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# 10 Internal Audits

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This chapter discusses the Department's SSMP auditing program.

## Requirements:

D.10. INTERNAL AUDITS: The Plan shall include internal audit procedures, appropriate to the size and performance of the system, for the Enrollee to comply with section 5.4 (Sewer System Management Plan Audits) of the General Order.

The State Water Resources Control Board's Order Number WQ 2022-0103-DWQ requires that the Department conduct an internal audit of its SSMP at least once every three (3) years. The audit is to evaluate how the Department has developed and implemented each of the eleven elements of ARMC's SSMP and how each element is functioning to assist in the prevention of sanitary sewer spills. The audit report shall be kept on file at Department offices and uploaded to the online California Integrated Water Quality System (CIWQS) database within 6 months after the end of the 3-year audit period. Any deficiencies found during the audit are addressed and corrected.

The due dates for ARMC's SSMP and SSMP audits can be found here using ARMC's WDID (8SS011753):

[https://www.waterboards.ca.gov/water\\_issues/programs/sso/lookup/](https://www.waterboards.ca.gov/water_issues/programs/sso/lookup/)

In 2025, the Department contracted with Dudek to work closely with Department staff to review the SSMP, its implementation, and the effectiveness of the Department's efforts in reducing spills at ARMC and document the findings in an SSMP Audit. This audit was completed in February 2026.

The Department plans to complete audit requirements and due dates corresponding to the original audit cycle. ARMC's next SSMP audit is to be completed by 11/2/2028, six months after the end of the audit period. During this next audit, the Department will review the progress of SSMP elements and their success, areas of improvement in implementing the SSMP and preventing spills, evaluate whether they are tracking monitoring, measurement, and program modifications under Element 9, provide a description of system improvements from the previous year, and provide a description and schedule of system improvements for the upcoming year. Audit findings and recommendations will be incorporated into future SSMP Updates.

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# 11 Communication Program

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This section of the SSMP discusses the Department's communications with the public.

## Requirements:

D.11. COMMUNICATION PROGRAM: The Plan must include the following items as appropriate and applicable to the Enrollee's system:

The Plan must include procedures for the Enrollee to communicate with:

- The public for:
  - Spills and discharges resulting in closures of public areas, or that enter a source of drinking water, and
  - The development, implementation, and update of its Plan, including opportunities for public input to Plan implementation and updates.
- Owners/operators of systems that connect into the Enrollee's system, including satellite systems, for:
  - System operation, maintenance, and capital improvement-related activities.

The Department's Division Manager will provide interested parties with status updates on SSMP component implementation and will consider comments from sewer system users and other interested parties.

Any action taken on future updates of the SSMP will be advertised in meeting agendas and the public/interested parties will be given the opportunity to provide written and/or oral comments at these meetings. As a public service, any modifications to the SSMP will be communicated through the use of multiple media outlets including, but not limited to: newspaper, radio, television, or the Department's internet website.

The County's website is an effective communication channel for providing alerts and news to the public. The Department will use the Special Districts website (<https://specialdistricts.sbcounty.gov/water-sanitation/service-districts/>) to communicate if a spill or discharge enters a drinking water source or results in closures to public areas.

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# 12 Supporting Documentation

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# Appendix A

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County Service Area 70 Memorandum of Understanding,  
June 2020

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**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE COUNTY OF SAN BERNARDINO  
AND RECORD OF ACTION**

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS  
OF THE BOARD GOVERNED COUNTY SERVICE AREAS  
AND RECORD OF ACTION**

June 23, 2020

**FROM**

**LUTHER SNOKE, Interim Director, Special Districts Department  
WILLIAM GILBERT, Director, Arrowhead Regional Medical Center**

**SUBJECT**

Memorandum of Understanding for water and sewer infrastructure operations, preventative maintenance, emergency response and support services

