

## FUNDING AND REIMBURSEMENT AGREEMENT

This **FUNDING AND REIMBURSEMENT AGREEMENT** (“**Agreement**”) is between **CHEVRON ENVIRONMENTAL MANAGEMENT COMPANY**, a California corporation (“**EMC**”), for itself and as Attorney-in-Fact for **THE CASMITE CORPORATION**, a Nevada corporation (“**Casmite**”), and **THE SANTA BARBARA COUNTY WATER AGENCY** (“**County**”), a political subdivision of California, EMC, Casmite, and County are referred to collectively as the “**Parties**” and individually as “**Party**.”

### RECITALS

**WHEREAS**, Casmite has developed and operates, as a regulated water corporation, water facilities in the area more particularly described and depicted in the documents attached hereto as EXHIBIT A, situated in Santa Barbara County, California (hereinafter the “**System**”); and

**WHEREAS**, the County is interested in a transaction related to the System and needs to conduct an evaluation of the System, and the Parties desire to work cooperatively to ensure timely and efficient implementation of such evaluation; and

**WHEREAS**, the County intends to engage a third-party contractor named the Wallace Group to conduct such evaluation on behalf of the County (the Work); and

**WHEREAS**, the Parties have reached an understanding regarding the funding for the Work that the Wallace Group is doing on behalf of the County.

**NOW, THEREFORE**, the Parties enter into this Agreement to provide for the reimbursement by EMC of costs incurred by County to have the Wallace Group (“**Contractor**”) perform the Work, and in consideration of the mutual covenants and promises, the Parties agree as follows:

### TERMS AND CONDITIONS

#### 1. DEFINITIONS, INTERPRETATION, AND EXHIBITS

- 1.1 **Definitions.** In this Agreement, these capitalized words or expressions have the following meanings:

“**Affiliate**” means any legal entity that controls, is controlled by, or is under common control with, another legal entity. An entity is deemed to “control” another if it owns directly or indirectly at least 50% of the shares or interests entitled to vote.

“**Agreement**” has the meaning set out in the introductory paragraph and includes all exhibits listed in Section 1.2(D) (Interpretation and Exhibits).

“**Applicable Law**” means any law, regulation, statute, code, rule, order, guidelines, memoranda, permit, policy, license, certification, decree, or standard having the effect of law or similar legally effective measure that applies to this Agreement.

“**Casmite**” has the meaning set out in the introductory paragraph.

“**Claim**” means any claim, liability, loss, demand, damage (including consequential damage) cost, lien, cause of action of any kind, obligation, requirement, clean-up costs,

penalty, fine, interest, and award, and whether arising by law, contract, tort (including negligence), voluntary settlement, or in any other manner.

**“Contractor Group”** means Contractor and Contractor’s employees, Affiliates, subcontractors, and suppliers of any tier, and shareholders, partners, or members where Contractor is a limited liability company, directors, officers, employees, and other personnel of all of them, and any person acting on their behalf.

**“County”** has the meaning set out in the introductory paragraph.

**“County Group”** means County and its employees, officials, representatives, agents, contractors, and suppliers of any tier, and other personnel of all of them, and any person acting on their behalf.

**“Effective Date”** means the latest date on the signature page when all Parties have signed this Agreement.

**“EMC”** has the meaning set out in the introductory paragraph.

**“EMC Group”** means EMC, its Affiliates, its joint interest owners, contractors, and suppliers of any tier, and the shareholders, directors, officers, and employees of all of them.

**“Invoice”** or **“Approved Invoice”** means the invoice detailed in Section 3.1(B)(2).

**“Party”** means any of EMC, Casmite, or the County, and **“Parties”** means all of them.

**“Releasing Parties”** means all members of the County Group, and anyone else acting on the County Group’s behalf, as well as each of their predecessors, representatives, agents, counsel, successors, heirs, and assigns and their parents, Affiliates, related parties, insurers, subsidiaries, shareholders, members, partners, representatives, agents, and each of their respective past, present, or future directors, officers, members, partners, counsel, and employees, and any other person (natural, and entity, or otherwise) claiming by, through, or under the County Group.

