compliance with all the requirements of the request for proposals.

If you have questions or require additional information, please do not hesitate to contact:

Primary Contact/Authorized Representative
Jim Huentelman
Director, Business Development
8315 Normandy St. SE #806, Olympia, WA 98540
253-232-6922 | jim.huentelman@Inframark.com

Sincerely,

Mark Halleman
Senior Vice President

2 Executive Summary

Inframark is the only national infrastructure services company focused solely on the Operations, Maintenance and Management of water and wastewater systems. We bring the City a refreshing shift in focus to the O&M of your facilities. Unlike our competitors, we are not distracted or encumbered by requirements to sell engineering services, equipment and other ancillary offerings. Simply stated, our focus is on what is best for the City.

Understanding of the Project's Goals and Objectives

Based on our site visit and conversations, we have developed the following understanding of your objectives:

- A partner with the City's best interest at the forefront. You will find that we are always open with our clients and share information in a collaborative manner. Our goal is that we are an extension of your staff and become part of the City.
- An experienced partner that can adapt and add value as you invest in upgrading your facilities.
- A partner committed to the care of your assets.
- An accountable and engaged partner.

Our approach, outlined in this proposal, has been specifically developed for the City with thoughtful consideration, utilizing a team of experts to evaluate the current condition of the system. Instead of a copy-and-paste methodology, we are approaching your utility with an innovative and entrepreneurial energy that creates a one-of-a-kind strategy that generates added benefits.

Our plan incorporates:

- An unrelenting culture of health and safety.
- Asset management tools that provide the framework for long-term budgeting success.
- A resolute commitment to compliance.
- Robust maintenance strategies that extend the useful life of your assets.
- A vigorous operational approach that creates efficiencies and ensures compliance.
- A staffing plan that creates stability with high retention.
- A comprehensive and seamless transition plan.

All of this is guided by our Principles of Pure Partnership™.

We know the importance of a reliable and efficient staffing plan. Human resources management is of utmost importance to the success of your project and the culture of the utility. You will find in this proposal a staffing plan that fortifies the City's maintenance operations. We believe your current and future-planned assets require this added attention. Safeguarding your community's assets for the long run is a wise and

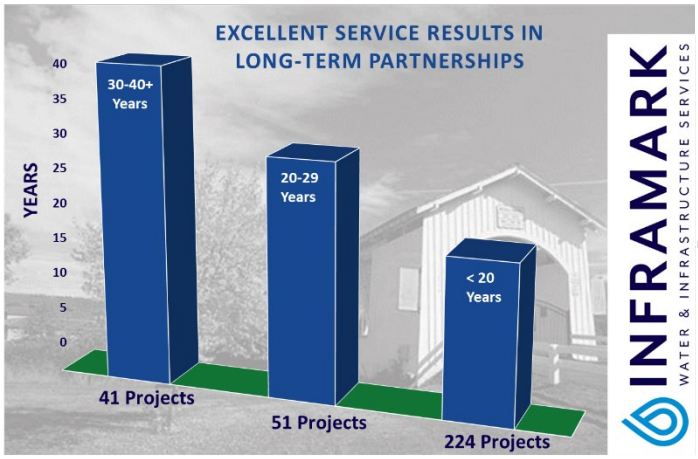
worthy endeavor. Furthermore, the local team will have considerable regional support that is ready to respond. Our senior level technical experts have combined experience that is unmatched and available to our clients as a built-in service. Unlike our competitors, we do not charge for this. As your partner, our expertise is willingly offered at all times. For the City, we have estimated we will dedicate more than $50,000 per year in offsite support.

Proven Performance During Facility Upgrades

In the coming years, the City is planning a large capital project to upgrade the wastewater facilities. The upgrade will occur in the same area as the current facilities. This will require coordination and planning among the City, its design engineer, construction contractor and the O&M contractor. Inframark stands out from its competitors with our ability and experience in linking arms with all types of engineering and construction partners. We serve as your agent — a second set of eyes and ears — providing support to projects, performing design and technology reviews, and reviewing equipment sizing for permit compliance and system capacity to meet client objectives for long-term operational performance. We will be happy to work with the team while maintaining continuity of services.

Our Background and Qualifications

Our experience spans more than 40 years, across 19 states and nearly every type of water and wastewater treatment technology. We serve more than 300 municipal, industrial, and commercial water and wastewater clients in providing management of water and wastewater systems, including contract management, operations support, maintenance, and system improvements. We have substantial resources with vast experience managing and operating facilities. This experience comes with an outstanding track record. Our proposed team is organized with a fully dedicated, local Inframark project manager and maintenance manager, all the necessary local roles needed for the project, the necessary regional support staff and the team of experts to ensure a smooth transition. Inframark will provide DRC oversight of the project.



Inframark has more long-term clients than other contract operators in the U.S. — a tribute to our long-term partnership approach.

We are committed to our partners for the long-term and the quality of our relationships brings a deep sense of pride. This is evident through our 95% renewal rate over our 300 partnerships across the country. New customers are celebrated and returning customers are treasured.

Inframark Is Your Best Choice

We know finding the right partner is the City's goal. We also understand that the City is exploring the option of bringing their operations in house. We are confident that through this proposal and ongoing collaboration, the City will find that our solutions not only check all the boxes, but our approach satisfies the pain points and missed opportunities of recent endeavors with pure alignment.

Partnering with Inframark offers access to a strong and dedicated local team as well as the skilled guidance of industry leading technical experts. The local project will engage this team to help elevate your current wastewater treatment operations to ensure compliance and provide expert support during the construction and startup of your new facility. This is always included in the spirit of pure accessibility.

We utilize best-in-class data management and computerized maintenance management systems (CMMS). These systems aid in optimizing processes that ensure compliance and provide a maintenance approach that maximizes the useful life of your assets. Monthly reports and a real-time dashboard provide a transparent view into the quality of our operations. Trust is built through pure accountability.

We look forward to your review of this proposal and to further engage in developing a partnership with the City.

> *Entering into a contract with Inframark has been a positive move for us. Inframark has proven to be a reliable provider. We have been very pleased with the team. Very professional and courteous.*

David Suarez
Mayor
Weslaco, Texas

MANAGES 169
WASTEWATER FACILITIES

MANAGES 147
DRINKING WATER FACILITIES

COMPRISED OF
1,500
DEDICATED EMPLOYEES
ACROSS NORTH AMERICA

OPERATES IN
19 STATES

POPULATION
SERVED IS OVER
4.5 MILLION

Serving 250+ Municipal and Industrial Clients

900 Million+
Gallons per day of treatment capacity

Manages OVER
100,000 DT/YR
of Biosolids

22 Beneficial Reuse
Water Projects

OVER 7,000 MILES
OF COLLECTION AND DISTRIBUTION LINES

3 Qualifications

Inframark is an American-owned water infrastructure and management services company that provides professional contract O&M services (and a full suite of complementary services) for our nation's water and wastewater utility systems. We also have a Management Services team that provides financial, administrative and support services to communities, homeowners' associations, and special districts.

As required by the RFP and detailed further below, we meet the following minimum qualifications:

- ☑ 5 years experience.
- ☑ Good legal standing.
- ☑ Carries appropriate insurance coverage.

Corporate Profile and Legal Qualifications

Include the full name, tax identification number, main office address and telephone and facsimile numbers of the Proposer and the principal contact person. This shall include a description of the firm or organization (corporation, partnership, etc.) that will serve as the contracting party. A project organization chart clearly delineating lines of authority within the organization is required.

Inframark is the only national infrastructure services company focused solely on the O&M of water and wastewater systems, management and strengthening of community infrastructure, as well as related services.

Our singular focus is to set the "mark" or standard for O&M services for water, wastewater, and infrastructure management. Our services are based on a set of partnership principles that are engrained in every interaction we have with our clients and employees. Our 1,500 hard-working and dedicated professionals ensure that we maintain our reputation as a recognized leader in providing safe, cost-effective operations while ensuring the highest level of service and regulatory compliance.

The basic premise of our approach is to be your partner in the operation of your water and wastewater infrastructure, not simply a contractor performing the prescribed task. As a partner, we will go beyond the basic contractual relationship by anticipating the needs of the City and community while having your best interests at the forefront of all we do. We will leverage all available resources to deliver a comprehensive approach that will meet the current demand on the systems as well as those of the future, taking into account all of the expectations the City has established for this project.

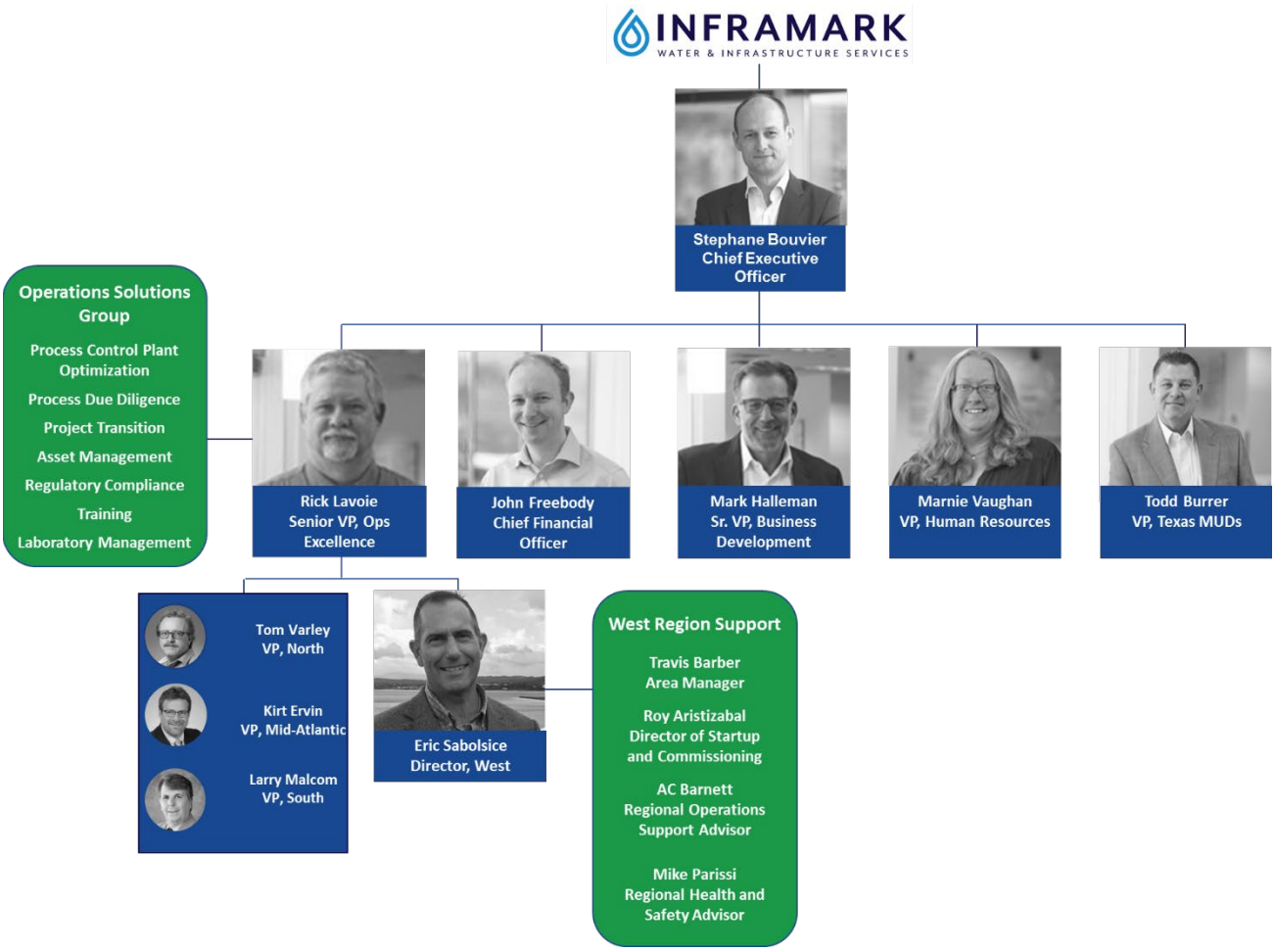
Full Name/Contracting Party
Inframark, LLC

Tax Identification Number
62-1168252

Main Office
2002 West Grand Parkway North, Suite 100
Katy, TX 77449
Phone: 281-578-4200
Fax: 281-394-4530

Principal Contact
Jim Huentelman, Director, Business Development
8315 Normandy St. SE #806
Olympia, WA 98540
T: 253-232-6922
jim.huentelman@inframark.com

Inframark's management structure is comprised of a central core team of experienced executives, with strong decentralized management in each of the regions that encompass the states where we provide services. Our West Region Director **Eric Sabolsice** has more than 30 years of O&M experience while managing some of the most complex water and wastewater systems in the U.S. He has operated facilities ranging in size of 3 to 350 million gallons per day (MGD). His background includes design, construction, startup and troubleshooting. Mr. Sabolsice's application for an Oregon Grade 4 Water Operator License was submitted to the State in May, 2020. Our operations team is supported by highly specialized key functions including, but not limited to, Health and Safety (with a regional health and safety advisor based in California), Regulatory Compliance, Legal Services, Accounting, Human Resources, and our Operations Solutions Group (OSG).



Identify when the Proposer was organized and, if a corporation, where incorporated and how many years engaged in providing contract operations, maintenance and management services under that name.

Incorporated in Texas on June 30, 1983, as Severn Trent Environmental Services, Inc., the corporation was restructured in June 2017 and renamed Inframark, LLC, on December 1, 2017. Inframark is a 100% U.S.-based, privately held company that is financially backed by public pension funds, leveraging public capital in the service of public infrastructure. Inframark has been providing contract operations, maintenance and management services under the name "Inframark, LLC" since December 1, 2017; however, Inframark and

Severn Trent Environmental Services, Inc. have been continuously and collectively providing contract operations, maintenance and management services since June 30, 1983.

Identify which portions of the work, if any, will be subcontracted. If subcontractors are proposed, the proposed contractual relationships between the Proposer and all major partners and subcontractors relative to the project shall be outlined in the proposal.

Inframark does not plan to utilize any subcontractors for the core functions of providing water and wastewater service. We will utilize the services of local firms to provide support services and specialized maintenance.

Demonstrate good legal standing in Oregon and in home state (no bankruptcy in the last 10 years, no fraud, no illegal activities).

Inframark has submitted a registration form to transact business in Oregon. Inframark is in good standing in its home state of Texas and in the last 10 years, has not filed for bankruptcy or engaged in any fraudulent or illegal activities in Texas; in fact, in the last 10 years, Inframark has not filed for bankruptcy or engaged in any fraudulent or illegal activities in any state in which Inframark has provided services.

Identify the impact(s) of any adverse outstanding litigation.

As can be expected for a company of Inframark's size with hundreds of contracts and the responsibility for serving hundreds of communities spanning several decades, Inframark has been, and is currently, involved in minor lawsuits of various types. As many such actions are minor in nature ("slip and falls", nuisance, etc.). Any outstanding litigation will not affect Inframark's financial condition and will not impact Inframark's ability to provide the services requested herein. If the City would like additional information on these matters, Inframark is willing to provide any such information upon request.

If applicable, identify ownership status and/or employment practices regarding disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service-disabled veterans own, emerging small businesses or historically underutilized businesses.

Inframark is not designated as and does not have an ownership interest in any disadvantaged business enterprises, minority-owned businesses, woman-owned businesses, businesses that service disabled veterans own, emerging small businesses or historically underutilized businesses. However, Inframark seeks to use the services of such businesses as subcontractors or suppliers as is possible and practical.

Financial Qualifications

Submit financial statements for the past three fiscal years. The financial statements must include income statements, balance sheets and statements of cash flow.