**RECOMMENDATION(S)**

1. Acting as the governing body of the County of San Bernardino, approve (**County Contract No. 20-546**) Memorandum of Understanding with County Service Area 70 (Countywide) in which the County of San Bernardino shall compensate County Service Area 70 (Countywide) a total amount not to exceed \$511,622.80 for providing operations, preventative maintenance, emergency response and support services for the County-owned water and wastewater systems located at Arrowhead Regional Medical Center from July 1, 2020 through June 30, 2025.
2. Acting as the governing body of County Service Area 70 (Countywide), approve (**County Contract No. 20-546**) Memorandum of Understanding with the County of San Bernardino in which the County of San Bernardino shall compensate County Service Area 70 (Countywide) a total amount not to exceed \$511,622.80 for providing operations, preventative maintenance, emergency response and support services for the County-owned water and wastewater systems located at Arrowhead Regional Medical Center from July 1, 2020 through June 30, 2025.

(Presenter: Luther Snoke, Interim Director 386-8811)

**COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES**

**Improve County Government Operations.**

**Operate in a Fiscally-Responsible and Business-Like Manner.**

**Pursue County Goals and Objectives by Working with Other Agencies.**

**FINANCIAL IMPACT**

Payment by the County of San Bernardino (County) to County Service Area 70 (CSA 70) for the costs of providing operations, preventative maintenance, emergency response and support services for the County-owned water and wastewater systems located at Arrowhead Regional Medical Center (ARMC) will be funded by ARMC without the need for additional Discretionary General Funding (Net County Cost). Payments to CSA 70, which are reflected in the following

**Memorandum of Understanding for water and sewer infrastructure operations, preventative maintenance, emergency response and support services  
June 23, 2020**

table, shall not exceed a total of \$511,622.80 over the five-year term of the Memorandum of Understanding (MOU).

<b>Fiscal Year</b>	<b>Operations</b>	<b>Emergency Maintenance</b>	<b>Total</b>
2020-21	\$79,789.04	\$37,240.00	\$117,029.04
2021-22	\$60,743.44	\$37,240.00	\$97,983.44
2022-23	\$62,073.44	\$37,240.00	\$99,313.44
2023-24	\$60,743.44	\$37,240.00	\$97,983.44
2024-25	\$62,073.44	\$37,240.00	\$99,313.44
<b>Total</b>	<b>\$325,422.80</b>	<b>\$186,200.00</b>	<b>\$511,622.80</b>

Appropriation for this MOU is included in the 2020-21 budget (and will be included in future recommended budgets) for both ARMC and CSA 70.

**BACKGROUND INFORMATION**

On June 16, 2015 (Item 88), the Board of Supervisors (Board) approved Agreement No. 15-335 allowing CSA 70 to provide wastewater system operation and maintenance services to ARMC through June 30, 2020. ARMC is satisfied with the services provided by CSA 70 and is therefore recommending a new agreement with CSA 70 that would include both water and wastewater services for a term of five years commencing July 1, 2020.

In accordance with this recommended MOU, CSA 70 will provide operations, preventative maintenance, emergency response and support services for County-owned water and wastewater systems located at the ARMC. Water services include inspections, valve exercising, flushing and testing of potable domestic water distribution systems, water quality sampling and testing, regulatory reporting, and general maintenance and repairs. Services to the wastewater system include operations, wastewater sampling and testing, regulatory reporting, and maintenance/repair of the wastewater collection system such as routine inspections, CCTV inspections, and sewer main cleaning and monitoring.

ARMC is responsible for ensuring that water and wastewater system operations and maintenance are being conducted according to local, state, and federal regulatory requirements. CSA 70 staff have the state certifications and experience necessary to ensure that ARMC meets all regulatory requirements.

**PROCUREMENT**

Not applicable.

**REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Scott Runyan, Deputy County Counsel, 387-5455 and Dawn Martin, Deputy County Counsel, 387-5455) on May 14, 2020; Finance (Tom Forster, Administrative Analyst, 387-4635 and Yael Verduzco, Administrative Analyst, 387-5285) on June 2, 2020; and County Finance and Administration (Matthew Erickson, County Chief Financial Officer, 387-5423) on June 8, 2020.