**“System”** has the meaning set forth in the first Recital.

**“Wallace Group”** means the legal entity retained by County as the contractor to implement the evaluation of the System on behalf of the County (the Work), and includes the Wallace Group’s employees, Affiliates, subcontractors, and suppliers of any tier, and shareholders, partners, directors, officers, employees, and other personnel of all of them, and any person acting on their behalf.

**“Work”** means the evaluation of the System.

**“Work Costs”** means only those costs incurred by the County through its’ contractor the Wallace Group to perform and implement the Work, as set forth in Exhibit B – Wallace Group Estimates.

## 1.2 **Interpretation and Exhibits.**

- (A) Reference to the singular includes a reference to the plural and vice-versa, reference to any gender includes all other genders, and the words “includes” and

“including” are illustrative, not limiting. The word “or” is not exclusive. The headings in this Agreement are included for convenience and do not affect the construction or interpretation of any provision of this Agreement.

- (B) References to matters “arising” (or which “arise” or “arises”) “out of this Agreement” include matters which occur in connection with this Agreement, which flow from this Agreement, or which would not have arisen or occurred but for the entering into this Agreement, or the performance of or failure to perform obligations under this Agreement.
- (C) If a conflict exists between the body of this Agreement and the exhibits, the body prevails to the extent of the conflict.
- (D) The following exhibits are attached and made a part of this Agreement:
  - (1) Exhibit A – Description and Map of System
  - (2) Exhibit B – Wallace Group Estimates

## 2. TERM AND TERMINATION

- 2.1 **Term.** This Agreement is effective from the Effective Date and, subject to Section 6.2 (Pre-Contract Violations, Reporting Violations, and Termination) and Section 6.10 (Survival), terminates upon completion of the Work by the Wallace Group and payment by EMC of Work Costs pursuant to this Agreement, unless extended by written agreement of the Parties. This Agreement is effective from the Effective Date and, subject to Section 6.2 (Pre-Contract Violations, Reporting Violations, and Termination) and Section 6.10 (Survival), terminates upon completion of the Work by the Wallace Group and payment by EMC of Work Costs pursuant to this Agreement, unless extended by written agreement of the Parties.

## 3. THE WORK

- 3.1 **Wallace Group Services.** EMC and the County agree that the Wallace Group is the approved contractor to carry out the evaluation of the System on behalf of the County (the Work). The County shall retain the Wallace Group to perform the Work and shall be responsible for implementation of the Work. The Wallace Group’s contractual engagement shall be solely with County who shall have direct control over the Wallace Group and shall act in an independent capacity and not on behalf of, or as representative, or agent of EMC Group. If the County terminates or suspends its agreement with the Wallace Group, the County will provide advance notice to EMC, and EMC will only be responsible for payment of work done up to the date of termination or suspension.
  - (A) **Scope of Work, Deliverables, and Budget.** The Wallace Group’s scope of Work, estimated budget for Work Costs, and deliverables are described in Exhibit B – Wallace Group’s Estimates. Any changes to the scope of work, deliverables, or budget must be approved in writing by all parties in order to be eligible for reimbursement.

(B) **Contract Value, Invoices, and Payment.**

- (1) **Contract Value.** The Wallace Group's Estimates, as set forth in Exhibit B, total between \$93,488 and \$146,928. The value of the Work shall not exceed the higher of the Wallace Group's Estimates (\$146,928) without the advance written approval of EMC.
- (2) **Invoice for Work Costs.**
  - (a) Throughout the course of work, the Wallace Group will send to the County for review and approval regular invoices for Work Costs incurred for the Work performed, along with the cost support and the specific breakdown of incurred costs. The County shall determine if the Work Costs billed are appropriate, within budget, and covered under this Agreement. If they are determined to be so, invoices shall be approved by the County (Approved Invoice). The County shall return the respective Invoices to the Wallace Group if not acceptable.
  - (b) Upon project completion, the County shall send all approved invoices to EMC with a cover letter that states that the invoices are approved and must be paid pursuant to this Agreement. The County will be responsible for payment of the invoices to the Wallace Group, but EMC will reimburse the County for its payment of the invoices as set forth in Section 3.1(B)(4) below.
- (3) **Tax Forms.** EMC shall provide the County required tax forms that need to be completed to process the reimbursement payment(s). EMC shall not be billed for the County staff time connected to the tax forms or processing the invoice from the Wallace Group.
- (4) **Payment.**
  - (a) Requests from the County to EMC for reimbursement of the Approved Invoice must include: (a) a reasonable breakdown of all Work Costs in the Invoice, (b) a copy of supporting documentation that meet the criteria set forth in Section 3.1(B)(2)(a) and a copy of the documentation demonstrating payment by County of the Approved Invoice.
  - (b) Unless EMC delivers to the County a written objection to any of the Work Costs contained in the Approved Invoice, or of lack of information required by Section 3.1(B)(4)(a), within 15 days from EMC's date of receipt of the Approved Invoice under the process set forth in Section 3.1(B)(2)(b) above, EMC shall review and reimburse the County for its payment of the Approved Invoice within 45 days from EMC's date of receipt of such Approved Invoice. Written objections to Work Costs shall only be for work conducted outside of the approved Scope of Work.
  - (c) If EMC does have a written objection to any of the Work Costs contained in the Approved Invoice, or lack of information