Copies of Inframark's audited financial statements for the past three years are provided at the end of this section. These financial statements were audited by a public accounting firm. Inframark is uniquely positioned to provide robust financial resources to support a partnership with the City.

The financial information contained in this proposal is proprietary and contains confidential information, which is of significant economic value to Inframark, LLC. It is intended to be used only for valuation of our

qualifications to provide services. It should not be duplicated, used or disclosed in whole or in part for any purpose other than to evaluate our qualifications.

Demonstrate the ability to furnish insurance coverage as specified in Section 8 of the attached contract form.

Inframark can easily comply with insurance coverage requirements. A copy of our memorandum of insurance is provided at the end of this section.

Technical Experience and Qualifications

Provide information about the Proposer's overall experience with operating water and wastewater treatment facilities in the United States. Provide details (size, duration of relationship and processes utilized) on representative treatment facilities the Proposer operates under a private contract operations and maintenance arrangement in the United States.

Inframark has broad and extensive experience in water and wastewater treatment through currently operating more than 300 facilities and having more than 40 years of service across the U.S. Our operational experience covers a vast range of plant sizes and represents most treatment technologies – from simple lagoons to complex membrane-based advanced water purification facilities. We have 64 projects where we manage both the water and wastewater operations creating synergies and cost savings for the client. We take advantage of these projects to grow "dual certified" O&M staff. The following chart is a representative sampling of treatment facility experience similar to the City's facilities.

Table 1 Inframark WWTP Projects Representative of The City's Facilities

Location	Design Flow (MGD)	Duration of Relationship	Facility Name	Wastewater Process
West Memorial MUD, TX	6.48	39	West Memorial MUD WWTP	Advanced Secondary
Jackrabbit Road PUD, TX	5.1	39	Jackrabbit PUD WWTP	Advanced Secondary
Gilbert, AZ	11	35	Neely Water Reclamation Facility	Tertiary
Lititz, PA	3.85	32	Lititz WWTP	Tertiary
Elkton, MD	3.2	27	Elkton WWTP	Tertiary
Houston, TX	9.8	23	Kingwood Central WWTP	Advanced Secondary
McComb, MS	5	11	McComb Regional WWTP	Advanced Secondary
Clinton, OK	3	10	Clinton WWTP	Advanced Secondary
Mountain House, CA	3	15	Mountain House WWTP	Tertiary
Red Bluff, CA	2.5	7	Red Bluff WWTP	Tertiary
Willows, CA	1.2	7	Willows WWTP	Tertiary
Guymon, OK	3	6	Guymon WWTP	Advanced Secondary
Oklahoma City, OK	15	3	Deer Creek WWTP	Tertiary
	10	3	Chisholm Creek WWTP	Tertiary

Table 2 Inframark WTP Projects Representative of The City's Facilities				
Location	Design Flow (MGD)	Duration of Relationship	Facility Name	Water Process
Elkton, MD	1.4	27	Elkton – Trident® Package Plant	Screen, COAG, FLOC, SED, FILT, CHLOR, pH, PHOS
Carmel, NY	0.8	25	Carmel Water District #2	FILT, CHLOR, PHOS
Boyertown, PA	0.85	26	Boyertown WTP	AE, COAG, FLOC, SED, FILT, CHLOR, AMM, CHLRM, pH
Plaquemines Parish, LA	0.56	22	Dalcour WTP	COAG, FLOC, SED, FILT, CHLRM, FL
	0.8	22	Boothville WTP	COAG, FLOC, SED, FILT, CHLRM, FL
Ebensburg, PA	1.2	16	Ebensburg WTP	DAF, MnO-4 & Mn Oxidation, COAG, FLOC, FILT, CHLOR, FL, PHOS
Mountain House, CA	4	15	MH Phase I – Trident® Package Plant	Inline Mixer, Upflow Filter, Microflocculation, FILT, CHLOR
La Vergne, TN	13	10	La Vergne WTP - SuperPulsator	MnO-4, Fe & Mn Oxidation, COAG, FLOC, SED, FILT, CHLOR, FL, PHOS
Claremore, OK	6.4	10	Claremore WTP	COAG, FLOC, FILT, CHLOR, pH, PHOS
Clinton, OK	1	10	Clinton WTP	COAG, FLOC, FILT, Chlorine Dioxide, CHLRM
Weslaco, TX	19.1	5	Weslaco WTP	COAG, FLOC, FILT, CHLRM, Chlorine Dioxide, pH
Beeville, TX	7	5	Morrill WTP	COAG, FLOC, Plate Settler, FILT, CHLRM, Chlorine Dioxide, pH

Key: DAF, Dissolved Air Flotation; AE, Aeration; COAG, Coagulation; FLOC, Flocculation; SED, Sedimentation; FILT, Filtration; CHLOR, Chlorination; AMM, Ammoniation; CHLRM, Chlorimination; pH, pH Adjustment; FL, Fluoridation; PHOS, Phosphate Corrosion Inhibition

Have been in the business of providing full-service public-private contracts for operation, maintenance and management of water and wastewater treatment facilities for at least five years.

Inframark has provided public-private contract operations services in the U.S. continuously for more than 40 years and has active O&M contracts that date back to the 1970s. We currently serve more than 300 clients in 19 states, treating nearly a billion gallons of drinking water and wastewater daily and managing more than 7,000 miles of wastewater collection and water distribution networks.

Please note that Inframark's portfolio of facilities is built on the full-service public-private contracting model. As such, to avoid repetition, the following two RFP requirements have been addressed jointly below.

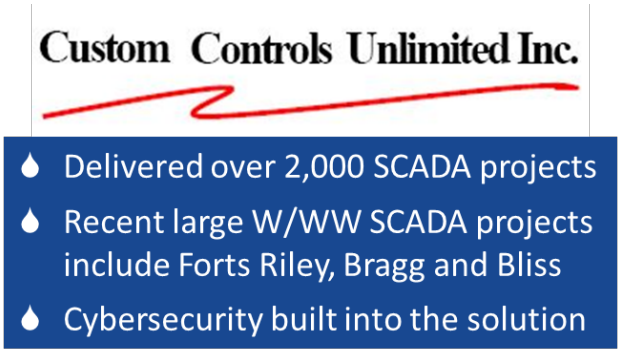
Have existing full-service public-private contracts for operation, maintenance and management of water and wastewater treatment facilities that have been in effect for at least five years;

AND, have operated treatment facilities in the United States for at least five years.

Because of our proven ability to provide reliable, high-quality, cost-effective service with an emphasis on overall asset management, Inframark has been able to establish long-term relationships with its clients and, in fact, currently operates contracts that date back as far as 1978. We have numerous existing contracts that we have managed for at least five years, a testament to our client service, longevity of operational resume, and breadth of experience. In addition to the specific examples we have highlighted in *Tables 1 and 2* (above), Inframark operates more than 140 facilities that are full-service public-private contracts for O&M and management of water and wastewater facilities that have been in effect for more than five years.

Have operated facilities that are comparable in size, process and complexity to the City's current facilities as described in Section 1.4 and near future facilities as described in Section 1.4.1. Include descriptions of experience with SCADA systems, plant performance, efficient long-term usage of resources/chemicals/utilities, Trident HS filters, engine generator sets, and biosolids land application. Describe applicability of past/current projects to the Sweet Home project.

Tables 1 and 2 above highlights the numerous water and wastewater facilities Inframark operates that are similar in size, process and complexity to both to the City's current and near future facilities.



Most of Inframark's partnerships are fixed-fee full-risk contract operations where we are fully responsible for maintenance activities, chemicals, power, sludge handling and disposal. As such, we've built our standard systems and processes to ensure we operate as efficiently as possible (reducing costs of chemicals, utilities, biosolids, etc.) while maximizing the useful life of our clients' assets under management. This optimization is achieved through implementing our project support systems, which includes our data management system (DMS), the Hach Water Information Management Solution™ (WIMS™); our CMMS, eMaint™, as well as client-owned data systems.

SCADA

The Inframark team has deep experience with Supervisory Control and Data Acquisition (SCADA) and automation systems design and installation through most of our project portfolio as well as through our sister company Custom Controls Unlimited, Inc. (CCU). Our team is able to integrate any existing SCADA system with the DMS and CMMS systems and provide our local projects with expertise if/when systems experience challenges. In addition, our team's experience can be leveraged for complete system design, installation and startup for the City's planned capital upgrades to facilities.

Engine Generator Sets

Nearly all of the facilities operated by Inframark are capable of providing emergency power through a range of engine generator sets provided by varying manufacturers and equipment suppliers. We perform routine inspections, exercising of the equipment, and load bank testing based on manufacturers' recommendations.

Trident® HS Package Plants

Inframark has operated Trident® package plants for more than 26 years ranging in size from 2 to 2.5 MGD. Our team has operated the facilities in full compliance and without any issues. Our approach with package plants carries the same high standards as conventional plants or advanced water treatment facilities. At our Elkton, Md., project, we have performed capital improvements of the two Trident® units. After 20 years of use, we replaced filter media, which required taking one unit offline while running the other unit to meet the demands of the community.

One of the Trident® units at Elkton, Md.

Biosolids Land Application

Inframark currently provides biosolids management services at the majority of our wastewater operations contracts. We effectively utilize landfill, land application, composting and incineration to dispose of the solids. Biosolids are land applied at more than 80 projects across the U.S. Highlights of selected projects, some of which utilize land application and others that use composting and specialized stabilization, include the following. Annually, we manage over 100,000 Tons of Biosolids. Below are a few examples of projects that are similar to the City's.

Bristol, Tenn./Va.

The Bristol, Tenn./Va. Regional WWTP produces 2,300 dry tons of biosolids annually that is land applied. Nearly 150 acres are currently permitted, and another 100 acres are in the permitting process. At the request of our client, Inframark participated in a regional biosolids feasibility study to examine the potential for a joint regional facility and help develop a long-term vision for handling wastewater treatment residuals and producing a Class A residuals product.

Sludge basin at Bristol, Tenn./Va.

Mustang, Okla.

Within the first six months of our contract, Inframark expanded Mustang's WWTP by constructing and installing a complete belt filter press solids handling building and lime stabilization facility. The new solids handling facility is capable of producing a Class A product that can be utilized by the City and its customers as soil enhancement, disposed of in a landfill or land applied to registered farm land. Because this product can be utilized in many ways, the City has greater flexibility in disposal or handling options.

Belt press at Mustang, Okla.

Lititz, Pa.

Inframark currently processes nearly 500 dry tons of biosolids per year using aerobic digestion, gravity thickening, centrifuge dewatering and drying. The resulting Class A product is land applied.

> Inframark has exceeded our expectations as our water and wastewater operator. Through several upgrades and building improvement projects, Inframark staff and management have been a critical partner in those successes.
>
> *Shane Weaver*
> *Borough Council President*
> *Lititz, Pa.*

Sludge dryer at Lititz, Pa.

Have experience managing wastewater operations during the design and construction of new and/or expanded facilities. This experience should include working with design engineers and construction contractors. Provide at least two examples of similar projects.

Inframark has extensive experience operating and maintaining water treatment plants (WTPs) and WWTPs during major capital upgrades and expansions. We have learned that success during these critical periods is driven by developing a sound plan with specific operations procedures to ensure compliance and reliability. As an operations firm, our financial interests do not rely on providing equipment sales, engineering services, or construction. This allows us to work openly with engineering firms, technology suppliers, contractors and design-build (DB) firms. As a result, we have established relationships with the engineering, contractors, and DB firms, and have experience providing input in the design and construction phases that best meet the needs of our client and deliver the most efficient, reliable, and operable facilities.

Inframark views its role in capital upgrades as the client's representative as the operator. Our goal is to keep our clients informed on facility investment needs to ensure they can continue to meet the needs of the community. We provide information on needs and priorities so that the client and its engineers can make informed decisions. We continue to provide the operator's perspective in the design phase to help ensure the design can be operated and maintained.

In many cases, Inframark assigns an employee to interface with the contractor for the duration of a project to avoid communication issues and other potential problems such as project delays and/or process issues. We meet frequently with the client, design engineer and construction contractor to discuss progress, timing issues, and any areas of concern that might affect the daily process or hinder the contractor's timeline. This is all provided as part of our O&M fee. Unlike engineering firms that typically charge by the hour for these services. Some examples of our experiences in this area are listed below.

Continuity of Service During Upgrades — Collaboration with Engineering & Construction Firms

Inframark has worked with more than 20 engineering and construction firms in the development of new facilities and/or rehabilitation of existing facilities. In each case, we have served our clients while being aligned with the ultimate goal: highly reliable, compliant, cost-effective operations and uninterrupted service.

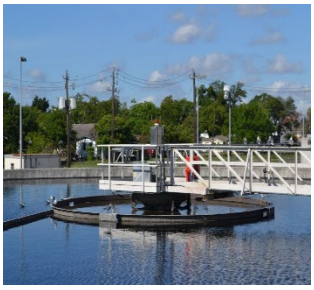
Pasadena, Texas. The City constructed a 14 MGD WWTP to replace existing 7 and 4 MGD facilities. While contractor issues delayed completion of the new facility, Inframark continued to operate the existing plants even

though they were experiencing equipment problems and flow and loading issues. We participated in the design review assisting in saving the City construction dollars and did the entire startup of the new plant, which proceeded without problems. With proper planning and execution, effluent quality requirements were met from the first day onward.

Houston, Texas (Kingwood). When the 6.6 MGD WWTP was upgraded to provide additional aerobic digestion and aeration capacity, Inframark worked closely with the City and the contractor to ensure continued compliance during the upgrades. We provided successful operations during these modifications. Inframark's design assistance was critical to achieving an 8 MGD capacity with no additional tanks constructed replacing mechanical aerators with fine bubble diffusers.

Ft. McDowell, Ariz. Inframark worked with the Yavapai Indian Nation in Ft. McDowell to evaluate and monitor construction and provide startup of a new sequencing batch reactor (SBR) process. Inframark was involved in decommissioning the old treatment facility, which was not in our original scope of services. This addition to the start-up task was completed without major issue and the plant met quality standards throughout the startup.

Danville, Va. Inframark worked with the design engineer to facilitate the conversion of a pure oxygen WWTP to diffused air while maintaining a 20 MGD capacity by recommending deeper water levels and higher-pressure blowers to improve performance and capacity without building new tanks. This was similar to the Kingwood change from mechanical aeration to fine bubble diffused aeration.


Pasadena, Texas


Houston, Texas (Kingwood)


Ft. McDowell, Ariz.


Danville, Va.

Have demonstrable process control experience optimizing the treatment process to reduce operating costs or minimize capital expenditure.

Currently, Inframark utilizes Hach WIMS™ for analytical result, process control optimization, troubleshooting, and laboratory analysis calendar tracking of all permitted and process parameters. This provides the team with analytical, hydraulic and process data we analyze and use for daily and weekly operational meetings, along with monitoring and reporting permitted compliance parameters. The operations team use the data to fine-tune process controls for enhancement of electrical, chemical and solids handling costs. One example is the capital improvement of interfacing the controllers for the aeration blowers with the dissolved oxygen (DO) meters. The facility was able to reduce electrical costs by 20 to 30% through the process control of the DO concentration in the aeration basins. The range of operation maintained a DO concentration between 1.2-2.2 mg/l in the aeration basins. This reduced the blower speed and output in the evening hours when the organic loading was reduced.

Have demonstrable experience performing proactive maintenance to maximize equipment useful lifespans and reduce total lifecycle costs.