**Memorandum of Understanding for water and sewer infrastructure operations, preventative maintenance, emergency response and support services  
June 23, 2020**

Record of Action of the Board of Supervisors  
County of San Bernardino

Record of Action of the Board of Supervisors  
Board Governed County Service Areas

**APPROVED (CONSENT CALENDAR)**

Moved: Josie Gonzales   Seconded: Robert A. Lovingood  
Ayes: Robert A. Lovingood, Janice Rutherford, Dawn Rowe, Curt Hagman, Josie Gonzales

Lynna Monell, CLERK OF THE BOARD

BY   
DATED: June 23, 2020



cc: ARMC- Reddick w/agree  
Contractor- C/O ARMC w/agree  
File- w/agree  
la 07/7/2020

THE INFORMATION IN THIS BOX IS NOT A PART OF THE CONTRACT AND IS FOR COUNTY USE ONLY



Contract Number

20-546

SAP Number

### Arrowhead Regional Medical Center

<b>Department Contract Representative</b>	<u>John Reddick</u>
<b>Telephone Number</b>	<u>(909) 580-0085</u>
<b>Contractor</b>	<u>County Service Area 70</u>
<b>Contractor Representative</b>	<u>Steve Samaras, Division Manager</u>
<b>Telephone Number</b>	<u>(760) 962-1505</u>
<b>Contract Term</b>	<u>July 1, 2020 to June 30, 2025</u>
<b>Original Contract Amount</b>	<u>N/A</u>
<b>Amendment Amount</b>	<u>N/A</u>
<b>Total Contract Amount</b>	<u>\$511,622.80</u>
<b>Cost Center</b>	<u></u>

**IT IS HEREBY AGREED AS FOLLOWS:**

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE COUNTY OF SAN BERNARDINO, ARROWHEAD REGIONAL MEDICAL CENTER  
AND COUNTY SERVICE AREA 70**

**WHEREAS, the COUNTY OF SAN BERNARDINO, ARROWHEAD REGIONAL MEDICAL CENTER (hereinafter referred to as "ARMC") is responsible for the management of the water distribution system, water treatment system, and sewer collection system located on-site at the Arrowhead Regional Medical Center ; and**

**WHEREAS, COUNTY SERVICE AREA 70 (hereinafter referred to as "CSA 70") has qualified California State Water Resources Control Board (SWRCB) professionally licensed operators to provide Water and Wastewater System Operations, Maintenance, and Management Services; and**

**WHEREAS**, ARMC has water and wastewater infrastructure systems (hereinafter referred to as "SYSTEMS") that include, but are not limited to, an on-site water distribution system, water treatment system, wastewater collection system, and related system appurtenances which require SWRCB licensed operator(s) to operate the Systems; and

**WHEREAS**, CSA 70 has sufficient available staff with appropriate state licensing in water and wastewater with extensive experience in the operation, maintenance, and management of public water and wastewater systems in the vicinity of Arrowhead Regional Medical Center;

**NOW THEREFORE**, CSA 70 and ARMC mutually agree to the following terms and conditions:

**I. CSA 70 SERVICE RESPONSIBILITIES**

- A. CONDUCT** - CSA 70 shall perform for ARMC, in a good and workmanlike manner subject to the reasonable satisfaction of ARMC, ARMC's SYSTEMS operation, maintenance, and management services as set forth in this MOU and more specifically described in Section "E" herein. All activities shall be conducted in a manner that complies with local, state, and federal regulatory requirements.
- B. SUPERVISION** - To effectuate the provisions of this MOU, CSA 70's supervisory personnel shall regularly inspect ARMC's SYSTEMS, the work done by CSA 70's personnel and contractors, and shall exercise complete authority over all CSA 70 employees. CSA 70 shall immediately remove any employee whose conduct or workmanship is unsatisfactory to ARMC.
- C. EMERGENCY** - CSA 70 shall supply ARMC with a copy of its Emergency Notification Plan that includes emergency call-out telephone numbers. CSA 70 shall provide service on a 24-hour-per-day, 7-day-per-week basis according to the services specified in this MOU. ARMC shall participate in the emergency on-call response buy-in program. CSA 70's emergency on-site response time will be one (1) hour or less (excluding inclement weather delays).