required by Section 3.1(B)(4)(a), EMC shall pay to the County all Work Costs contained in the Approved Invoice that are not in dispute within 45 days of EMC's receipt of such Approved Invoice.

- (d) The Parties shall cooperate in good faith to resolve issues concerning the Approved Invoice. Any disagreement concerning costs that cannot be resolved shall be submitted to the dispute resolution process under Section 5.2 (Resolution of Disputes). The Parties shall cooperate in good faith to resolve issues concerning the Approved Invoice. Any disagreement concerning costs that cannot be resolved shall be submitted to the dispute resolution process under Section 5.2 (Resolution of Disputes). The Parties shall cooperate in good faith to resolve issues concerning the Approved Invoice. Any disagreement concerning costs that cannot be resolved shall be submitted to the dispute resolution process under Section 5.2 (Resolution of Disputes).

(C) **Notification of Wallace Group Claims or Disputes.** Each Party will promptly notify the other Party of any disputes with the Wallace Group with respect to the Work, the Approved Invoice or payments related to the Work, or any Claims that may affect the Work or the Parties' rights and obligations under this Agreement.

(D) **Insurance.** The County shall require the Wallace Group to maintain all insurance required by law, including liability insurance coverage, and shall name EMC as an additional insured. The County shall deliver the Wallace Group's certificates of insurance to EMC within 10 days after the Effective Date.

3.2 **Access.** EMC as Attorney-in-Fact for Casmite, grants the County and the Wallace Group a temporary, nonexclusive license to enter Casmite's property where the System is located, as needed, to conduct the Work. The County and the Wallace Group will provide EMC with 5 days advance notice of the County and/or the Wallace Group's intent to access Casmite's property where the System is located, and EMC agrees to assist the County and/or the Wallace Group in locating and gaining access to areas of Casmite's property where the assessment will be performed.

3.3 **Project Notice.** The County and/or the Wallace Group shall provide EMC with advance written notice in accordance with Section 6.7 (Notices) at least 5 calendar days prior to commencing the Work.

#### 4. COUNTY RELEASE.

4.1 The County, on its behalf and on behalf of Releasing Parties and anyone else acting on Releasing Parties' behalf, releases and forever discharges EMC Group from any and all Claims, including Claims by third parties, arising out of or in any way related to (1) the performance of the Work, (2) the Work Costs but only to the extent paid in full to the satisfaction of the County, and (3) any attorney's fees incurred in connection with any such Claims.

4.2 The County waives any and all rights it may have under any and all statutes or laws that purport to limit the scope of the release, including section 1542 of the Civil Code of the State of California, which provides as follows: "A GENERAL RELEASE DOES NOT

EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

- 4.3 The waiver and release obligations in this Agreement apply regardless of the active, passive, contributory, or concurrent negligence or liability without fault of any person released or indemnified.