Inframark's experience with reducing total lifecycle costs is considerable – and comes as a direct result of our focus on an asset management approach to maintenance (which is further detailed below in our *Approach to Maintenance*). Each of the more than 300 facilities Inframark operates is focused on proactive maintenance, employing preventative and predictive maintenance tools to ensure we can maximize the useful life of our partner community's assets. Some of these tools include vibration and oil analysis as well as thermographic imaging.

As part of our predictive maintenance program, we will take thermographic images of all newly installed equipment to identify construction issues and maintain this practice ensuring extended lifecycle for all equipment.

By implementing our approach, Inframark is able to:

- Maximize the asset life with documented preventive maintenance.
- Meet compliance and safety standards.
- Increase visibility and transparency of asset maintenance activity.
- Improve work completion rate; with visibility comes accountability.
- Eliminate manual processes and paperwork.
- Reduce maintenance costs and equipment downtime.
- Shift maintenance activity from unplanned breakdown and repairs to scheduled preventive and predictive maintenance.
- Make data-driven decisions for repairs, replacement and capital improvements.

Have the capability to provide additional resources to assist in technical troubleshooting and capital planning. Explain how these resources are sourced (i.e., from affiliate companies, subcontractors) and whether these services are provided as part of the services offered under the base operating fee or are additional billing.

We have a wealth of industry knowledge that we will leverage for the City. You will have access to best practices from our nationwide network of operating projects and can draw upon the resources from our Process Engineering and Operations Support groups, which consist of experts in the following disciplines: process engineering, operations, regulatory, maintenance, CMMS, Hach WIMS™, capital improvements, asset management, laboratory, energy management, and SCADA instrumentation and controls. Unlike other firms, we do not impose additional charges or fees for these services. Inframark will utilize this team to provide the City technical assistance, help plan for future growth and capacity, and manage regulatory permitting and operation and compliance issues.

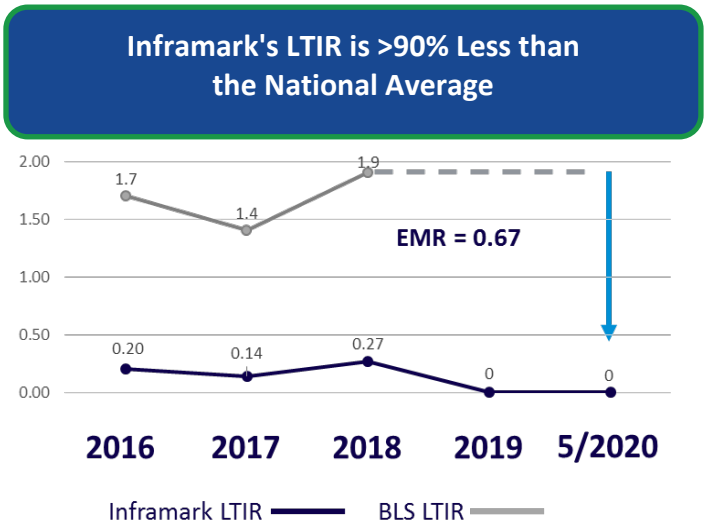
Our Commitment to Supporting Partnerships

We will provide a variety of regional and national support staff for the Sweet Home partnership. These services range from asset management to capital planning and process control to regulatory support and safety. All totaled, we will invest over $50,000 a year in support service, free of charge to the City.

Have a strong record of health, safety and environmental compliance. Provide the Proposer's current OSHA recordable rate and Experience Modifier Rate (EMR) and information about any health, safety or environmental violations within the last five years. Describe the Proposer's approach to meeting and guaranteeing permit compliance. Proposer must have an EMR of less than 1.0.

For Inframark, safety and regulatory compliance are our top priorities; there is no alternative approach or compromise when it comes to ensuring the safe and compliant operation of the facilities and for all that visit our operations. Wherever Inframark operates, we seek to minimize the risks arising from our operations.

Since 2016, we have reduced our Lost Time Incident Rate (LTIR) to 0.00 (as of May 2020). Our current experience modification rating (EMR) is 0.67, while our total Occupational Safety and Health Administration (OSHA) recordable incident rate (RIR) as of January 2020 is 1.61. All these measures are significantly better than industry averages. We are on a path of continual improvement of our safety statistics. Inframark's values provide the foundation for our overall focus on corporate responsibility – responsibility for protecting the environment, ensuring the safety of our employees and the communities we serve.



[Financial Statements redacted as per Inframark confidentiality request]
7-23-2020 PR

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 7/7/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Los Angeles-Alliant Insurance Services, Inc. 333 S Hope St Ste 3750 Los Angeles CA 90071	**CONTACT NAME:** Edwin Mejia **PHONE (A/C, No, Ext):** 213-270-0155 **FAX (A/C, No):** **E-MAIL ADDRESS:** Edwin.Mejia@alliant.com
INSURED SEVETRE-01 Inframark, LLC 220 Gibraltar Road, Suite 200 Horsham, PA 19034	**INSURER(S) AFFORDING COVERAGE** / **NAIC #** **INSURER A :** Gemini Insurance Company 10833 **INSURER B :** Allied World National Assuranc 10690 **INSURER C :** Travelers Property Casualty Co 25674 **INSURER D :** Travelers Indemnity Company of 25666 **INSURER E :** Berkley Assurance Company 39462 **INSURER F :**

COVERAGES **CERTIFICATE NUMBER:** 114219969 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X **COMMERCIAL GENERAL LIABILITY** [ ] CLAIMS-MADE [X] OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: [ ] POLICY [X] PRO-JECT [ ] LOC [ ] OTHER:	Y	Y	VCGP025694	7/1/2020	1/1/2022	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence) MED EXP (Any one person) PERSONAL & ADV INJURY GENERAL AGGREGATE PRODUCTS - COMP/OP AGG $	$ 1,000,000 $ 300,000 $ Excluded $ 1,000,000 $ 2,000,000 $ 2,000,000 $
C	**AUTOMOBILE LIABILITY** X ANY AUTO [ ] OWNED AUTOS ONLY [ ] SCHEDULED AUTOS [ ] HIRED AUTOS ONLY [ ] NON-OWNED AUTOS ONLY	Y	Y	TC2JCAP-6E005487-20	7/1/2020	1/1/2022	COMBINED SINGLE LIMIT (Ea accident) BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident) Medical Payments	$ 2,000,000 $ $ $ $ 5,000
B A	[ ] **UMBRELLA LIAB** [X] OCCUR X **EXCESS LIAB** [ ] CLAIMS-MADE [ ] DED [ ] RETENTION $	Y	Y	0310-7887 CEX09602740-03	7/1/2020 7/1/2020	1/1/2022 1/1/2022	EACH OCCURRENCE AGGREGATE Occ./Agg.	$ 10,000,000 $ 10,000,000 $ 15,000,000
D D D D	**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY** Y / N ANYPROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? [ ] **(Mandatory in NH)** If yes, describe under DESCRIPTION OF OPERATIONS below	N / A	Y	UB-1N173390-20-51-R UB-1N173390-21-51-R UB-1N388597-20-51-K UB-1N388597-21-51-K	7/1/2020 1/1/2021 7/1/2020 1/1/2021	1/1/2021 1/1/2022 1/1/2021 1/1/2022	X PER STATUTE [ ] OTH-ER E.L. EACH ACCIDENT E.L. DISEASE - EA EMPLOYEE E.L. DISEASE - POLICY LIMIT	 $ 1,000,000 $ 1,000,000 $ 1,000,000
E	Poll/Prof Liability	Y	Y	PCAB-5008985-0720	7/1/2020	1/1/2022	Agg./Occ.	$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance

CERTIFICATE HOLDER

Evidence of Insurance

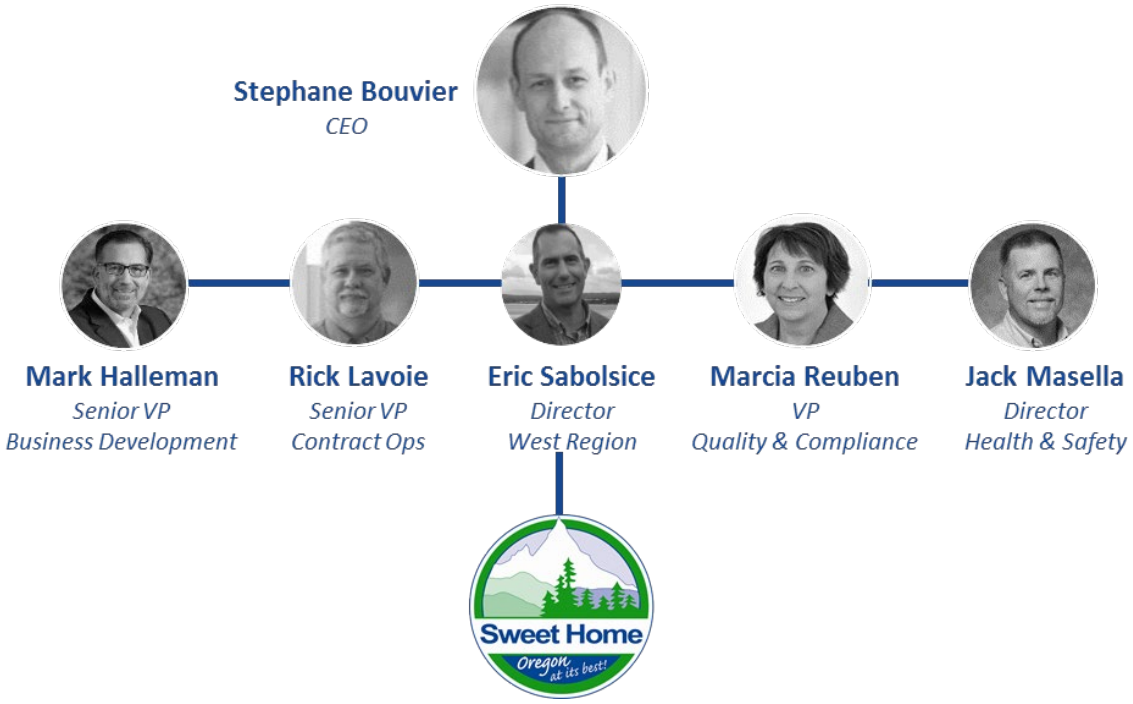
CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

4 Key Personnel

Inframark's management structure is based on a central core team of experienced executives, with strong decentralized management in each of the regions that encompass the states where we provide services. The City is within our West Region, led by Regional Director **Eric Sabolsice**.



Corporate Oversight

Below is the line of direct responsibility for service delivery to the City.

Stephane Bouvier, CEO. Mr. Bouvier establishes the culture of delivering quality service to our partners. He focuses the company on compliance, safety and client satisfaction. He ensures the availability of the resources needed to deliver quality service to our partner clients. Mr. Bouvier serves on the Board of the National Association of the Water Companies (NAWC) and chairs the Contract Operations Committee, a newly formed platform for collaboration and best practice sharing across private companies within the water industry. The primary objective being to educate and provide best practices on the solutions available to utility owners both municipal and industrial.

Mark Halleman, Senior Vice President, Business Development. Mr. Halleman has over 35 years of experience working in all aspects of the municipal water business, managing utilities, leading the development of public-private partnerships (PPP) and consulting services projects. He has worked in, or consulted to over 100 water and wastewater facilities throughout his career. His career spans serving as a licensed operator, plant manager, and has lead the startup and commissioning and transition of dozens of facilities. He was a Vice President with Parsons, one of the world's largest engineering and construction organizations

developing large infrastructure design build and PPP projects. Mr. Halleman also spent 17 years with United Water, where he directed the development of PPP with large municipal and private clients. He earned a bachelor's degree in biology, and throughout his career has been a key speaker at numerous educational and industry events and forums.

Rick Lavoie, Senior Vice President, Contract Operations. Mr. Lavoie oversees the delivery of contract operations including providing and coordinating resources, as well as guiding operations, with the goal of delivering quality service. He also oversees regional vice presidents and technical teams supporting our projects. Having managed numerous facilities during his tenure, he is very familiar with all aspects of contract operations. Mr. Lavoie is an experienced Grade 4 licensed wastewater operator, providing an experience-based perspective to the management of our service delivery.

Eric Sabolsice, Director, West Region. The buck stops here as Mr. Sabolsice is responsible for the delivery of quality service to our projects in Arizona, California, Nevada and Oregon. He ensures implementation of best management practices, safe work standards, and quality assurance as well as directs company resources and technical supports teams to ensure compliance with all applicable regulatory and contractual requirements for each project. Mr. Sabolsice holds a Class A water license in Texas and a Grade T3 water license in California. His reciprocity application for a water license was filed with the State of Oregon in May 2020.

Marcia Reuben, Vice President of Quality and Compliance. Ms. Reuben is responsible for developing and implementing the company's Performance Standards program, which is designed to set expectations for compliance with regulatory requirements, key controls, and good practices. She provides Mr. Lavoie, the senior leadership team (SLT) and regional management teams with compliance reports compiled from our environmental compliance reporting system. Ms. Reuben also provides regular updates on compliance performance, oversees the compliance audit and assurance program, and ensures all environmental matters are dealt with in a timely manner.

Jack Masella, Director, Health and Safety. Mr. Masella serves as Inframark's safety officer and is responsible for developing and implementing the safety culture at Inframark. He has a solid background in environment, health and safety with nearly 30 years of related work experience. Mr. Masella also is responsible for the implementation of safety programs and training employees in safety procedures. He enforces safety guidelines and regulations as well.

5 Project Staff and Project Management Plan

Our approach is to be your partner, not simply a contractor performing the prescribed task, in the operation of your assets. As your partner, the project staff we have assembled will go beyond the basic contractual relationship by anticipating the needs of the City and community while having your best interests at the forefront of all we do. We will leverage all available resources to deliver a comprehensive approach that will meet the current demand on the systems as well as those of the future, taking into account all of the expectations the City has established for this project.

Creating Stability

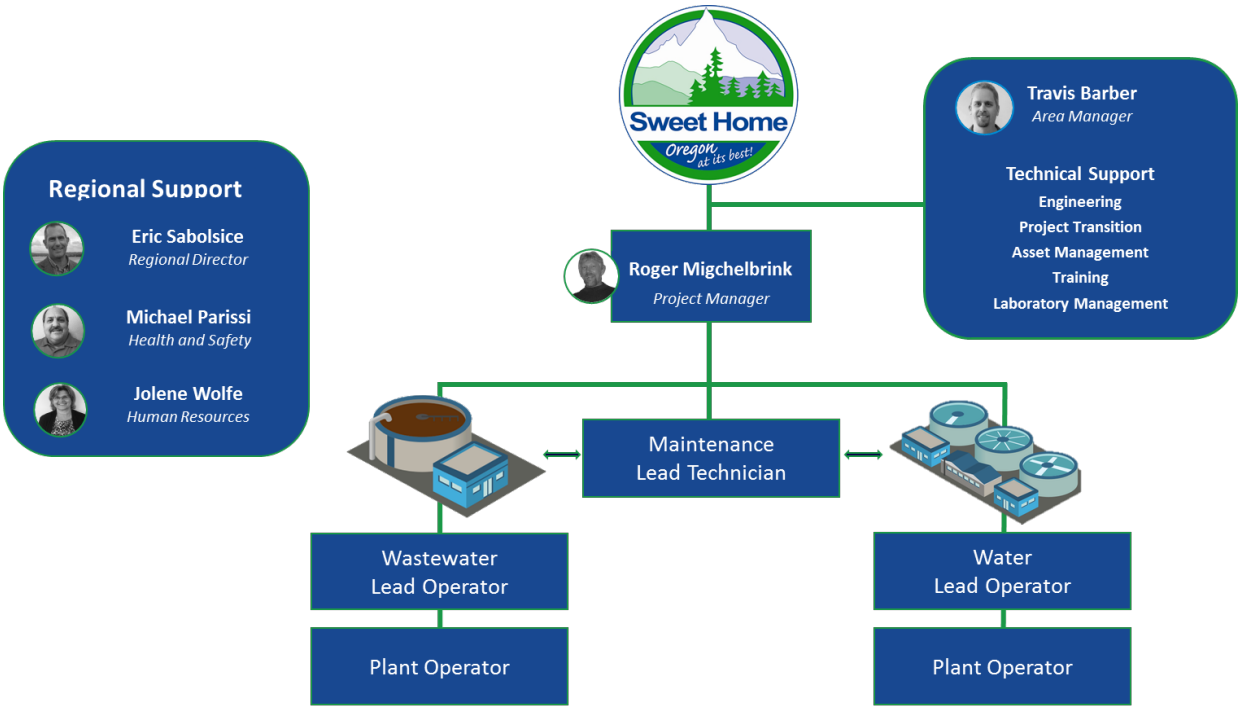
Inframark's staffing plan continues our long history of stability by focusing on developing our teammate's careers and creating a strong succession plan that ensures steady performance.