CSA 70 may elect to utilize the services of a qualified and licensed contractor to effect emergency repairs if it determines it is in both parties' best interests to do so. CSA 70 maintains "On-Call" contractors with the appropriate licensing, insurance and indemnifications for this purpose. In addition, both CSA 70 and ARMC shall comply with all laws applicable to public projects, including, but not limited to, the Public Contract Code, Labor Code, and Civil Code. Any work at ARMC that falls within the definition of a "public project" in Public Contract Code section 22002 and exceeds the limits in Public Contract Code section 22032(a) (currently \$60,000) must be let in accordance with the bidding procedures described in Public Contract Code section 22032, subdivisions (b) and (c).

- D. EMPLOYEES/ OPERATOR QUALIFICATIONS** - All CSA 70 employees providing services pursuant to this MOU must possess minimum licensing or certification in compliance with local, state, and federal requirements for ARMC's SYSTEMS operations and maintenance. All CSA 70 employees assigned to the ARMC SYSTEMS shall provide services pursuant to this MOU and shall be trained in their assigned tasks, be able to analyze and resolve water and wastewater problems, address and resolve operational service issues in a safe manner, and provide written recommendations and reports. CSA 70 shall ensure that assigned staff receives safety training in accordance with CAL-OSHA standards.
- E. SERVICES AND REPORTS** - CSA 70 shall provide the necessary communications and completed reports to the appropriate local, county, and state agencies as required by the regulatory requirements governing ARMC's SYSTEMS, including: ARMC staff; the County of San Bernardino Public Health Department's Division of Environmental Health Services (EHS); the SWRCB and its local branch of the California Regional Water Quality Control Board (CRWQCB); and the Environmental Protection Agency (EPA).

CSA 70 shall ensure compliance with all permit and regulatory requirements of ARMC's SYSTEMS according to design and operational standards. CSA 70 shall procure and maintain all required ARMC SYSTEMS' permits, licenses, and/or certifications. In the event that ARMC's SYSTEMS do not comply with permit or regulatory requirements, CSA 70 shall notify ARMC in writing with recommendations outlining the proposed corrective action. CSA 70 shall inform and submit in writing to ARMC any permit and/or regulatory requirements that cannot be met by CSA 70. CSA 70 shall not be held liable for permit and/or regulatory non-compliance issues that result from a force majeure.

CSA 70's costs to operate, maintain and manage ARMC's SYSTEMS are based on the requirements established by, but not limited to: the City of Colton, County EHS, SWRCB (and local RWQCB), the EPA, and other local, state and/or federal government agencies. Should local, state, and/or federal regulatory agencies revise ARMC's permit requirements for the water and/or wastewater systems, ARMC shall be responsible for any increased costs to CSA 70 for regulatory compliance.

CSA 70 shall inspect and maintain ARMC's SYSTEMS logs in compliance with regulatory agency standards and requirements.

CSA 70 shall be qualified to operate and maintain ARMC's SYSTEMS in accordance with original equipment manufacturers (OEM) specifications and standards. CSA 70 shall be responsible for operating and maintaining the following:

1. Potable Water Distribution Systems – staff shall maintain, per regulatory specifications, all water distribution systems with pipelines, including but not limited to: production wells, pumps, motors, water distribution pipelines, valves, water storage facilities, pneumatic tanks, backflow devices, pressure regulators, pressure vacuum breakers, flow meters, fire hydrants, chemical feed systems, electrical and instrumentation controls, Supervisory Controls And Data Acquisition (SCADA), alarm systems, analyzers, and associated water distribution system appurtenances. The following scope of services is included in this MOU:
  - a. CSA 70 shall operate the regulated potable water distribution systems (4-inch diameter pipes and larger) and log each system one to seven times per week, depending on the regulatory requirement, and provide monthly reports to ARMC.
  - b. CSA 70 shall flush up to one-hundred percent (100%) of dead-end pipelines annually, or on a schedule which maximizes water conservation during drought conditions.
  - c. CSA 70 shall test valves by exercising one-hundred percent (100%) of the regulated potable water valves annually.
  - d. CSA 70 shall test fifty percent (50%) of regulated potable water fire hydrants annually.
  - e. CSA 70 shall test, repair as required, and certify all backflow preventers annually and may utilize On-Call contractors.
  - f. CSA 70 shall conduct water sampling for laboratory analysis on ARMC's regulated potable water distribution system as required and report abnormal results to ARMC immediately.
  - g. CSA 70 shall provide domestic well-water sampling as required by state regulations and ensure that the contracted laboratory includes ARMC on emails with sampling results.
  - h. CSA 70 shall record the pump run-times for the domestic water well.
  - i. CSA 70 shall change the oil in the well motor assembly according OEM specifications and standards.
  - j. CSA 70 shall sound ARMC's water well and monitor ground water levels annually.
  - k. CSA 70 shall conduct well efficiency tests annually and meter certifications every other year.
  - l. CSA 70 shall test all motors and motor control centers using a megohmmeter to ensure that incoming voltage and current is consistent with the needs of the equipment.
  - m. CSA 70 shall monitor and maintain any potable water distribution disinfection control facilities as required by state regulations.

- n. CSA 70 shall read and record the level of the water storage reservoir daily through SCADA monitoring (when installed).
- o. CSA 70 shall overflow the water storage reservoir annually as required by state regulations.
- p. CSA 70 staff shall test and monitor any existing SCADA equipment, alarms and notifications systems to ensure proper operation (when installed).

Should CSA 70 staff observe equipment or system components that are outdated, inefficient, or on the verge of failure, CSA 70 staff shall remove and replace said equipment with ARMC's prior approval (CSA 70 shall obtain prior approval when possible except when emergency repairs or replacement are required immediately). Costs for repair or replacement that exceed \$60,000 (labor and material) may be referred from CSA 70 to the County Special Districts Department's Project Management Division for inclusion in the annual capital improvement program. All normal repair/replacement costs and/or capital improvement projects are subject to ARMC's final approval. CSA 70 staff shall provide regular and timely reports, minimally once per month with copies to ARMC regarding the results of all activities noted in the Scope of services for the MOU. CSA 70 staff will, in coordination with ARMC, review results of ongoing and listed activities and inspections to use results to identify, prioritize, and budget for future maintenance.

2. Wastewater Collection Systems – staff shall maintain, per regulatory specifications as defined by the SWRCB, all wastewater collection systems (4" or larger diameter pipeline), including but not limited to: sewer pipelines, septic systems, manhole structures, pumps, motors, bar racks, bypass weirs, catch basins, valves, check valves, cleanouts, comminutors, chemical feed systems, dry/wet wells, flap gates, flow meters, grit collectors, electrical controls, air/vacuum relief valves, and associated wastewater collection system appurtenances.
  - a. CSA 70 shall conduct a minimum of twenty percent (20%) of sewer main pipeline cleaning or CCTV inspection of sewer main pipeline annually (CCTV inspection, per regulatory requirement, is considered sufficient to meet the 20% annual cleaning requirement). CSA 70 shall provide reports detailing the results of inspections and/or cleaning to ARMC within one (1) month of inspection or sooner depending on priority of urgent repairs.
  - b. CSA 70 shall provide routine inspection of manholes and clean-outs and shall conduct a minimum of twenty percent (20%) of sewer manhole cleaning annually.
  - c. CSA 70 shall evaluate and/or repair ARMC's on-site sewer pipeline 4-inches in diameter or larger and may use On-Call contractors to correct or repair any problems.
  - d. Upon request, CSA 70 shall assist with maintenance and/or repair of ARMC's Muffin Monster Wastewater Grinder.
  - e. Upon request, CSA 70 shall assist with maintenance and/or repair of ARMC's Parshall Flume wastewater flow monitoring device.
  - f. CSA 70 shall exercise twenty percent (20%) of sewer valves annually.