## 5. GOVERNING LAW AND RESOLUTION OF DISPUTES

- 5.1 **Governing Law.** This Agreement is governed by and interpreted in accordance with the law of the State of California, without regard to its choice of law rules.
- 5.2 **Resolution of Disputes.** The Parties shall exclusively and finally resolve any dispute between them using direct negotiations, mediation, and then litigation as set out in this Section 5.2 (Resolution of Disputes). If a dispute arising out of this Agreement is not resolved by direct negotiations, either Party may initiate mediation by giving notice to the other setting out the disputed issues and the value of the claim. Mediation must be attended by a representative from each Party with decision-making authority. All mediation fees and costs must be paid equally and each Party shall bear its own attorneys’ fees and costs in connection with such mediation. If the Parties fail to resolve the dispute within 60 days from notice of mediation, either Party may initiate litigation. The Parties irrevocably and unconditionally agree that any litigation arising out of this Agreement may be brought in a court of competent jurisdiction in the County of Santa Barbara, State of California.

## 6. GENERAL PROVISIONS

- 6.1 **Conflict of Interest.** No member of County Group will, in connection with this Agreement, the Work, or the contract with the Wallace Group, (A) give to or receive from any director, employee, or agent of EMC or its Affiliate, any gift, entertainment, or other benefit of significant cost or value, or any commission, fee, or rebate, and (B) enter into any business arrangement with any director, employee, or agent of EMC or its Affiliate (other than as a representative of EMC or its Affiliate) without EMC’s prior written consent.
- 6.2 **Pre-Contract Violations, Reporting Violations, and Termination.** The County represents and warrants that no event has occurred prior to the Effective Date, which if it had occurred after the Effective Date, would be a violation of Section 6.1 (Conflict of Interest). The County shall immediately notify EMC of any violation of Sections 6.1 (Conflict of Interest) or 6.2 (Pre-Contract Violations, Reporting Violations, and Termination). Notwithstanding any other contrary provision of this Agreement, EMC may terminate this Agreement at any time with immediate effect for any violation of Sections 6.1 (Conflict of Interest) or 6.2 (Pre-Contract Violations, Reporting Violations, and Termination).
- 6.3 **Records and Inspection.** Up until 24 months from the end of the calendar year in which this Agreement is terminated, EMC may inspect at any time all public records to confirm that the requirements of this Agreement are met.

- 6.4 **Taxes.** Each Party or the Wallace Group are responsible for all liabilities or Claims for taxes that any taxing authority may assess or levy against that Party or the Wallace Group relating to this Agreement or the County's contract with the Wallace Group.
- 6.5 **Prior Agreements.** This Agreement supersedes all prior and contemporaneous representations, agreements, understandings, and commitments between the Parties concerning the subject matter of this Agreement.
- 6.6 **Amendments.** No amendment to this Agreement is effective unless made in writing and signed by authorized representatives of all Parties.
- 6.7 **Notices.** Notices are effective when received by the recipient during the recipient's regular business hours (i.e. Monday through Friday 8am-5pm). If received outside of regular business hours, notice will be deemed received the next day. All notices under this Agreement must be in writing and will be deemed properly given when addressed to the appropriate Party at the address set out in the signature page of this Agreement. Each Party may change the contact information for notices by notice to the other Party. All such notices will be deemed to have been duly given and received upon mailing or delivery by courier or personal delivery service or delivery by email. Notices which do not comply with the requirements of this Agreement are ineffective and do not impart actual or any other kind of notice.
- 6.8 **Counterparts.** The exchange of counterpart signature pages between the Parties constitutes execution and delivery of this Agreement and it will not be necessary that the signatures of all Parties be contained on any one counterpart. No Party will be bound to this Agreement unless and until all Parties have executed a counterpart. Executed signature pages sent by facsimile, email, scan, or otherwise by photocopy are valid means of delivery.
- 6.9 **Severability and Savings.** If any provision (or part of a provision, as applicable) of this Agreement is determined to be invalid or unenforceable by a court or arbitrator of competent jurisdiction, the invalidity or unenforceability will not affect the other provisions of this Agreement, and all provisions not affected by such invalidity or unenforceability will remain in full force and effect. The offending provision (or part of the provision, as applicable) will be modified to be valid and enforceable while achieving to the greatest possible extent, the economic, legal, and commercial objectives of the invalid or unenforceable provision.
- 6.10 **Survival.** All provisions in this Agreement containing waivers, disclaimers, representations, warranties, releases, indemnity and defense obligations; all provisions relating to conflict of interest, dispute resolution and governing law, insurance, limitations of liability, retention and inspection of records, tax; and all causes of action which arose prior to termination except to those released under this Agreement, survive indefinitely until, by their respective terms, they are no longer operative or are limited by an applicable statute of limitations.
- 6.11 **Binding Effect.** This Agreement will be binding on and inure for the benefit of the rightful successors and permitted assigns of the Parties.