The City is located in northwestern Oregon along the Santiam River, midway between the state capital and the City of Eugene. A beautiful area, known as the "Gateway to the Santiam Playground" but also removed from large metropolitan labor markets. Through discussions with the City, Inframark is aware that turnover and recruitment of certified operators has been a challenge over the years for both the water and wastewater facilities. These challenges are driven by a limited labor market with significant competition for certified operators by larger cities and towns in the region. Inframark has planned accordingly to ensure we can attract and retain talent should there be vacancies during the transition to a start date.

> *"After much review, we felt Inframark was best suited to manage our critical infrastructure. They offered employment to all our existing employees and the transition is going well."*
>
> **James B. Wolf, P.E., R.P.L.S.**
> **Director of Public Works and Engineering**
> **City of Orange, Texas**

Inframark will offer employment to all existing Jacobs' personnel currently assigned to the facilities that intend to remain in the area, are acceptable to the City and meet Inframark's minimum employment requirements. Inframark will supplement the existing team with our seasoned project manager. The local team will be dedicated to the project.

Inframark offers the City an experienced team of professionals that have expertise in multiple key disciplines that are critical and essential for ensuring efficient and reliable operations of your facilities. We will provide a dedicated, onsite and fully qualified project manager to provide management and oversight of your facilities. This will ensure you have a local point of contact that is capable and has the authority to make the necessary decisions.



Our dedicated local project manager for the City, **Roger Migchelbrink**, has been with Inframark in California for the past 27 years. Mr. Migchelbrink, who is currently serving as the Chief Plant Operator at our Mountain House, Calif., project and regional technical manager, will bring his expertise of project transition and startup of new facilities to The City. Roger will move to the City to assume the leadership role upon project implementation and begin the process of transforming the team, facility, and assets to Inframark's high standards. Mr. Migchelbrink will be a working manager as needed during the initial phase of the project (e.g., working shifts as needed, performing on-call duties, emergency response, etc.) to ensure adequate coverage of the facility beginning day one of our contract.

Mr. Migchelbrink's expertise as Inframark's technical manager for the West region ensures he is well-versed in process control strategies and standard operating procedure (SOP) development. He has maintained operations during significant construction activity for at least seven projects, keeping the facilities running and in compliance as they were expanded. Finally, his role as project manager includes maintenance management to ensure that the assets are properly maintained and serviced to extend their useful life.

Mr. Migchelbrink currently holds a Grade V California wastewater and water operator's certificates as well as California water distribution license. His reciprocity application for both water and wastewater licenses was filed with the State of Oregon in May 2020. Mr. Migchelbrink will provide DRC oversight of the project.

Travis Barber, Area Manager, Northern California/Oregon. Mr. Barber will be responsible for engaging the various technical experts to support every foreseeable need of this project. This team also will be responsible for supporting the transition team in the development of all SOPs, setting up the asset management program and implementing a process control

plan. In addition, Mr. Barber will support the team in the areas of process optimization, troubleshooting, and permit compliance. Mr. Barber currently holds a Grade 5 wastewater license and Grade 2 water treatment license in California. His reciprocity application for a wastewater license was filed with the State of Oregon in May 2020.

The maintenance lead technician position will play a critical role in maintaining the assets of both the water and wastewater facilities. The position will be assigned specifically to the City project and will not be shared with any other Inframark projects. Our preferred candidate will possess a keen understanding of pump and motor maintenance, piping systems, instrumentation, and the effectiveness of predictive and preventative maintenance.

Our solution offers a staffing plan that provides the necessary, full-time O&M team members based at the facility, supplemented by regional administrative and technical support staff to ensure critical resources are readily available on a day-to-day basis.

Regional and Technical Support

For the City, we are supporting the onsite project team with technical and project support expertise not only for the transition period but also for the life of the project.

Andrew Barnett, Regional Technical Manager. Mr. Barnett has more than 15 years of experience in the water and wastewater industry in the areas of management, operations, process improvements, Hach WIMS™ and CMMS implementations, project transitions, and startup and commissioning with facilities ranging from 10 to 200 MGD. He possesses a thorough understanding of dosage optimization, wastewater treatment, instrumentation, regulatory and reporting requirements and has a strong mechanical aptitude. Mr. Barnett has experience with a variety of water treatments including membrane, conventional surface water, and ground water and wastewater treatment including conventional activated sludge, oxidation ditches, lagoons, membrane bioreactor (MBR) and some industrial waste streams.

Steve Siegfried, Process Engineering. Mr. Siegfried has 33 years of industry experience. He has managed small- and medium-size operations, including water filtration plants (160 MGD), well systems, and collection and distribution (800 miles). He has worked for municipalities, authorities, investor-owned utilities and contract operations for the largest companies in the U.S. Mr. Siegfried has a bachelor's degree in geology and is a licensed (retired) geologist in Pennsylvania. He holds T4/D4 water licenses in several states.

Ram Natarajan, Engineering. Mr. Natarajan has 18 years of experience in leading, managing and executing multi-faceted water and wastewater engineering design and construction projects. He utilized his expertise to optimize treatment and solids handling processes as well as manage capital projects. He is a licensed professional engineer with varied and unique experience in managing groups, delivering engineering projects, and successfully implementing workflow optimization programs to both internal and external customers. Mr. Natarajan has a master's degree in environmental and resource engineering.

Shaun Niles, Operations Support. Mr. Niles has more than 30 years of experience in the O&M of municipal water and wastewater utilities. His career success has been driven by his ability to combine leadership qualities with technical expertise and business acumen in providing services to water and wastewater utilities. In addition to having direct responsibility for the O&M of various water and wastewater utilities over the years, his experience also includes oversight of capital improvements, upgrades and modifications to existing facilities, construction and startup of new facilities, collection system rehabilitation, public procurement, collective bargaining, development and administration of contracts, and dispute resolution, as well as preparation and review of O&M manuals and other technical documents. Mr. Niles has the ability to think broadly and conceptually, understanding the relationship between technical and business issues, and then communicating on these issues with decision makers. This allows him to facilitate creative problem solving. Mr. Niles is a licensed wastewater operator and a retired Marine.

Charles Fiero, SCADA Instrumentation and Controls. Mr. Fiero has 40 years of water and wastewater experience in the municipal and industrial sectors. His background includes management of regional water and wastewater systems, numerous facility and process startups, computerized control and SCADA systems, laboratory management and methane gas recovery.

Peter Strimple, Laboratory Quality Assurance/Quality Control (QA/QC). Mr. Strimple has 38 years of experience in the laboratory, QA/QC, field sampling, water, wastewater, and environmental compliance fields. A former dual-certified operator, he has worked diligently to help projects and clients meet various regularly requirements. He has gained experience with more than 50 microbiological, wet chemistry, and sampling procedures for water and wastewater, as a well as their associated QA/QC, recordkeeping, data validation, and safety requirements. Mr. Strimple's primary responsibilities are training plant personnel on field sampling techniques, laboratory analyses, QA/QC procedures, and recordkeeping for both compliance and process control. He has a bachelor's degree in biology and has published related articles in trade magazines and has given presentations at various state, regional, and national conferences.

Rich McGuire, Capital Improvement/Asset Management. Mr. McGuire has more than 30 years of experience in the field of water and wastewater treatment, infrastructure design, operation, and maintenance. He leads Inframark's asset evaluation and capital planning efforts. He is a licensed WWTP operator and has previously supervised a wastewater analysis laboratory. Mr. McGuire also has designed, operated, and maintained multiple private- and public-sector water and wastewater treatment systems throughout North America. He has a bachelor's degree in environmental engineering and biology.

Steven Houst, Maintenance/CMMS. Mr. Houst has 25 years of experience in contract operations and regulated utilities. Mr. Houst's background includes: surface and ground water production, treatment and distribution, transmission and distribution maintenance and repair, meter management, customer service, and billing. He also has experience in sanitary and storm water collection system maintenance and repair. Mr. Houst has a master of business administration in management and international business.

Donald Smales, Transition. Mr. Smales has more than 40 years of experience in the O&M of municipal water and wastewater utilities. His background includes all aspect associated with the day-to-day operations, maintenance and management of large wastewater facilities and collection systems. As a seasoned wastewater professional with decades of management and technical positions, he has had direct responsibility for budget preparation, capital improvement project development and oversight, startup and commissioning, regulatory oversight and permit negotiations, and contract administration. His experience also includes analytical laboratory procedures and industrial pretreatment program (IPP) development. His current focus as transition manager is the planning, coordination, management and directing of the transition process of new projects, ensuring that all corporate, regulatory, and contract obligations are implemented. He has a bachelor's degree in natural resource management.

Jeromy Brush, Training. Mr. Brush provides operational and training support to wastewater facilities. His background includes operations, maintenance, implementation of process control standards, and strategies. He is certified to train multiple levels in water and wastewater operations and water and wastewater labs. He has been an instructor for Oklahoma State University.

Rick Acker, Generator/Electrical Maintenance. Mr. Acker provides specialized maintenance support to water and wastewater facilities across the region. He has nearly 40 years of experience in electrical and specialized maintenance repairs. Mr. Acker has extensive experience with connection, operation, maintenance and repair of generators, plus a strong background in design, construction, scheduling, maintenance, and budgeting. Mr. Acker has an associate's degree in electrical engineering and is a licensed master electrician.

Michael Parissi, Health and Safety. Mr. Parissi is a safety professional with more than 28 years of health and safety management experience. In all his work experience he has had responsibilities for developing safety programs and training employees regarding safety procedures. He is dedicated to minimizing workplace injuries; protection of the workforce through cooperative enforcement of safety guidelines and regulations; identifying, eliminating or controlling hazardous conditions; and instilling a behavioral based safety culture.

Jolene Wolfe, Human Resources. Ms. Wolfe has more than 25 years of human resources experience. Her background includes significant experience in performance coaching and management, employee relations and new employee programs, mergers and acquisitions, career development and transitions.

Transition Management and Operation of the Facility

Our transition model ensures that the health and welfare of existing staff is maintained while our programs are implemented. The transition program allows a smooth transfer of responsibility to Inframark by focusing our regional resources during the first six months of transition, utilizing resources from across the region. Our comprehensive transition plan is further detailed below.

6 Project Approach and Technical Plans

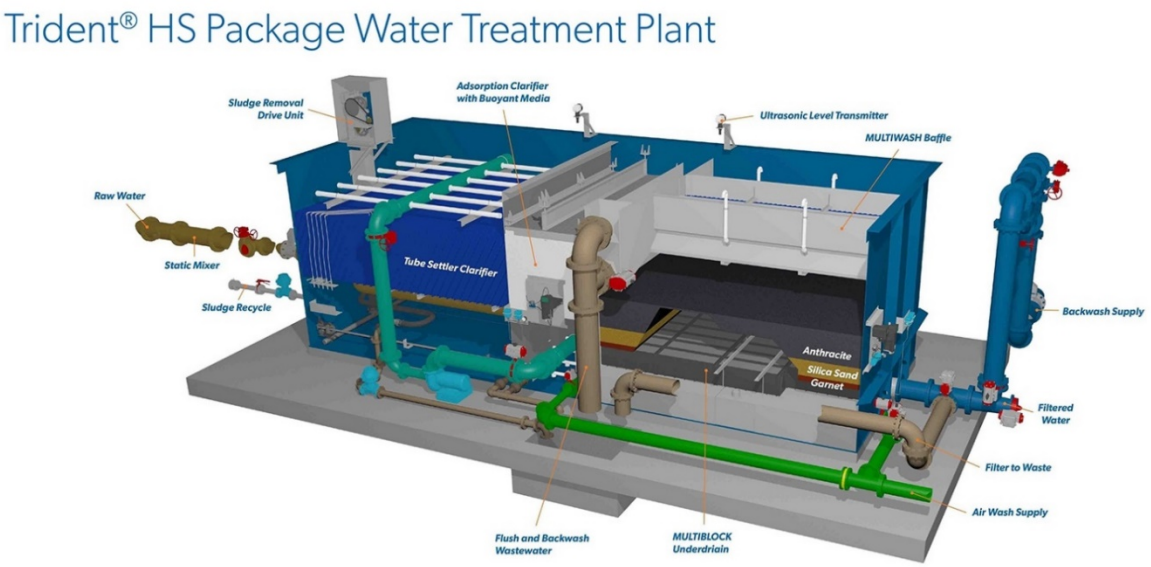
We have spent considerable time looking at your facilities and reviewing available data. We understand the water plant is approximately 10 years old, which is a critical phase in its useful life. As a result of a large investment by the City, you would like to extend this asset's usefulness as long as possible. We also understand the wastewater plant is at the end of its useful life and the City will be replacing it in the next few years. With this understanding, we will custom tailor our approach to extend the asset life of the WTP and get the most out of the existing wastewater plant without significant capital investment over the next few years.

It is with this understanding that we begin our discussion by providing you with our specific plan for the O&M of your facilities, which are all designed to improve overall performance, efficiencies, reliability and safety for the City's water and WWTPs. The following sections highlight our unique approach and can be further developed in cooperation with the City to ensure alignment following contract award.

WTP Operations

Current Issue	Inframark Approach	Benefit to the City
Asset Management Approach. The existing plant is entering a critical phase of its asset lifecycle (10 years). At this age, the plant predictive and preventive procedures require modifying to "tune" the updated procedures based on age and condition.	• Inframark will develop an initial baseline report. • Inframark will update all maintenance procedures based on the current condition and age of the equipment (0.8).	• Asset life will be maximized. • Minimize capital investment on the assets by extending operational life of all equipment. • Reduced maintenance expenses. • Improved up time.
Flocculation Process. Low turbidity water can be difficult to coagulate	• Ensure backwash recycle percentage is below 10% and is well mixed with solids to form nucleus for flocculation.	• Better settling of water and removal of difficult, low turbidity particulates. • Prolongs filter life.
Filter Media. Filter media, which degrades over time, is not monitored for degradation.	• Provide testing and tracking of media degradation, trending over time to identify optimal replacement frequency.	• Keep filter media in top condition. • Tool to plan for capital upgrades.
Filter Shell. Rust areas were identified on the exterior of the Trident® filter steel shell.	• Rust areas on the filter to be primed and painted to abate and prevent corrosion of the steel filter box.	• Prolong the life of the Trident® filters.
Instrumentation and Controls. Fluoride and turbidity meters, which are critical to monitor water quality and maintain regulatory compliance, were reported to have issues.	• Implement preventive maintenance following manufacturers' recommendations. • Utilize our I&C specialist to professional evaluation.	• Keep critical equipment in peak operating condition. • Maintain compliance.