Should CSA 70 staff observe equipment or system components that are outdated, inefficient, or on the verge of failure, CSA 70 staff shall remove and replace said equipment with ARMC's prior approval (CSA 70 shall obtain prior approval when possible except when emergency repairs or replacement are required immediately). Costs for repair or replacement that exceed \$60,000 (labor and material) may be referred from CSA 70 to the County Special Districts Department's Project Management Division for inclusion in the annual capital improvement program. All capital improvement projects are subject to ARMC's final approval. CSA 70 staff shall provide regular and timely reports, minimally once per month, with copies to ARMC regarding the results of all activities noted in the Scope of services for the MOU. CSA 70 staff will, in coordination with ARMC, review results of ongoing and listed activities and inspections to use results to identify, prioritize, and budget for future maintenance.

- F. **JOB STANDARDS** - All work performed by CSA 70 shall meet or exceed all applicable safety and environmental regulations. Workmanship shall be in the best management standard practices of the trade. Reasonable care will be taken while performing tasks in and around County property. Should CSA 70 damage any of ARMC's SYSTEMS in the performance of their duties, CSA 70 shall be responsible for repair in an appropriate and timely manner at no cost to ARMC.
- G. **JOB SITE** - Work shall not impede business, create a nuisance, or endanger County of San Bernardino employees and/or the public.
- H. **EQUIPMENT** – All equipment shall be of good commercial quality. CSA 70's equipment and tools stored on ARMC property shall be clearly marked as CSA 70 and appropriately stored.
- I. **COMMUNICATION** – CSA 70 shall communicate with ARMC and other appropriate County of San Bernardino departments, and reasonably identify ARMC's SYSTEMS deficiencies in order to maintain the SYSTEMS in a safe and economical manner in compliance with regulatory requirements. An annual project list with budgeted expenses will be developed and approved in writing by the Director of ARMC and Director of CSA 70 at the beginning of each quarter. All capital improvement projects, any equipment or system components that require replacement and have not been identified and approved at the beginning of the fiscal year or in the quarterly project list will require approval by both Directors in writing.
- J. **SAMPLES** – CSA 70 shall collect all required water and wastewater samples, and transport them to a State of California certified laboratory (Environmental Laboratory Accredited Program) for analysis. CSA 70 shall be responsible for collecting representative water and wastewater samples for analysis in compliance with regulatory requirements and standards.
- K. **MAINTENANCE OF GROUNDS** – CSA 70 staff shall perform all required housekeeping in order to maintain ARMC's SYSTEMS, system buildings/facilities as noted in Section E, "Services and Reports" above.
- L. **PREVENTIVE MAINTENANCE** – If CSA 70 fails to perform preventive maintenance, resulting in equipment failure, CSA 70 shall make necessary repairs in a timely manner at no additional cost to ARMC.
- M. **TRAINING** – CSA 70 shall have the ability to provide safety and product training to on-site ARMC personnel and ARMC may request CSA 70 to provide safety and product training to on-site ARMC personnel.
- N. **CHEMICALS** – CSA 70 shall provide all chemicals and the maintenance for the related chemical feed system equipment, including but not limited to: tanks, pumps, motors, pipelines, valves, inline screens, chemical diffusers, flow meters, electrical and instrument controls, SCADA, and transportation and delivery, as noted in Section E, "Services and Reports" above, to ARMC's SYSTEMS at cost, plus 33% administration fee, to ARMC.
- O. **PAGERS** – CSA 70 shall provide pagers to its employees assigned to ARMC's SYSTEMS, and shall become familiar with any existing emergency page-out telemetry service currently in use by ARMC's SYSTEMS.
- P. **ADDITIONAL SERVICES** – CSA 70 shall provide a productive hourly labor rate as approved by the County of San Bernardino Board of Supervisors plus an administrative fee of thirty-three percent (33%) for additional services and repairs not listed in this MOU. The Employee Productive Hourly Rate Schedule shall be used to establish a guaranteed labor rate. The Employee Productive Hourly Rate Schedule is adjusted annually and shall be provided to ARMC.