- 6.12 **Assignment and Transfer.** Neither Party may, at any time, assign or transfer any of its rights or obligations under this Agreement to any person or entity without the other Party's consent.
- 6.13 **Third Party Beneficiaries.** Except as otherwise expressly stated, any person who is not a Party to this Agreement does not have any rights under this Agreement nor may such person enforce any provision in this Agreement.
- 6.14 **No Joint Venture, Partnership, or Fiduciary Relationship.** This Agreement does not constitute and must not for any reason be interpreted to create a partnership, joint venture, or any fiduciary relationship between the Parties, and no Party will have the authority to bind the other Party.
- 6.15 **Construction.** Each Party has participated in the preparation of this Agreement and has had the opportunity to consult with legal counsel and any other advisors of its choice to its satisfaction regarding the terms and provisions of this Agreement. Each Party bears its own costs incurred to prepare this Agreement. As a result, the rule of construction that an agreement be construed against the drafter will not be asserted or applied to this Agreement.

**The remainder of the page intentionally left blank.**



**EMC:  
CHEVRON ENVIRONMENTAL  
MANAGEMENT COMPANY**

**Signature:**

**Name:** \_\_\_\_\_

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

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

**AGREEMENT NOTICES**

**Attention:** Cheryl Cameron

**Email:** Cheryl.Cameron@Chevron.com

**Phone:** 925-842-1117

**Address:** Chevron Asset Retirement  
5001 Executive Parkway, Ste. 200  
San Ramon, CA 94583

SANTA BARBARA COUNTY WATER AGENCY

By: \_\_\_\_\_  
Chris Sneddon, Public Works Director

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

APPROVED AS TO FORM:  
RACHEL VAN MULLEM  
COUNTY COUNSEL

BY: \_\_\_\_\_  
Deputy

APPROVE AS TO ACCOUNTING FORM:  
BETSY M. SCHAFER, CPA  
AUDITOR-CONTROLLER

BY: \_\_\_\_\_  
Deputy

APPROVE AS TO FORM:  
GREG MILLIGAN, ARM  
RISK MANAGER

BY: \_\_\_\_\_  
Risk Manager

## EXHIBIT A

### LEGAL DESCRIPTION

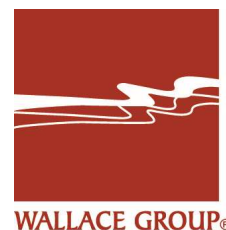
Real property in the unincorporated area of the County of Santa Barbara, State of California, described as follows: A PORTION OF THE TRACT OF LAND KNOWN AS THE J. B. ARELLANES TRACT IN THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: A PORTION OF THE TRACT OF LAND KNOWN AS THE J. B. ARELLANES TRACT IN THE RANCHO PUNTA DE LA LAGUNA, IN THE COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA AND BOUNDED AND PARTICULARLY DESCRIBED AS FOLLOWS, TO-WIT: COMMENCING AT A ½" PIPE SET IN THE CENTER OF POINT SAL ROAD FROM WHICH A 2" PIPE SURVEY MONUMENT WITH BRASS CAP BEARS N. 26° 11' W. 33.0 FEET, ALSO FROM WHICH A ¾" PIPE SET AT THE END OF THE 4TH COURSE OF A ROAD CONVEYED TO THE COUNTY OF SANTA BARBARA BY C. HELLER, H.D. TOY AND LAURA TOY (HIS WIFE), JUAN B. ARELLANES AND FRANCISCA ARELLANES (HIS WIFE), BY DEED DATED JANUARY 23RD, 1912, AND RECORDED FEBRUARY 10, 1912, IN BOOK 135 OF DEEDS, PAGE 50, SANTA BARBARA COUNTY RECORDS, BEARS S. 38° W. 619.7 FEET; THENCE 1ST, ALONG THE CENTER OF POINT SAL ROAD, N. 38° E. 436.3 FEET, TO A ½" IRON BAR DRIVEN IN THE ROAD BED; THENCE 2ND, LEAVING SAID POINT SAL ROAD, AND ALONG THE SOUTHERLY SIDE OF A WASH, N. 46° 19' W. 134.0 FEET TO A 1" PIPE; THENCE 3RD, N. 69° 29' W. 199.6 FEET TO A 1" PIPE; THENCE 4TH, N. 46° 43' W. 152.4 FEET TO A 1" PIPE; THENCE 5TH, LEAVING SOUTHERLY SIDE OF SAID WASH, S. 53° 36' W. 158.9 FEET TO A 2" PIPE SURVEY MONUMENT WITH BRASS CAP; THENCE 6TH, S. 26° 11' E. 575.4 FEET TO THE PLACE OF BEGINNING, CONTAINING 3.41 ACRES. APN: 113-240-07