Current Issue	Inframark Approach	Benefit to the City
SCADA. The SCADA system was reported to need optimization to provide dependable reports and eliminate nuisance alarms.	• The SCADA software and set points will be evaluated and adjusted as needed.	• Increase operators' confidence in SCADA alarms and reports.



Inframark has operated Trident® package plants for more than 26 years producing an average flow range from 2 to 2.5 MGD at the Elkton, Md., project. We also operated a Trident® filter plant during phase I of operations at Mountain House, Calif., while the permanent plant was being constructed. Engineers and managers at Inframark have experience operating, maintaining and rebuilding the Trident® units.

The City's WTP plant is a well laid out facility with three parallel 2 MGD filters producing an average flow of 1 MGD and a maximum day flow of 2.3 MGD. With the three treatment trains any one train can be taken off line for maintenance and the plant still can meet peak daily flow. Our team has operated Trident® package plants in full compliance and without any issues. Our approach with package plants carries the same high standards as conventional plants or advanced water treatment facilities.

At our Elkton project, we have performed capital improvements of the two Trident® units. After 20 years of use, we replaced filter media, which required taking one unit offline while running the other unit to meet the demands of the community. Typically with high quality source water the media should last 20+ years before the media gets rounded and no longer meets design specifications. Filter run times can be extended past 48 hours up to 96 hours provided loss of head does not start to climb and the turbidity under the filters remains less than 0.2.

Treating pure low turbidity water can be challenging due to not having enough suspended solids in the water to form proper floc particles for settling. Recirculating backwash water into the plant influent before the static mixer or rapid mix chamber can provide the suspended solids needed to form a nucleus for the flocculation process. Ideally the backwash water should be 5 to 7 % of the plant influent. Regulations limit the return stream to less the 10%. Holding and keeping the back-wash water mixed to prevent the solids

from settling keeps the recirculated backwash a consistent mix. Inframark will review the backwash recirculation process to assure the flocculation process is optimized.

Typical maintenance includes testing the filter media every two years and having an engineering analysis conducted on the media to track media degradation. Replacing the buoyant media in the up-flow clarifier may be required if there is a media loss. The unit benefits from periodic cleaning of the sidewalls and weirs. If there is excessive algae growth the filter can be taken off line and disinfected with chlorine to remove any algae build up. Given the pristine source water and cooler temperatures in Oregon this may not be an issue.

The only weakness with the Trident® filters is the steel shells can rust through in a 20 to 30-year time range. The filters at the City's plant had rust showing on the outside of the filters. With the condensation that occurs on the outside of the full filters they need to be drained thoroughly dried. We would drain the filters one by one, machine wire brush rusted areas, prime and repaint the rust effected areas. Spot treatment of rust should be adequate and will extend the useful life. At some point in 5 to 10 years a full sand blast and repaint in a tent-controlled area may be warranted.

During the plant tour operational issues were identified with SCADA system as well as with the fluoride and turbidity meters. Inframark has experienced Instrument and Control specialists and a company that installs, repairs and rehabilitates SCADA systems. We will diagnose and fix the outstanding issues. This will eliminate nuisance alarms so the staff can have confidence in the data and control logic of the SCADA system operating the WTP.

WWTP Operations

Current Issue	Inframark Approach	Benefit to the City
WWTP. A new plant upgrade is planned to include electrical, rotating equipment, I&C/SCADA, new headworks with automatic screen, grit removal and rebuilt primary clarifier, cloth filters, ultraviolet (UV) disinfection, solids handling with anerobic sludge digester, rotary drum thickener and screw press.	• Coordinate with the contractor, engineer and City to take processes offline for rebuilding. • Keeping the plant in compliance while taking half the plant down process by process. • Provide continuity of operations through the construction process.	• Successful plant upgrade. • Regulatory compliance. • Assurance of plant operations.
Managing WWTP O&M Until a New Facility Is Built. We will seek to minimize expenses on the existing assets that will be replaced while maintaining compliance and safety.	• Develop an initial asset assessment and develop an asset management approach that stretches the life of the asset without costly equipment replacement. • The predicative, preventive and corrective maintenance program will take into account the limit service life of most of the equipment.	• Maximize the life of the existing facilities in order to maintain compliance and safety until the new facility is commissioned. • Minimize capital investment on the existing plant equipment.

Current Issue	Inframark Approach	Benefit to the City
Filter Belt Press. The filter belt press is old and worn out. If it fails, an expedited procurement of a rental unit to remove solids from plant will be required.	• Keep the existing filter belt press (FBP) in operation through preventive maintenance and repairs as needed. • Prioritize solids handling during plant upgrade.	• Maximize the useful life of the existing FRP. • Maintain compliance.
Odor Control. Reported odors complaints emanating from the sludge pressing process.	• Plant rebuild should have odor control on the headworks, digester and solids handling areas. • Work with the City on potential odor mitigation strategies.	• Eliminate odor complaints.

Inframark has experience operating wastewater plants during major rebuilds and construction. We will coordinate the with the engineer, contractor and the city while the plant is being rebuilt to ensure continuity of operations. Our approach is detailed in the "Operations During Construction Plan" section below.

The existing practice of wasting sludge to a small day tank and pressing the undigested sludge with the Rodinger Filter Belt Press (FBP) will be continued. The FBP is obsolete and we understand it is difficult to find parts. Inframark will perform routine maintenance and repair as needed, understanding that the FBP will be replaced with a rotary drum thickener and screw press during the WWTP rebuild.

The FBP is a critical piece of equipment. Failure of the unit will be addressed quickly with either a successful repair or use of a rental unit. Without the FBP, solids cannot be processed and therefore any remedy will need to be applied within one to two weeks to prevent process disruptions. During the plant rebuild, the solids handling equipment and process should be a priority.

Odor complaints have been reported from adjacent properties while the FBP is in operation. The plant rebuild should have odor control systems for the headworks, primaries and solids handling area. Until the odor control equipment is put in place with the plant rebuild, Inframark will work to minimize odors and impact to the neighbors. We will respond to, and notify the City of any complaints along with details of what was occurred at the plant and the mitigation measures put in place.

Operational Approach

In this section, we show the key highlights of the means and methods we will use to ensure long-term success.

Controlling the plant process so that it performs within the plant flow and load design parameters, optimizing chemicals and sludge and meeting regulatory compliance is the purpose of the process control plan Inframark will develop for the water and wastewater treatment facilities. The wastewater process control plan will be developed to meet National Pollutant Discharge Elimination System (NPDES) permit limits, while taking into consideration the unique character of the WWTP and the proposed reconstruction of the facility. The WTP process control will be designed to meet the safe drinking water standards and continuously provide safe, compliant drinking water to the community.

At Inframark, we have developed a time-tested Process Control Management Process (PCMP) that ensures your facilities are operated in an efficient and compliant manner. PCMP takes information from several sources, process sampling, regulatory sampling, SCADA, facility design, regulatory requirements and develops a plan to use the data to achieve regulatory compliance and process optimization. The process control plan contains actions that are to be taken to steer the parameter back into compliance prior to any excursion. Training is a required component to the PCMP, education the operator on the key performance indicators and process decisions is key to implementation. Elements of the PCMP are illustrated below and detailed in the following pages.

Facility Design Parameters

The process control plan starts with our Operations Solutions Group (OSG) developing a working engineering process model based on the plant drawings and processes. Compliance values and limits are calculated for specific parameters. The process control plan will specify what parameters are monitored, where samples are taken and what adjustments should be made to keep the WTP and WWTP operate within the set limits. The goal is to tighten the limits range and achieve compliant operations based on the operating permit. The process control plan contains actions that are to be taken to steer the parameter back into compliance prior to any excursion. An ideal combination of process control and operation planning will increase compliance, reduce system costs and maximize economic and environmental benefits.

Process Model

For each facility, we develop a site-specific process model that provides the optimized operating plan. As each facility is different, these plans are highly customized and result in not only a detail operating plan, but also ensure the facilities are managed at peak efficiency.

QA/QC Plan, Sampling & Laboratory Procedures

First and foremost is having a keen understanding of your regulatory requirements. These requirements are translated into a sampling and laboratory plan and is subject to rigorous QA/QC; below we highlight our approach to both.

Sampling Plan

At Inframark, we have an extensive QA/QC program that will be customized for each of the City's facilities. This program includes a laboratory QA manual (customized for each facility), an onsite training program, and support from OSG personnel. This program includes various aspects of sampling at WWTPs, and the QA manual has a specific section on "Sample Acceptance and Handling Procedures." Within this section, there is detailed information on sampling techniques, sample bottle labeling, applicable federal regulations (e.g., 40 CFR 136; 40 CFR 141), and associated recordkeeping for sampling activities.

An integral part of proper sample handling is the use of chain of custody (COC) forms on which pertinent aspects of compliance sampling events are recorded. This includes sample locations, sample dates and times, samplers, preservation methods, and more. Though often these COC forms are provided by a contract laboratory, Inframark also has an internal COC form that can be customized to meet state, federal, and or client requirements, as needed.

Continuous Success with QA/QC

Award Winning Performance
Our Lititz, Pa., WWTP (*left*) received the O&M Excellence Award from the U.S. EPA Region III, while our Glen Cove, N.Y., WWTP received funding for a major improvement plan.

Laboratory Quality Assurance

Compliance with state and federal regulations is paramount when operating WTPs and WWTPs. These regulations may come from various sources, including 40 CFR 141 (drinking water), 40 CFR 136 (wastewater), WWTP permits, and state administrative codes. An integral part of this compliance comes from analyzing the myriad samples collected at these facilities. Simply performing the analyses is not enough to ensure regulatory compliance; there must be a process of checks and balances that work together to prove that the reported analytical results are accurate, repeatable, and defensible. A solid QA/QC program fills this need and is critical to all regulatory compliance.

At Inframark, the laboratory QA/QC program includes a laboratory QA manual, bench sheets, log sheets, and onsite training of project personnel, among other things. It is important to understand that our QA program will be customized to encompass the specific needs and requirements of each new project we transition. In addition to the QA/QC program, we have internal performance standards (e.g., reviewing laboratory results and calibration of field instruments) that provide guidance to project personnel on topics related to laboratory QA.

The primary component of Inframark's QA program is the laboratory QA manual, which provides various documents, requirements, and procedures that help ensure compliance with applicable state and/or federal regulatory requirements. The two-volume manual is provided to each water and WWTP at each new project we transition. Volume I of the manual contains detailed information on a variety of topics, including

laboratory organization and responsibility, ethics, laboratory safety, sample collection and handling, QC procedures, training, and more. Contained within Volume II are standard operating procedures (SOPs) for the specific analyses performed at each facility, along with several general SOPs.

Standard Operating Procedures (SOPs)

SOPs are important because they provide specific standardized information on how to perform an operational task. For this project, as with all of our projects, SOPs will be created for all processes, situations or operating conditions that an employee might be exposed to while performing work at any location operated by Inframark. SOPs will follow a standard format that is easily understood and is written in a clear, concise, step-by-step, easy-to-read format.

We will develop the following SOPs for the City's facilities, including:

- Belt press operation
- Sample collection
- Wet weather flow
- Filter backwash
- Turbimeter calibration
- Chemical feed system calibration
- Emergency generator start/stop
- Additional, as needed

Key Performance Indicators (KPIs)

KPIs are valuable for setting suitable goals, developing strategies to meet these goals, identifying issues before they become a problem, and tracking and evaluating our progress. Establishing KPIs helps us to optimize treatment, which means better water quality, extended life of treatment equipment, as well as a reduction in chemical, power, and sludge disposal costs.

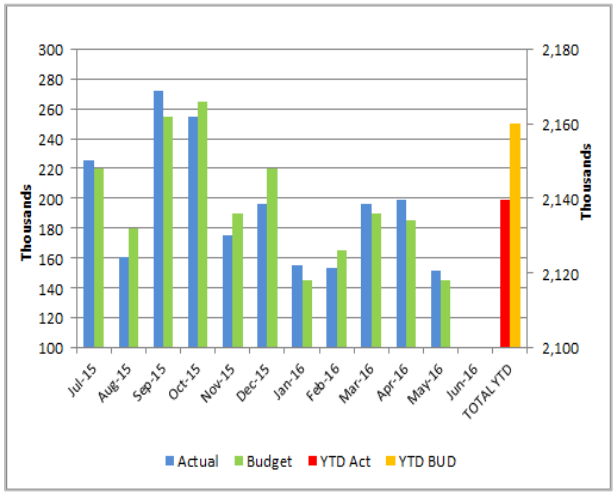
Our intent is to develop KPIs mutually with you to provide a transparent view of our performance in managing the system. We will work with the City at the beginning of the contract to establish the reporting requirements and KPIs and develop a set of KPIs to manage the process. Because the City is paying for power, chemicals and sludge disposal we will be sure to set KPIs that demonstrate our commitment to optimizing utilization. We will review plant design parameters, regulatory requirements and industry standards to establish process control targets that will optimize treatment efficiency. Targets will be calculated and tracked via Hach WIMS™ to which data is updated daily. Our performance against these targets will be posted in our monthly client report.

Cost Control and Optimization

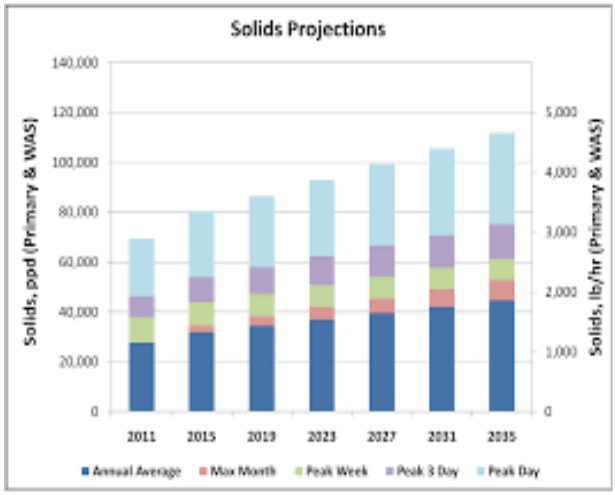
Inframark's service philosophy has been formalized by combining the key elements of our offering and we call it "Pure Partnership." Simply stated, this means that Inframark and the City are partners in the pursuit of success as we add value in the operation of facilities for the customers served by the City. "Pure

Partnership" endeavors to deliver exceptional value in the areas of compliance, health and safety, operational excellence, sustainability, and cost control.

Inframark's plan is to work with the City to identify methods to operate, maintain and manage your water and wastewater assets in a cost-effective manner. Key items are methods to control power costs through technology and processes that use real-time information to better control the process units and not waste energy and chemicals during low-flow conditions. Through potential cost-control measures, the City will be able to fund additional improvements at the WWTP and limit increases in costs to the consumer. This will be a key component of our offering and commitment; it builds on the cost-effective proposal we have developed so we can offer a solution that not only show initial savings, but also a path toward ongoing improvement of results including long-term costs.



Monthly Chemical Spend



Biosolids Disposal

Regulatory Compliance

Inframark operates more than 300 facilities nationwide, and has provided operations, maintenance and management for nearly 40 years. Our high level of training, compliance oversight and technical assistance equip us with the resources necessary for exceptional compliance at facilities resulting in an excellent compliance record. As is common to the operations industry, we have occasionally dealt with facilities that have exceeded certain limits of its permit parameters due to equipment malfunctions, loading problems or other circumstances. Even taking those into account, we have achieved well over 99% compliance with all regulatory requirements at our facilities. Our record is exemplary in the municipal O&M industry.