## II. CSA 70 GENERAL RESPONSIBILITIES

- A. **INDEPENDENT CAPACITY** – In the performance of this MOU, CSA 70, its agents and its employees, shall act in an independent capacity and not as officers, employees, or agents of ARMC.
- B. **ASSIGNABILITY** – Without prior written consent of ARMC, this MOU is not assignable by CSA 70 either in whole or in part.
- C. **SUBCONTRACTING** – CSA 70 shall inform the Director or designee of ARMC of any subcontracting agreements for work contemplated under this MOU. All subcontractors shall be subject to the same terms and conditions as CSA 70. CSA 70 shall be fully responsible for the performance and payment of any subcontractor's contract.
- D. **LICENSES AND PERMITS** – CSA 70 shall ensure that it has all necessary operator certifications and licenses required by state rules and regulations for water and wastewater services. CSA 70 shall maintain these operator certifications in effect for the duration of this MOU. CSA 70 shall notify ARMC immediately of the loss or suspension of any such license. Failure to maintain the required licenses may result in immediate termination of this MOU.
- E. **LABOR LAWS** – CSA 70 shall strictly adhere to the applicable provisions of the Labor Code regarding the employment of apprentices; minimum wages; travel and subsistence pay; retention and inspection of payroll records; workers compensation; and payment of wages.
- F. **PRIMARY CONTACT** – CSA 70 shall designate an individual to serve as the primary point of contact. CSA 70 or its designee must respond to ARMC's non-emergency inquiries within two (2) business days. In the event that a problem or potential problem occurs, impacting the quality or quantity of work, or the level of performance under this MOU, CSA 70 shall notify ARMC within two (2) working days, in writing, and by telephone.
- G. **RELEASE OF INFORMATION** – No news releases, advertisements, public announcements, or photographs arising out of this MOU or CSA 70's relationship with ARMC may be made or used without prior written approval from ARMC, with the exception of the performance of those duties required to maintain adequate records or regulatory reporting requirements.
- H. **RECORDS** – CSA 70 shall maintain all records and books pertaining to the delivery of services under this MOU and demonstrate accountability for MOU performance. Said records shall be kept and maintained within CSA 70. ARMC staff shall have the right, upon reasonable notice and at reasonable hours of business, to examine and inspect such records and books.
- I. **RIGHT TO MONITOR AND AUDIT** – ARMC shall have the right to review and audit all records, books, papers, documents, minutes, and other pertinent items as requested, and shall have the right to monitor the performance of CSA 70 in the delivery of services provided under this MOU. CSA 70 shall give full cooperation with all auditing and/or monitoring conducted. CSA 70 shall cooperate with ARMC in the implementation, monitoring, and evaluation of this MOU and comply with any and all reporting requirements established by ARMC, County EHS, the SWRCB (and RWQCB), the EPA, and the regional Air Quality Management District. In the event that ARMC determines that CSA 70's performance of its duties or other terms of this MOU are deficient in any manner, ARMC shall notify CSA 70 of such deficiency in writing, within five (5) days thereafter. CSA 70 shall remedy any deficiency within forty-eight (48) hours of such notification, or ARMC, at its option, may terminate this MOU upon written notice, or remedy the deficiency and offset the cost thereof from any amounts due to CSA 70 under this MOU or otherwise.
- J. **AVAILABILITY OF RECORDS** - All records pertaining to services delivered, and all fiscal, statistical, and management books and records shall be delivered to ARMC representatives upon availability for storage in compliance with all county, state and federal requirements.

### III. ARMC RESPONSIBILITIES

ARMC shall provide to CSA 70 any and all reports, plans, maps, operations manuals, equipment specifications, or other documentation and data regarding the conditions, configuration, and construction of ARMC's SYSTEMS. ARMC shall be responsible for maintaining and coordinating sewer or plumbing issues on water or sewer systems with pipeline sizes less than four inches (4") in diameter on ARMC's SYSTEMS. CSA 70 does not typically handle these types of standard plumbing issues. CSA 70 shall comply with any special requirements for conducting operations and maintenance on the hospital premises. ARMC shall be responsible for all pre-budgetary planning and submittal to the County Board of Supervisors for approval of CIPs.