# Exhibit B

June 5, 2025

Matt Young  
Santa Barbara County Water Agency  
130 East Anapamu Street, Suite 200  
Santa Barbara, Ca 93101-2019



Subject: Casmalia CSD Water System Condition Assessment

Dear Martin Wilder:

Wallace Group appreciates the opportunity to provide you with our proposal for engineering services for the above referenced project. Based on our discussion, the following Scope of Services has been prepared for your consideration:

## PROJECT UNDERSTANDING

Casmalia Community Services District currently provides water service to an elementary school, three commercial buildings, and 55 single-family residences. Water is stored in an existing 180,000 gallon tank and is pumped from an existing well, supply piping and storage/gravity tank owned and operated by Casmite Corp. The well pump sends water to storage tanks located close by within the well fencing. High pressure booster pumps send water via a welded steel pipeline to an intermediate storage tank, then the water gravity feeds via a C900 pipeline to the CSD tank.

The existing CSD tank was constructed in 2010 using grant funds. The distribution main lines, service laterals, water meters, and fire hydrants were also replaced in 2010 under a separate grant. A recent tank assessment has revealed bulging of the tank walls, settlement and cracking of the tank foundation, and significant corrosion in the tank. Additionally, tank filling operations are currently manual, as there is no electricity on site to power the controls (solar panels disconnected).

The Casmalia CSD and Santa Barbara County are discussing governance alternatives. In addition, consolidation of function and services provided by Casmite Corp and Casmalia CSD will be discussed, with existing services and infrastructure proposed to be absorbed into a single entity. Casmite Corp. has been looking to divest its Casmite water assets and will likely be a willing partner in the consolidation effort.

Wallace Group will conduct research and work with Casmalia CSD and vendors, County Public Works, County Public Health/EHS, County 4th District Supervisor's Office, and Casmite Corp and vendors to complete an assessment of the existing infrastructure and provide engineering recommendations for repairs or replacements to be completed to bring the system up to current applicable standards. In addition, other alternatives will be evaluated such as building new infrastructure to support the current connections as well as exploring the possibility of scalable expansion to allow for future growth.

## SCOPE OF SERVICES

### Task 1: Project Management, Meetings, Coordination

Wallace Group will perform general project management, administration, and coordination. Wallace Group will communicate effectively and often with you, including telephone calls, email correspondence, and other tasks that require a time commitment, but are not specifically described below. It is expected that the analysis phase will be approximately 3 months in duration. Wallace Group will lead, attend, and participate in four (4) online meetings and (4) site visits.