We realize the importance of managing regulatory compliance and have invested significant resources to ensure that procedures and tools are in place to meet these requirements. Our personnel, with many years of experience, is responsible for tracking current and future

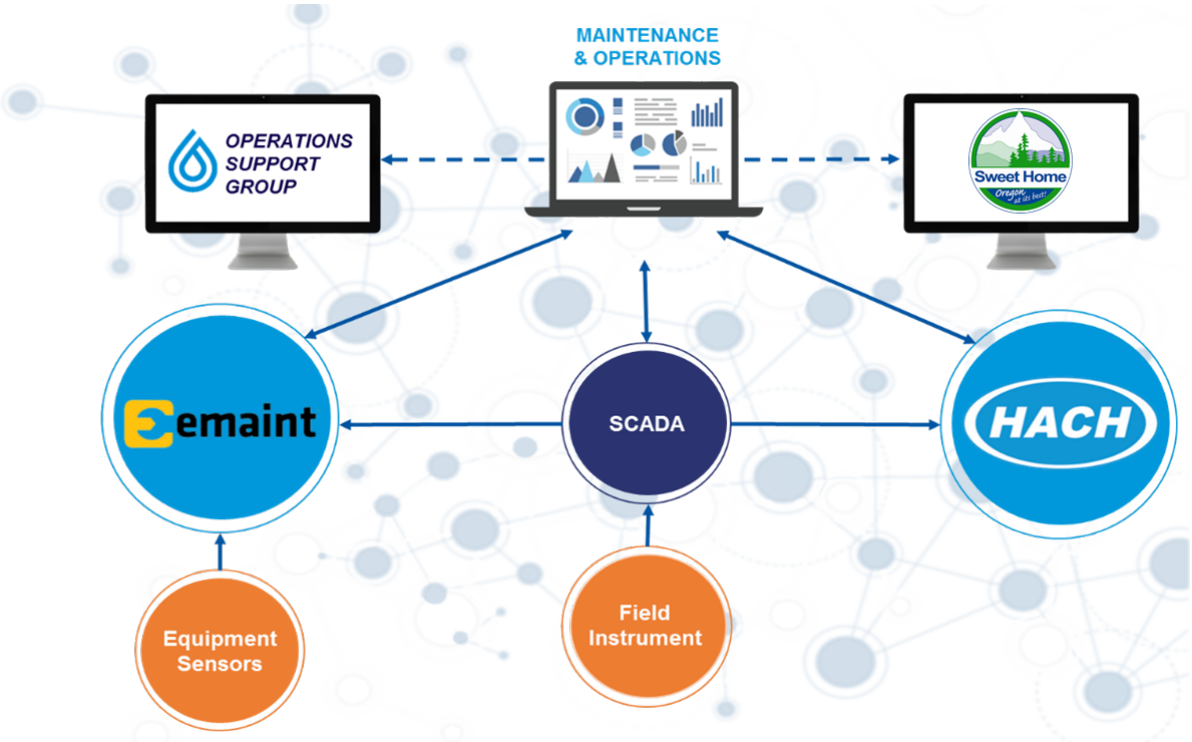
Noncompliance Is NOT an Option

"Compliance is what most of the general public judges our performance and is critical to our success as a company. We realize the importance of managing regulatory compliance and have invested significant resources to ensure that procedures and tools are in place to meet these requirements. Through diligence and hard work, I am proud to say that **Inframark is 99.9% compliant with permit and regulatory requirements at all of our facilities.**"

Marcia Reuben
VP, Quality and Compliance

regulatory requirements, analyzing results and trends, and providing the direction and recommendations on how best to comply.

Hach WIMS™ is the core program to Inframark's regulatory compliance**.** We use this for managing all process control and regulatory sample data. Hach WIMS™ has replaced the spreadsheets, files full of sample analysis and manually completed monthly operating reports. Inframark operators upload all process and regulatory samples results to the Hach WIMS™ cloud-based database. We have local, regional and national experts monitor the results and identify operational conditions before they become compliance problems. Inframark has a regulatory compliance group that focuses on monitoring and keeping the plants compliant.



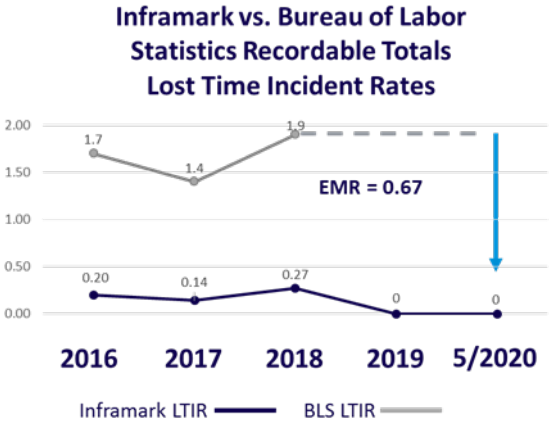
Reporting

We will work with the City to establish the reporting requirements and KPIs that best communicate our commitment to preserving the reliability of your assets under our care. This includes performing trend analysis and NPDES reporting. Our intent is to provide a transparent view into the management of these assets and we will provide the data in an agreed upon format. In addition, the City will have full-time access to a custom dashboard view of Hach WIMS™.

	Daily (Communication)	Weekly (Meeting)	Monthly (Meeting)	Quarterly (Review)	Annually (Review)
WHEN					
WHAT	• Daily operations report • Ensuring accessibility	• Discuss previous week highlights/action items • Discuss any community interactions • Week ahead planning	• Progress update on key projects • Review operations report for the previous month (compliance, flows, major equipment status) • Maintenance review of open and closed work orders (eMaint™) • Ensuring alignment	• Partnership and progress review • Staffing plan/training activities	• Year end review • Inframark presents five-year capital improvement plan • Discuss upcoming year objectives • Ensure accountability
WHO	• Sweet Home Supervisors • Inframark Local Team	• Sweet Home Utility Operations Manager • Inframark Project Manager	• Sweet Home Utility Management Team • Inframark Project Management Team	• Sweet Home Utility Management Team • Inframark Regional Management Team	• Sweet Home Utility Management Team • Inframark Regional Management Team

Safety

For Inframark, safety is our No. 1 priority; there is no alternative. We are serious about our responsibility to provide a safe and healthy environment for employees and for all who come into contact with our operations. Wherever Inframark operates, we seek to minimize the risks arising from our operations.



Our operation at the City's WTP and WWTPs will be in compliance with OSHA, which includes required training, tailgate safety meetings, and specific required equipment for safe operations. While this is not a requirement for the City (as it is not regulated by OSHA like a contract operator), the enhanced level of expectations placed on the contract operator result in a more robust and resilient solution and one that provides additional protections to the local staff and residents. Some examples include:

- Housekeeping is an important safety function. The highest safety incidents are slips trips and falls. During an early site visit, hoses and trip hazards were present at the WWTP. All hoses should be racked after use, and materials and tools put away in their proper location.

- The grates that form the walking deck need to have clips inspected and installed where needed to make sure the grates are not moved or displaced from their intended location. Falling through a grate that is not properly set could cause significant injury. We will install the required clips.
- In several locations, chains were used to block entrances to process areas. To bar entry for locations that should not be accessed gates are now required. Inframark will install gates where chains are now used to block entry.
- To guard against electrical shock, there must be rubber mats placed in front of all the motor control centers (MCCs) located throughout plant. Our approach is to install these rubber mats in front of the MCCs throughout the WWTP.
- Safety- and OSHA-compliant signs need to be installed throughout the plant. We will purchase and install the signs.
- Security is an important safety consideration. Inframark has a Security SOP requiring that all gates and doors limiting access to plants, buildings and electrical MCCs be kept locked. During a site visit, many doors and gates were unsecured presenting a hazard to people wandering into the facilities.

OSHA 10-hour training is provided during the transition period along with other OSHA programs such as chemical "right-to-know," hazardous spill responder, safe chemical handling, confined space entry, lock out/tag out, and blood-borne pathogens.

Coordination with the City's Collection and Distribution Team

Inframark has numerous partnerships where we operate communities' plants, collection and distribution systems, and provide meter reading, customer service, and billing. We appreciate the challenges that can arise when not all items are within the scope of our operations, maintenance and management. As we do in our water and/or wastewater facility operations-only partnerships, we will coordinate with the City to make any adjustments at the plant to address leaks or breakages.

Sludge Disposal

Our team has experience with sludge dewatering equipment (belt and screw filter presses) as well as digesters (both anaerobic and aerobic). We will provide O&M for the current system, which is quite old and in need of care to extend its life to the planned replacement. Our maintenance staff will keep the current belt filter press operational through preventative and predictive maintenance. We will replace the belt on an as-needed basis and adjust tensioning to optimize cake solids.

This is a single point of failure for the operation. If the sludge press fails, action will have to be taken quickly to manage the solids as the mixed liquor suspended solids will increase quickly and exceed the capabilities of the process. Within one week sludge will have to be removed from the plant. We have experience bringing in temporary centrifuges and filter belt presses while waiting for parts or in the event of non-repairable failure.

We highly recommend expediting the rotary drum thickener, aerobic digester and screw press during the forthcoming plant upgrade. Installing the new equipment will alleviate the single point of failure and the necessity of pressing waste activated sludge for offsite disposal at a landfill. Inframark will work with the City to develop a beneficial reuse program for the potential land application of the biosolids.

Odor and Other Nuisance Management

As with all wastewater treatment facilities, there will always be an odor to manage. Process optimizations discussed above will ensure the least amount of odor. All other nuisances will be addressed promptly at the facility. On the day we visited the site the majority of the odors were coming from the belt filter press room. We will investigate means to keep the feed to the belt press from becoming septic to reduce the potential for nuisance odors.

Housekeeping

We see housekeeping as directly related to safety. As such, Inframark will maintain a tidy operation at both plants and commit to being a good neighbor.

Regional Resources to the Rescue

We can marshal hundreds of employees from other parts of the region during emergency situations, like we did in Texas in 2017 after Hurricane Harvey.

Emergency Response and Preparedness

Inframark believes that the best approach to addressing any emergency situation – be it mechanical, treated water quality or natural disasters – is through prudent planning and training of all project personnel.

We perform a detailed evaluation of the facilities and services under our control and develop a site-specific comprehensive emergency response plan. The plan contains helpful general information about various emergency situations that may be encountered, plus specific procedures designed to help employees prepare for, and deal with, emergencies that affect operations. A few of the key topics addressed include the following:

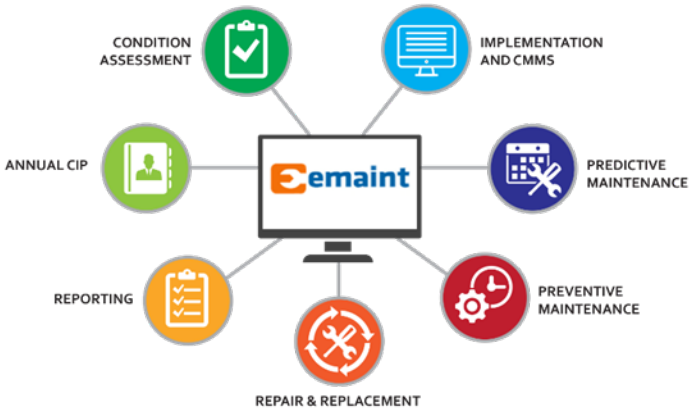
- Chemical handling (minimize and handle leaks/spills).
- Chemical leaks/spills.
- Personnel emergencies.
- Explosion/fire.
- Major equipment failures such as pipe, valve and pump failure.
- Process failure.
- Power failure.
- Loss of access to the facility site.
- Extreme weather conditions including high wind, flooding and extreme cold.
- Sabotage and breaches of security.

Inframark will coordinate the evaluation and subsequent plan development with the City and other departments such as police, fire, as well as other emergency management agencies. A draft emergency response will be submitted to the City for its review and comment. Those comments will be reviewed and incorporated into the final plan that will be resubmitted to the City for final approval.

Even the best planning cannot prevent all emergencies from occurring. Operations are monitored during non-staffed periods and on-call personnel notified in case of a malfunction. If mechanical equipment fails, Inframark will determine whether emergency repairs or replacements are needed to maintain the treatment process. Depending on the type of emergency and expertise needed, some or all project personnel are contacted and immediately respond to address the issue at hand. We utilize existing relationships with mechanical repair vendors to augment our in-house capabilities to correct mechanical failures. Additionally, we can marshal Inframark resources from other projects in the area – or from our staff of 1,500 employees nationwide – plus necessary subcontractors, as required – to effectively respond to emergency situations.

Maintenance Plan

Inframark provides our clients with the highest level of service through a best-in-class asset maintenance and management program. Our staff of highly experienced and licensed technicians, engineers, and IT professionals is the driving force behind our program. We utilize leading-edge technology to collect, manage, evaluate, and communicate data and the meaning of that data.



Asset Management Approach

Our program starts the moment we arrive onsite, starting with an in-depth physical inventory and condition evaluation of facility capital assets. Simultaneously, we implement an asset management program by reviewing available data, integrating that data into the CMMS, and validating that data through comparison to a physical inventory.

Our asset management approach is designed to help schedule, plan, manage and track maintenance activities associated with equipment, vehicles or facilities. The solution provides a central storage location for the majority of data and information for assets. It manages and controls work orders, work priorities and maintains data for each piece of equipment or asset, tracking maintenance activity over the lifecycle of an asset.

Through this approach, we can help shift an operation from one that always finds itself performing reactive maintenance; routinely neglects preventive maintenance; is frustrated with, or does not manage its spare parts inventory; spends a lot of time and money on costly manual processes for tracking maintenance; and has difficulty providing documentation for contract and regulatory compliance to an empowered team that uses CMMS to manage assets, work orders, work requests, preventive maintenance tasks, inventory and parts, condition monitoring and maintenance schedules, where maintenance activities can be monitored and analyzed through robust CMMS reporting and dashboard tools.

Condition Assessment

To start the asset management program, Inframark will perform an assessment of the current health and criticality of City's assets and submit a report on the condition of the plant infrastructure. While assessing the condition of the assets, we will validate the suggested improvements and the estimated costs associated with the existing maintenance program for completeness and accuracy. This validation will include capturing data-plate information and reviewing or entering the CMMS data entry for each piece of equipment. The current preventative maintenance schedules and capacity specifications will also be audited to ensure alignment with manufacturer-recommended preventative maintenance schedules. Any findings will be corrected in the CMMS database and reported to the City.

The next step in this approach is a systematic determination of the potential functional failures of each process and associated critical assets. By determining the potential failures, we can then conduct a failure mode and effects analysis (FMEA) on all critical equipment. This analysis is key to formulating optimum condition-based detection methods that work hand in hand with time-based preventative and predictive maintenance schedules.

CMMS

Inframark's preferred CMMS is eMaint™. We have used many CMMS software packages over the years. Some are legacy programs based on client's requirements, some are older CMMS packages that we will be converting to eMaint™. Inframark is planning on installing eMaint™ for the City, which will allow us to catalog each piece of equipment, set up maintenance schedules, issue work orders, and log maintenance items. A fully functional CMMS puts an end to the phone calls, Post-It notes, lost work orders and missing paperwork with a web-based CMMS software. The configurable interface makes it easy to work the way you want to work by customizing form layouts, fields, workflow actions, reports, and dashboard metrics that match both the operators and the City's needs.

As your partner responsible for the protection of your assets, our approach allows City staff access to the CMMS in read-only mode. We can provide the City an Internet link to our CMMS, permitting access to the data and CMMS dashboards. With this access, the City can view up-to-date information on the current condition of the system and level of maintenance activities being performed. We will work with the City to establish the reporting requirements and KPIs and develop a CMMS dashboard to best communicate our commitment to preserving the reliability of assets under our care. Our intent is to provide a transparent view into the management of these assets and we will provide the data in the format you desire. The asset data that is gathered during the contract is considered facility property and will be made available to the City at the end of the contract. The City can take over the eMaint™ program with the associated data or transfer the data to another CMMS system of their choice.