#### **IV. INDEMNIFICATION**

CSA 70 agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless ARMC and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this MOU from any cause whatsoever, including CSA 70's acts, errors or omissions of any person and for any costs or expenses incurred by ARMC on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. CSA 70's indemnification obligation applies to ARMC's "active" as well as "passive" negligence but does not apply to ARMC's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

ARMC agrees to indemnify, defend (with counsel reasonably approved by County) and hold harmless CSA 70 and its authorized officers, employees, agents and volunteers from any and all claims, actions, losses, damages, and/or liability arising out of this MOU from any cause whatsoever, including ARMC's acts, errors or omissions of any person and for any costs or expenses incurred by CSA 70 on account of any claim except where such indemnification is prohibited by law. This indemnification provision shall apply regardless of the existence or degree of fault of indemnities. ARMC's indemnification obligation applies to CSA 70's "active" as well as "passive" negligence but does not apply to CSA 70's "sole negligence" or "willful misconduct" within the meaning of Civil Code Section 2782.

In the event that CSA 70 and/or ARMC are determined to be comparatively at fault for any claim, action, loss or damage, which results from their respective obligations under this Agreement, ARMC and/or CSA 70 shall indemnify the other to the extent of its comparative fault.

#### **V. INSURANCE COVERAGE** - CSA 70 warrants that it is legally self-insured under a State approved program of self-insurance.

## VI. FISCAL PROVISIONS

### A. The amount of reimbursement under this MOU is \$511,622.80

<b>Operations and Maintenance (O&amp;M)</b>	<b>Estimated Annual Cost Year 1</b>	<b>Not-to-Exceed Contract Period</b>
Labor	\$ 20,955.43	\$ 104,777.13
Equipment	\$ 16,978.51	\$ 84,892.57
Laboratory Fees	\$ 2,859.50	\$ 14,297.50
Infrastructure Maintenance	\$ 19,950.00	\$ 99,750.00
Emergency Maintenance	\$ 37,240.00	\$ 186,200.00
Sewer System Mgmt Plan	\$ 19,045.60	\$ 21,705.60
<b>Total:</b>	<b>\$ 117,029.04</b>	<b>\$ 511,622.80</b>

- B. CSA 70 will receive up to a total of **\$511,622.80** for the term of the contract for operation, maintenance, and management of ARMC's SYSTEMS. ARMC shall transfer full payment for all of CSA 70's services and expenses incurred in the performance hereof, including current Board Of Supervisor approved employee productive hourly rate, equipment, vehicles, materials, administrative costs, and travel.
- C. CSA 70 shall submit a detailed drawdown to ARMC for services rendered on a quarterly basis, in arrears, for costs incurred to perform capital improvement projects, operations, maintenance, and management duties at ARMC's SYSTEMS as described in this MOU. An administrative fee of thirty-three percent (33%) shall be applied to all direct staff labor, vehicles/equipment, supplies, inventory, contractors, and equipment purchased. This charge shall be reflected on all invoices and only excludes indirect administrative personnel labor (i.e. management). Any funds left over after each fiscal year will be applied to future fiscal year's projects.
- D. Costs for operations and maintenance shall be evaluated after the 2<sup>nd</sup> fiscal year to determine whether available funding is adequate or exceeds costs. Should extraordinary circumstances exceed the emergency maintenance fund, such as regulatory requirements or critical projects, CSA 70 and ARMC shall negotiate required funding to ensure that ARMC is compliant with all regulatory requirements.
- E. Monthly reports, submitted by CSA 70 and referenced above in ARMC's SYSTEMS section shall include a breakdown of each service performed and the date that the services were performed.

## VII. TERM

This MOU is effective as of July 1, 2020 and expires on June 30, 2025, but may be terminated earlier in accordance with provisions of Section IX of this MOU. This MOU may be extended for two additional one year increments through amendment by mutual agreement of the Parties.

## VIII. EARLY TERMINATION

### a. Termination Process

Either party, by written notice to the other party, may terminate the whole or any part of this agreement at any time and without cause by giving written notice to the other party of such termination and specifying the effective date thereof, at least 60 days before the effective date of