CIVIL AND  
TRANSPORTATION  
ENGINEERING

CONSTRUCTION  
MANAGEMENT

LANDSCAPE  
ARCHITECTURE

MECHANICAL  
ENGINEERING

PLANNING

PUBLIC WORKS  
ADMINISTRATION

SURVEYING /  
GIS SOLUTIONS

WATER RESOURCES

WALLACE GROUP  
A California Corporation

612 CLARION CT  
SAN LUIS OBISPO  
CALIFORNIA 93401

T 805 544-4011  
F 805 544-4294

[www.wallacegroup.us](http://www.wallacegroup.us)



### **Task 2: CSD Asset: Water Storage Tank Evaluation**

Wallace Group will analyze and summarize findings provided by others. These findings are not limited to but should include:

- Structural integrity assessment of the soil and concrete foundation
- Tank wall and coating condition
- Safety and Access conditions
- Evaluation of past maintenance records
- Evaluation of tank level control and alarming system and provide recommendation for repair and/or replacement to bring controls system to current public water supply system standards

Wallace Group will analyze:

- Capacity and compliance with domestic and fire storage requirements (coordinated with County fire). Identification of repair in-place as well as tank replacement alternatives including onsite replacement as well as relocating the storage tank at other local sites. WG will provide representative cut sheets/specifications/costing of associated infrastructure required for the repair or replacement of the tank and any corresponding infrastructure.

### **Task 3: Casmite Asset: Water Supply**

- Ensuring compliance with Public Water Systems requirements such as supply redundancy, well construction standards, wellhead design, and site access and security
- Assessing well production and condition
  - o Pump performance testing
  - o Water quality sampling
- Potential well site (re)locations
  - o Water quality and pumping information from other existing wells in the area
  - o Well pump sizing for potential tank locations

### **Task 4: Casmite Asset: Water Distribution System**

- Assess pipe age, remaining life, material, total length, number of services, capacity, and all code required appurtenances (hydrants, valves, PRVs, RPP's, etc.)
- Identify future sections needing replacement based on discussions with Casmite and their service contractor, Fluid Resource Management
- Assess Intermediate tank and booster pump(s) condition

### **Task 5: Casmite System: Easements and Access**

- Provide a high level analysis of existing and needed easements for the Casmite well supply piping
- Identification of encroachments or obstructions affecting access and operational maintenance
- Identification of new easements needed for new tank, well sites and any supply and distribution piping

### **Task 6: CSD System: SCADA and Controls**

- Review of existing SCADA/controls
- Evaluation of existing monitoring and automation, electrical components, sensors, alarms, etc.
- Evaluation of power supply options for existing and any identified sites



**Task 7: Combined Systems: Reserve Funds Analysis**

- Assessment of current infrastructure and remaining life expectancy
- Cost estimates and life expectancy of recommended improvements for inclusion in a future reserve fund
- Recommendation of funding strategies for future CIPs and management
- Support Dudek's investigation of available grant funding for system upgrades to bring system into compliance

**Task 8: CSD Asset: Additional Supply Well Evaluation**

- Review of available locations for new well located closer to Casmalia
- Consultation with Fluid Resource Management regarding recent well project
- Consultation with local hydrogeologist to determine ideal depth of screening, location, and analysis of groundwater gradient to ensure closed landfill does not impact water quality
- Provide recommendation for well design and location

**Task 9: Combined Systems: Rate Analysis**

- Review of historical financial data (revenue, expenses, debt service) currently managed by Casmite
- Projections of water demand and consumption trends for future system
- Develop and evaluate alternative rate structures such as tiered and fixed charge strategies
- Develop a high level rate analysis summary for review with the stakeholders to compare the various approaches

**Deliverables:**

- Condition Assessment Report including estimated costs for proposed infrastructure repairs or replacement
- As part of the Condition Assessment Report identify a preferred project including scope of project improvements and Class 4 or 5 capital cost assessment
- Provide estimated (rough) water rate structure
- Recommended maintenance and future capital improvements program

**ADDITIONAL SERVICES**

Wallace Group can provide the following services, directly or through sub-consultants, upon request:

- Survey services, Easement legal descriptions and assistance with legal team for easement rights
- Hydrogeological sub-consultant
- Geotechnical sub-consultant

**TO BE PROVIDED BY THE CLIENT**

- EPA Groundwater Monitoring results for Casmalia resources site
- Any groundwater testing needed for prospective new well sites
- Negotiations of land use with the property owner for any new tank site or pipelines
- Existing Casmite and Casmalia CSD water system mapping, schematics, and other documentation
- If the client directs WG to provide Additional Survey Services requiring field work, the client shall provide the DIR Project Number for this project. To do so, the Client will need to complete the PWC-100 form and submit to the DIR prior to the



commencement of the field survey. This is required to be in compliance with State of California Prevailing Wage laws.