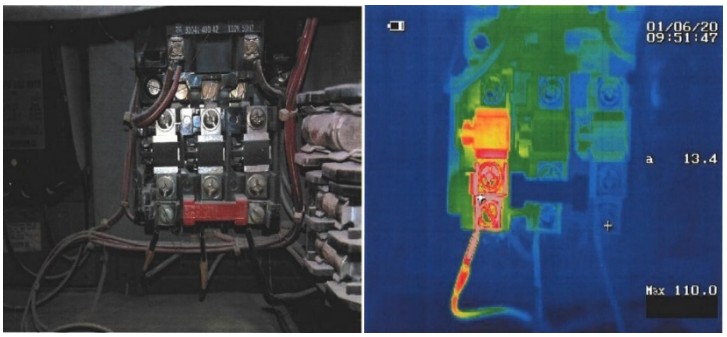
The Benefits of Our Approach to CMMS

In today's fast-paced business environment, an effective CMMS solution is vital for ensuring maintenance management success and driving operational excellence. By implementing our approach to CMMS, Inframark is empowered to:

- Maximize the asset life with documented preventive maintenance.
- Meet compliance and safety standards.
- Increase visibility and transparency of asset maintenance activity.
- Improve work completion rate; with visibility comes accountability.
- Eliminate manual processes and paperwork.
- Reduce maintenance costs and equipment downtime.
- Shift maintenance activity from unplanned breakdown and repairs to scheduled preventive and predictive maintenance.
- Make data-driven decisions for repairs, replacement and capital improvements.
- Track work orders and make sure they are completed in a timely manner.
- Provide a monthly report to City of the maintenance activity for the month and the status of any open work orders.

Predictive Maintenance

Inframark emphasizes predictive maintenance to avoid the operational challenges associated with equipment failure. We analyze equipment trends and manufacturers' suggested maintenance requirements and document maintenance histories in the CMMS as part of our predictive maintenance process. This includes all mechanical, electrical and instrumentation components to ensure compliance with all applicable warranties. Predictive maintenance reduces repair costs, decreases the need for a large inventory of parts and increases equipment reliability.



As part of our predictive maintenance program, we will take thermographic images of all newly installed equipment to identify construction issues and maintain this practice ensuring extended lifecycle for all equipment.

Where applicable, we will utilize state-of-the-art technology on an annual basis to identify potential problems and document the health of the piece of equipment. A motor bearing will rarely unexpectedly fail. More likely the bearing had warning signs of vibration, increased metal content in the oil, and hot spots that can be seen with thermographic cameras prior to failure. Here are some examples predictive maintenance activities we could use to track and document the health of rotating and electrical equipment:

- **Thermographic Photography.** Thermographic images are taken of each electrical panel in the system. With the hot spots identified, temperature readings of the area of the panel in question are taken. The problem is verified and corrected and temperature readings are then re-verified.
- **Oil Analysis.** Oil from all medium to large gear boxes is sampled and sent for analysis that tells the story of the gearbox. High metal content indicates significant wear and the level of moisture indicates whether we need to pay closer attention to that component.

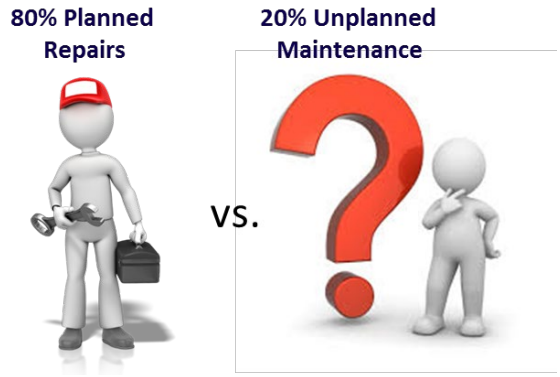
- **Vibration Analysis.** This analysis allows us to estimate equipment lifespan and the rate of serviceable life degradation. By comparing sequential readings, we can predict when a unit might fail. These readings are taken every six months on all medium to large gear boxes and motors.

Preventive Maintenance

Our preventive maintenance program proceeds parallel to the predictive maintenance process. Preventive maintenance ensures the reliable operation of facility equipment by requiring the operators and maintenance staff to perform regular maintenance activities, such as lubricating and calibrating equipment throughout the facilities. As part of this program, we document the historical information for all equipment including time-based maintenance, equipment operating hours and opportunity maintenance. Facilities and equipment are maintained using manufacturers' recommendations and SOPs for each maintenance task. This activity is tracked by a CMMS.

Repair and Replacement

The need for corrective maintenance is minimized through the effective implementation of predictive and preventive maintenance programs. However, even with an effective preventive and predictive maintenance process, corrective maintenance is required from time to time. When unscheduled maintenance is required, Inframark performs the necessary work in the most expedient and cost-effective manner through proper and effective management of work orders, personnel, inventory and purchase orders. Maintenance personnel and project management are on standby 24/7. Inframark will adjust schedules and plan all work well in advance to minimize call outs. We target for at least 80% of maintenance activities to be planned but we account for up to 20% of those to be unexpected. This helps to reduce repair and replacement costs.



Inframark focuses on preventing costly corrective maintenance. Corrective work orders cost 10 times the amount of a preventive work order. For this reason, we will implement a sophisticated asset management plan that focuses on keeping equipment operational by focusing on preventive maintenance to significantly reduce corrective measures.

Reporting

Our communication on the status of your assets comes in several forms: daily communication, monthly reports and annual reports that provide you with a forward-looking, five-year capital improvement plan (CIP). On a monthly basis, we will provide to the City a detailed report on our maintenance activities, which will detail predictive, preventive, and corrective actions we have undertaken as well as the monthly spend against the maintenance cap. At Inframark, we will always be transparent on the quality of care we provide to you in the maintenance of your critical assets. Our asset management program is geared toward extending the useful life of you precious assets.

Capital Planning/CIP

Utilizing the asset registry, we develop a risk matrix that ranks the assets based on condition and consequence of failure, with critical equipment that needs renewal or replacement clearly identified due to its criticality, condition, and maintenance history. We will provide the City with a five-year CIP of suggested

capital improvements based on the risk matrix that will be reviewed annually and adjusted as changing conditions dictate. Inframark is prepared to assist the City in achieving its goals. The capital planning matrix provides valuable information to help the City make decisions for planning capital expenditures in a cost-effective manner.

Transition Plan

We have successfully transitioned scores of projects for more than 40 years. This includes over 1,200 public sector employees in numerous projects across the country. We also have transitioned more than 600 additional employees into the Inframark organization as a result of corporate mergers and acquisitions.

Of course, a transition is more than just about employees. The transition period also is critical for establishing performance standards and training employees, among other things. Our plan is based on our performance standards governing project transitions and developed to minimize the impact on existing employees through a well-coordinated introduction to Inframark. We understand that this transition must be a seamless endeavor in partnership with the City that provides opportunities for employment for all existing and qualified staff. It also provides for the safety of your managed assets so that we can deliver the best technology possible to operate your facilities.

The assumption of project responsibility must be accomplished with minimal disruption of ongoing activities. To best prepare for this change, the transition team will perform a detailed analysis of the services that are currently being provided to ensure a better understanding of existing operations and identify opportunities for improvement. The team also will evaluate the current staff for specific training needs and develop an employee training program.

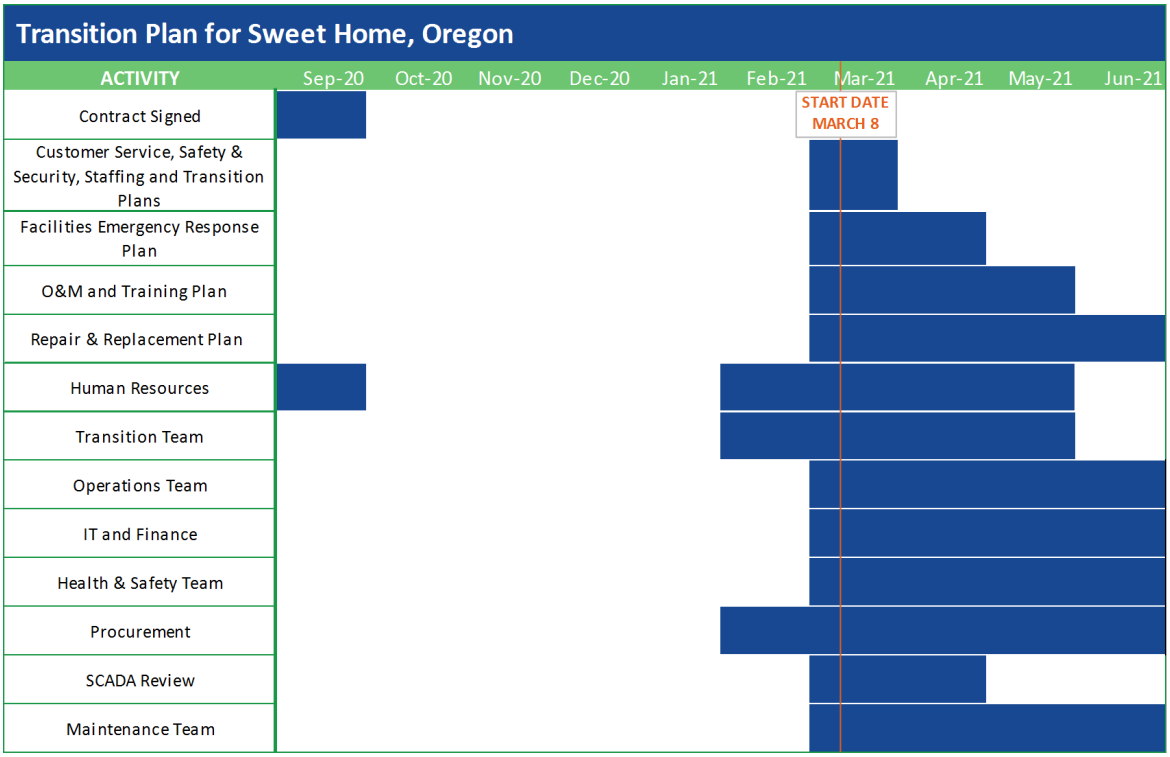
Our transition team will be comprised of technical, regional and subject matter experts (SMEs) necessary for a seamless transition. It will be the transition team's role to support and strengthen the local project manager by providing technical support and assisting in implementing Inframark's policies and procedures. Inframark has included 12 weeks for SMEs working with the City to complete the transition process. The transition team that has been developed for the City includes the local area and project manager as well as:

- A **transition manager** that is responsible for the overall transition and coordination of SMEs and training.
- An **HR representative** that will be responsible for onboarding any current employees.
- A **health and safety manager** responsible for safety training and bringing the facilities into compliance with OSHA standards as well as ensuring our workers stay safe on the job.

- A **CMMS expert** that will load the asset information and train the employees on software functionality and processes.
- A **laboratory QA/QC and sampling expert** to thoroughly review all lab processes and sampling techniques and provide training as needed to ensure all sampling and analysis produces valid, defendable results.
- A **process control management engineer** that will model the facilities process and develop procedures and SOPs to assist the operations staff with maintaining plant compliance with varying flows and loadings, including training operators on both the procedures and the science behind the procedures.
- A **Hach WIMS™ expert** responsible for training the operators on entering data into the system, trending data for the PCMP and generating regulatory and other operations reports.
- An **operations expert** that will develop Inframark standard SOPs for City specific needs; new SOPs will be developed, as needed.

And we don't wait to start implementing our plan. Inframark's involvement will begin immediately after the contract is awarded. Our regional support staff and the transition manager will visit with City representatives to discuss transition priorities, plan for site-specific training, meet existing employees and schedule specialists from our transition support team for this project. Inframark's goal is to hire as many current personnel as we have open positions (excluding project manager and maintenance supervisor) and that meet Inframark employment requirements and the basic role requirements.

We typically anticipate a 60- to 90-day transition schedule to transfer operations, maintenance and management of the City's water and wastewater facilities. The schedule shown in the chart below accommodates the longer six-month transition outlined in the RFP. If needed, we are capable of transitioning with 60- to 90-days notice, should there be a change in the start date from the RFP.

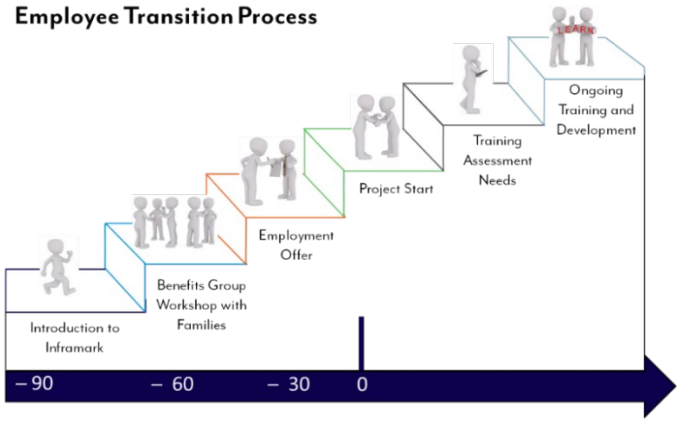


Contract Deliverables for the Transition. Inframark intends to provide the City with regular updates on the status of the transition. We will also provide the following required deliverables as detailed in Attachment A, Scope of Work, Section 1.28:

A. Customer Service Plan provided upon execution of the contract.
B. Safety and Security Plan provided within 45 days of contract effective date.
C. Facilities Emergency Response Plan provided within 60 days of contract effective date.
D. O&M Plan provided within 90 days of contract effective date.
E. Staffing Plan provided within 30 days of contract effective date.
F. Training Plan provided within 90 days of contract effective date.
G. Repair and Replacement Plan provided within 120 days of contract effective date.
H. Transition Plan provided within 30 days of contract effective date, which will include:
    a. Transition team organization.
    b. Communications protocols.
    c. Functional transition start-up and contingency plans.
    d. Timelines and activities.
    e. Update facility plans.
    f. Staffing specifications and compensation package.
    g. Staff recruitment.
    h. Operations, maintenance and management implementation.
    i. Administration and business processes.
    j. Maintenance management.
    k. Process control and laboratory.
    l. Performance monitoring.
    m. Health and safety.
    n. Transfer material and support services contracts.
    o. Transfer emergency response responsibilities.
    p. Implement administrative, maintenance and operations software.
    q. Inventory transfer of materials, chemical fuel inventory.
    r. Update Oregon DEQ contact and supervisory forms.
    s. Transfer NPDES permit responsibilities.
    t. Create first-year O&M plan.
I. Performance Management Plan provided within a mutually agreement timeframe.

We will provide a tracking sheet that reports on the status of each deliverable or transition activity.

Human Resources. We know that it is critical to have the staffing in place and ready to assume operations on the contract's commencement date. Inframark recognizes that a change in employers can cause stress and uncertainty regarding employment, so we do our best to ease this for everyone involved. One of the first things Inframark does as part of a transition is conduct "meet-and-greet" sessions for the current staff. Our Vice President of Human



Resources **Marnie Vaughn** and Human Resources Business Partner **Jolene Wolfe**, along with Client Services Director **Jim Huentelman**, will schedule and conduct these sessions. Multiple sessions can be held to accommodate staff shift schedules.

In these meetings, the current staff will be informed that they all have an opportunity to apply for full-time employment with Inframark as part of the team. The purpose of these meet-and-greet sessions will be to introduce the current staff and their spouses/significant others to Inframark and inform them of the opportunities as well as the terms and conditions of employment we have to offer going forward. These meet-and-greet sessions will consist of a presentation followed by an open dialogue on the following topics: recruiting and hiring process, benefit programs, and the transition process for those that are offered and accept positions with Inframark.