## PROJECT FEES

Wallace Group will perform the services denoted in Tasks 1-9 of the proposed Scope of Services on a time and materials basis. For budgeting purposes, our preliminary estimate is that over the next 3 months, our fees will be \$93,488 to \$146,928. The range is due to a high level of uncertainty with discovery and any effort to identify new alignments, tank or well sites. All additional tasks beyond analyzing the existing infrastructure will be undertaken at client direction. These services will be invoiced monthly on an accrued basis in accordance with the attached Standard Billing Rates (Exhibit A). Reimbursables will be invoiced as an additional cost and are not included in the time and materials estimated fee amount stated above.

At your request, additional services to the Scope of Services will be performed by Wallace Group following the signature of our Contract Amendment or the initiation of a new contract.

## TERMS AND CONDITIONS

In order to convey a clear understanding of the matters related to our mutual responsibilities regarding this proposal, the attached Standard Terms and Conditions (Exhibit B) are considered a part of our proposal agreement. If this proposal meets with your approval, please sign where indicated and return to our office, which will serve as our notice-to-proceed.

We want to thank you for this opportunity to present our proposal for professional services. If you would like to discuss this proposal in greater detail, please feel free to contact me or Project Manager, Bill Lindahl.

Sincerely,

**WALLACE GROUP, a California Corporation**

**TERMS AND CONDITIONS ACCEPTED:**

Bryan D. Childress, PE M37934/C88775  
Principal/Director of Mechanical Engineering  
612 Clarion Court  
San Luis Obispo  
California 93401  
T 805 544-4011  
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www.wallacegroup.us

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

Attachments  
GGM: PP25-8397, 2025, std  
Exhibit A  
~~Exhibit B~~

PROPOSAL IS VALID FOR 60 DAYS FROM THE DATE OF THIS DOCUMENT



Exhibit A  
**Standard Billing Rates**



**Engineering, Design & Support Services:**

Assistant Designer/Technician .....	\$128
Designer/Technician I - IV .....	\$132/\$142/\$152/\$162
Senior Designer/Technician I - III.....	\$172/\$179/\$186
GIS Technical Specialist.....	\$167
Senior GIS Technical Specialist .....	\$178
Associate Engineer I - III .....	\$140/\$150/\$160
Engineer I - IV .....	\$178/\$183/\$188/\$193
Senior Engineer I - III .....	\$210/\$218/\$225
Director .....	\$228
Principal Engineer/Consulting Engineer .....	\$255
Principal .....	\$280

**Surveying Services:**

Party Chief .....	\$190
Party Chief (*Prevailing Wage).....	\$250
Instrument Person .....	\$133
Instrument Person (*Prevailing Wage) .....	\$150
Associate Survey Technician .....	\$125
Survey Technician I - IV .....	\$140/\$145/\$155/\$160
Land Surveyor I - III .....	\$170/\$180/\$190
Senior Land Surveyor I - III.....	\$198/\$203/\$208
Director .....	\$228
Principal Surveyor.....	\$255
Principal .....	\$280

**Support Services:**

Office Assistant.....	\$120
Project Assistant I - III.....	\$130/\$135/\$145

**\*Prevailing Wage:**

State established prevailing wage rates will apply to some services based on state law, prevailing wage rates are subject to change over time and geographic location.

**Right to Revisions:**

Wallace Group reserves the right to revise our standard billing rates on an annual basis, personnel classifications may be added as necessary.

**Additional Professional Services:**

Fees for expert witness preparation, testimony, court appearances, or depositions will be billed at the rate of \$400 an hour. If required to meet schedule requests, overtime on a project will be billed at 1.5 times the employee's typical hourly rate.

**Direct Expenses:**

Direct expenses will be invoiced to the client and a handling charge of 15% may be added. Sample direct expenses include, but are not limited to the following:

- travel expenses
- delivery/copy services
- sub-consultant services
- mileage (per IRS rates)
- agency fees
- other direct expenses

**Invoicing and Interest Charges:**

Invoices are submitted monthly on an accrued cost basis. A finance charge of 1.5% per month may be assessed on all balances that are thirty days past due.