Maintenance. This transition consists of implementing asset management protocols and developing a PCMP. For asset management, Inframark will implement software, load asset data into the CMMS program, develop maintenance schedule and tracking, and update maintenance plans and procedures, as appropriate. We also will conduct physical inventory of materials, parts and supplies on hand.

For the PCMP, Inframark will review all existing treatment processes and their performance in terms of efficiency, water quality, and sludge characteristics and production. We also will implement Hach WIMS™ and develop SOPs, as needed, to ensure operational consistency and efficiency. A review of the adequacy of existing process control monitoring, sampling plan, compliance monitoring, and an update of the O&M manuals will also take place, as appropriate. Additionally, Inframark will conduct physical inventory of chemicals and consumables on hand.

Client Reporting. We will meet with you to review our monthly reporting format, agree on frequency and content of any required reporting, and determine any special requirements for billing. Inframark and the City also will develop a report template based on contract scope and your requirements. These reports can include a summary of the following:

- Operations.
- Compliance.
- Contract quality.
- Maintenance and repair.
- Financial update.
- Health and safety.
- Noteworthy events.
- Personnel.
- Community events.

Information Technology. As part of the IT transition, Inframark will review your current SCADA system and recommend necessary improvements. We also will provide O&M software and licenses, as appropriate, as well as establish access to Inframark's network. Other activities include, but aren't limited to:

- Obtaining inventory of existing computer hardware and software and needs assessment.

- Reviewing any contractual obligations related to IT systems and/or infrastructure.
- Determining local IT contact person.
- Providing training on procedures for Service Desk help, application support, cell phone and Internet support.
- Purchasing and installing CMMS and DMS software, if required.

Health and Safety. Health-and safety-related tasks and plan implementation will be conducted by the transition team led by **Michael Parissi** and include:

- Conducting a site safety review.
- Performing site-hazard analysis of all operations.
- Performing regulatory health, safety and environmental assessment.
- Preparing Inframark's "Day One" safety report.
- Evaluating personal protective equipment (PPE) requirements for the site and ensuring equipment availability when we assume operations.
- Conducting safety orientation for all new employees by the end of the first day.
- Developing a plan to addresses training needs.
- Locating and setting up a medical clinic and incident reporting requirements.
- Developing an emergency response plan.
- Implementing Inframark's incident reporting system.
- Developing the safety and security plan and submitting it to the City for review.

Financial and Procurement. As part of the financial transition, Inframark will develop an operational budget for the project. Other activities include, but aren't limited to:

- Setting up new cost center/departments for operations.
- Providing comprehensive training for the project manager to understand all relevant aspects of accounting and financial reporting systems and processes.
- Setting up a contract database in NetSuite.

For procurement, we will review a list of required vehicle and equipment purchases with the regional manager and/or the project manager and determine timing for placing orders. Other activities include, but aren't limited to:

- Establishing utility vendors and transfer accounts, if required.
- Obtaining client tax ID information and Hach WIMS™ and CMMS licenses, as appropriate.
- Obtaining a list of current vendors and subcontractors and reviewing any existing supply agreements.
- Setting up a uniform service.
- Contacting vendors, negotiating new supply agreements and obtaining vendor information.
- Obtaining contact details for outside lab services and establishing service-level agreements (SLA).

Our local team is fully supported by technical and regulatory specialists from our OSG, which is focused on monitoring and evaluating both federal and state standards. Inframark uses a proactive approach in staying apprised of all regulatory requirements and, as a matter of standard practice, conducts technical forums with its project teams to discuss various topics related to facility operations, including discussions on any

proposed regulatory changes. In addition, the local team will also have long-term support from our regional team (e.g., to temporarily fill positions, additional support).

Operations During Construction Plan

As your partner in the O&M of the water and wastewater facilities, Inframark will serve as your agent (a "second set of eyes") to ensure the facility is designed appropriately and constructed with minimal disruption in service and no violations. Success during these critical periods is driven by developing a sound plan with specific operations procedures to ensure compliance and reliability. The focus is continuity of service and minimizing disruption of key processes and systems as well as ensuring safety.

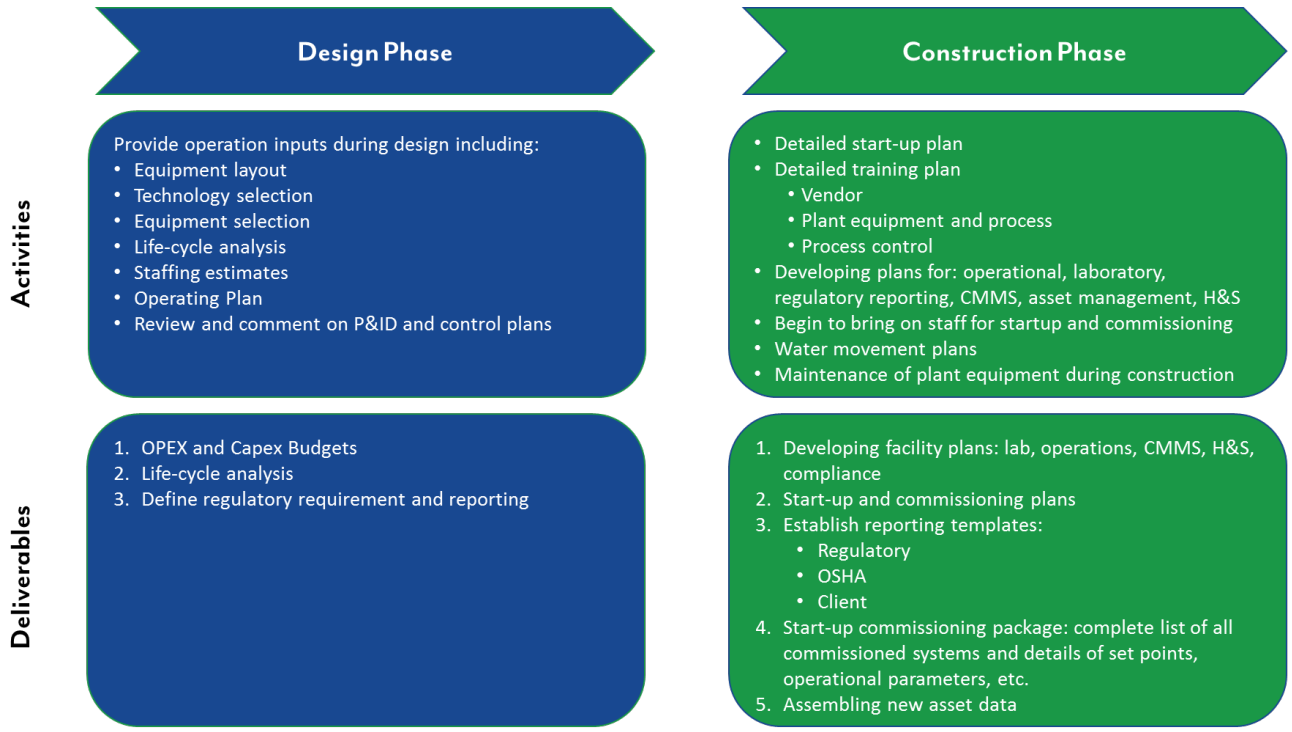
We do this throughout the upgrade process beginning in the planning and design phase. We will provide O&M input to the design. This input is centered around ensuring the facility is designed with the emphasis on safe, cost-effective operations and providing the longest equipment lifecycles. In the graphic below we describe the activities we will provide during the various project stages.

During the design phase, Inframark will provide value-add by:

- **Equipment Selection.** We will leverage our vast database of equipment maintenance records supporting selection of the best equipment for the task and a robust asset management program to ensure long asset life.
- **Plant Ergonomics.** The layout and location of equipment can significantly impact the operability and safety of the facility. Our operators' input will greatly benefit the design engineer and support a lower cost/safer operation.
- **Lifecycle Budgeting.** With our operational analysis, we can provide the City with an O&M budget based on the various design options, allowing it to make good decisions early in the design process, with no surprises once the upgrade is constructed.

During the Construction Phase our value-add will include:

- **Observation during Construction.** This is to ensure the facility is being built as designed. Again, we stay in our O&M lane, and do not intend to replace your construction manager but, as is customary, the owner has its O&M staff observing and reporting findings.
- **Ensuring Vendor and Constructor Performance.** Often overlooked during the end of construction is ensuring all of the vendor required information and parts are turned over and catalogued. Inframark will ensure all vendor training is provided when staff are available and will record the training and use it for future training of staff. We will also ensure all asset information is received including any BIM data, O&M manuals and spare parts. Spare parts are often overlooked and "get lost or misplaced." We will hold the vendor and contractor accountable.
- **Attending Construction Meetings.** We will attend progress meeting to make sure we, as the operator, are in sync with the construction and make sure we plan out the tie-ins, equipment shutdowns, and process changeovers. Each of these events are potentials for compliance issues and process upsets. We leverage our local and regional support staff to ensure these activities have minimal impact on the facility compliance.


Design Phase
Construction Phase
Activities
Provide operation inputs during design including:
• Equipment layout
• Technology selection
• Equipment selection
• Life-cycle analysis
• Staffing estimates
• Operating Plan
• Review and comment on P&ID and control plans
• Detailed start-up plan
• Detailed training plan
• Vendor
• Plant equipment and process
• Process control
• Developing plans for: operational, laboratory, regulatory reporting, CMMS, asset management, H&S
• Begin to bring on staff for startup and commissioning
• Water movement plans
• Maintenance of plant equipment during construction
Deliverables
1. OPEX and Capex Budgets
2. Life-cycle analysis
3. Define regulatory requirement and reporting
1. Developing facility plans: lab, operations, CMMS, H&S, compliance
2. Start-up and commissioning plans
3. Establish reporting templates:
• Regulatory
• OSHA
• Client
4. Start-up commissioning package: complete list of all commissioned systems and details of set points, operational parameters, etc.
5. Assembling new asset data

7 Price Proposal

Inframark looks forward to providing the City many years of a successful, mutually beneficial partnership. Our proposal has addressed the City's unique challenges, including ensuring a proactive and thorough maintenance approach, quality operations, and a deep pool of technical expertise to ensure continuity of services through your upcoming wastewater treatment upgrade. For the City, we have estimated we will dedicate over $50,000 per year in offsite support. In addition, this proposal addresses the challenge to attract, train, and retain quality personnel at your facilities. Ensuring longevity of quality personnel is a significant value for the City. Therefore, we will provide above-market compensation, as well as access to Inframark's training programs and career advancement opportunities, to local staff.

Proposed Base Fee

The initial base fee shall be effective through June 30, 2022 (anticipated duration approximately 16 months), so that future price adjustments align with the City's fiscal year, which begins July 1.

The annual base fee includes the following:

- **Personnel Services.** Inframark proposed to staff this City contract with six full-time employees. There is a national shortage of water and wastewater operators, and we are prepared to offer superior wages to attract licensed, experienced ,and well-qualified operators. Staffing will include the following positions:
  - Project manager.
  - WTP chief operator.
  - WWTP chief operator.
  - WTP operator.
  - WWTP operator.
  - Maintenance mechanic.

Personnel Service Includes, but is not limited to, salaries, wages, overtime, unemployment compensation, holiday pay, meal allowance, training, education assistance, hospital, medical, dental plans, life insurance, retirement contributions, sick leave, and other costs directly attributable to employees.

- **Chemicals.** The City has specified it will be paying for bulk chemicals used in the treatment process as identified in Attachment A. All other chemicals used for maintenance, grounds and one-off applications will be paid through the maintenance account less the $1,000.
- **Utilities.** Utilities, which are specified in Attachment A, are to be paid by the City. Inframark does not anticipate any other utility cost.
- **Facilities Routine Maintenance.** Inframark has included a $20,000 budget to cover all maintenance costs less the $1,000 as specified in the RFP. To be included in that cost are routine tools and incidental consumable materials such as grease, bolts, gaskets, fuses, chemicals not provided by the City in bulk, subcontractors, parts, and materials. These items will be used for preventive, predictive and minor corrective maintenance.
- **Residuals Disposal.** No funds have been included for sludge, screening, grit and trash pick-up hauling and disposal as specified in Attachment A. Labor costs for pressing sludge, screening, and trash removal to a bulk disposal container on location will be done by the operators or the maintenance technician and their cost is included.

- **Equipment.** Inframark has included the following capital equipment:
  - Two F-150 pickup trucks.
  - Hach Laser Turbidimeter.
  - IDEXX Colilert-18 method Tier 1 equipment for daily testing of bacteria at the WTP.
  - Inframark's understanding is that tools, equipment and laboratory equipment that are owned by the City will stay at the WTP and WWTP for use by the contractor.
- **Information Technology.** The following equipment and software licenses and annual fees for software are included:
  - Two laptop computers.
  - Two desktop computers.
  - Hach WIMS™ for laboratory and process data management and Monthly DMRs.
  - eMaint™ for CMMS.
  - Kronos® for timekeeping of employees.
  - Two cell phones.
- **Materials and Supplies.** Included in materials and supplies are:
  - Laboratory supplies for reagents, chlorine testing, glassware and laboratory consumables.
  - Fuel for Inframark trucks.
  - Office supplies and duplication cost.
  - Safety equipment includes PPE for employees, wet weather gear, winter weather gear and prescription safety glasses.
  - Laboratory cost for third-party analysis of regulatory sampling of the WTP and WWTP is included for all NPDES sampling and drinking water samples not conducted inhouse.
- **Transition Costs.** Includes 12 weeks of SMEs onsite to make a smooth transition. SMEs will be onsite to load equipment, develop maintenance schedules and train the staff on CMMS. The SMEs include laboratory training, Process Control Management Plan, Health and Safety, HR, and a transition manager to assure all the transition items are addressed. Also included in this cost is the completion of the nine site-specific plans identified in Attachment A, Scope of Work section 1.28.

The Proposed base fee is:	$798,564. or $66,547. per month*
The City-specified Repair Budget is:	$50,000.
Total proposed fee is:	$848,564. or $70,713.67 per month*

*This fee is effective for the initial 16 months of the project.

Repair Budget

The specified $50,000 repair budget for the facilities has been included for the first year of the proposal.

Itemized invoices will be submitted to the City on a monthly basis with transparent accounting for the repair budget. Any funds left over at the end of the year will be returned to the City or at the City's option can be rolled into the following year.

Repairs shall be charged to the repair budget according to the following four-tier plan:

- ≤ $1,000 repairs per work order item are charged to the base fee and do not affect the repair budget.

- $1,001 – $3,000 repairs per work order item come out of the repair budget and do not require City approval.
- $3,001 – $5,000 repairs per work order item must be approved by the City with quotes prior to repair being completed.
- ≥ $5,000 quotes per work order item are considered capital expenses and must be submitted to the city for pre-approval and bills for approved repairs sent directly to the City for payment. These bills do not come out of the repair budget.

The repair budget will include parts, components, equipment rentals, and specialty repair services. Labor costs for use of onsite Inframark staff shall not be charged to the repair budget. The repair costs associated with Contractor's use of offsite personnel and subcontractors will be pre-approved by the City.

Proposed Method of Future Price Adjustments

Our annual price adjustment is based on an industry standard of using the Consumer Price Index for all Urban Consumers Water and Sewerage Maintenance (CPI-U) for the U.S. City Average, 1982-84=100 as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics.

All pricing is in 2020 dollars and subject to escalation based on the above-mentioned escalation index. We developed our pricing under the assumption that the annual fee will escalate each year on the anniversary of the contract commencement date.

It is our intent that upon selection, and final determination of the details of the scope of work, approach, and terms and conditions that best meet our mutual goals, we will work closely together to develop an accurate, fair, and mutually acceptable agreement.

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INFRAMARK
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