



RANCHO MURIETA COMMUNITY SERVICES DISTRICT

15160 Jackson Road, Rancho Murieta, CA 95683
Office - 916-354-3700 * Fax - 916-354-2082

IMPROVEMENTS COMMITTEE (Directors Randy Jenco and Martin Pohl)

Regular Meeting
February 6, 2023 at 8:00 a.m.

All persons present at District meetings will place their cellular devices in silent and/or vibrate mode (no ringing of any kind). During meetings, these devices will be used only for emergency purposes and, if used, the party called/calling will exit the meeting room for conversation. Other electronic and internet enabled devices are to be used in the "silent" mode. Under no circumstances will recording devices or problems associated with them be permitted to interrupt or delay District meetings.

AGENDA

1. Call to Order

2. Improvements Staff Report

A. *Discussion Item* CIP Matrix

B. *Discussion Item* Rio Oso Tank Cathodic Protection

C. *Discussion Item* SB 170 Projects Update

3. Comments from the Public

If you wish to speak during Comments from the Public or would like to comment regarding an item appearing on the meeting agenda, please complete a public comment card and submit to the Board Secretary prior to Public Comments. We will hold all comments to the Public Comment section.

4. Director and Staff Comments/Suggestions

5. Adjournment

"In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 24 hours prior to a special meeting, will be made available for public inspection in the District offices during normal business hours. If, however, the document is not distributed until the regular meeting to which it relates, then the document or writing will be made available to the public at the location of the meeting."

In compliance with the Americans with Disabilities Act if you are an individual with a disability and you need a disability-related modification or accommodation to participate in this meeting or need assistance to participate in this teleconference meeting, please contact the District Office at 916-354-3700 or awilder@rmcsd.com. Requests must be made as soon as possible.

Note: This agenda is posted pursuant to the provisions of the Government Code commencing at Section 54950. The date of this posting is February 1, 2024. Posting locations are: 1) District Office; 2) Post Office; 3) Rancho Murieta Association; 4) Murieta Village Association.

Improvements Committee Staff Report

Date: February 6, 2024

From: Michael Fritschi, P.E. - Director of Operations

A. FY 23-24 Capital Improvements Program (CIP) update – Information for capital projects has been updated for January invoicing for the current fiscal year 23-24. Please see the attached FY 23-24 CIP Matrix

B. Contract for Rio Oso Tank Cathodic Protection – The District received a prevailing wage quote from Corpro to repair the rusting that is occurring on the support plates (hand holes) for the 15 cathodic protection rods in the Rio Oso storage tank. The issue related to the rusting rod supports was verbally brought to staff's attention at the annual inspection conducted on 1-19-24. According to the inspection, the rod plates were never installed with a proper buffer to prevent rust from the 2009 rehabilitation.

If no further damage is experienced, the rod support plates can be installed while the tank is in service. Staff are concerned that the work be completed sooner than later to prevent rust from spreading to the ceiling and to prevent the cathodic rods from falling in the tank, which may also necessitate shutting the tank down which would result in an extensive potable water bypass project.

The District has also requested quotes from Potable Divers and CSI Services to perform the work.

C. SB 170 Projects Update

Staff would like to update the Committee on the status of the three SB 170 funded projects. The original 2021 state grant of \$1.3 million was intended to cover 100% of the total project costs of \$1.3 million. Costs have increased to \$2.74 million, based on recent estimates. Staff is concerned that delays in moving forward will result in increasing costs which could potentially jeopardize the District's ability to utilize the funding within a reasonable time frame.

The original funding was granted through SB 170, Budget Act of 2021, formalized through an agreement completed in July 13, 2022, and all grant proceeds received in full in November of 2022. As of January 31, 2024, two of the three projects have been designed and are ready to be released to the competitive bid process. The third project has been completed to the preliminary design stage.

The two projects that are ready for construction are:

- Project #1: the Water Treatment Plant's conversion from chlorine gas to liquid bleach and
- Project #2: the safety improvements at the Granlees Dam.

Project #3, the Wastewater Treatment Plant's conversion from chlorine gas to liquid beach, is still in the preliminary design stage.

A brief explanation of the three projects follows:

Project #1: Water Treatment Chlorine to Sodium Hypochlorite (NaOCl) Replacement project. – The original cost estimate for this project was \$360,100. The recently updated Engineer Probable Construction Cost came in at \$590,000, a difference of \$229,900. The original SB 170 allocation of \$360,100 for this project requires District funding of \$229,900 to complete the project. The District can cover the \$229,900 through an even allocation of the expense to the water improvement and water replacement reserves.

Project #2: Granlees Safety Rehabilitation – The original cost estimate for this project was \$174,200. The recently updated Engineer Probable Construction Cost came in at \$834,000, an increase of \$659,800. The original SB 170 allocation of \$174,200 for this project requires District funding of \$659,800 to complete the project. The District can cover that cost with water improvement and water replacement reserves at 15% and 85%, respectively.

Project #3: Wastewater Treatment Facility Chlorine to Sodium Hypochlorite (NaOCl) Replacement project - This project has reached the end of the preliminary design phase and has entered the design process. It is estimated that the project design will be completed and be ready to be released to bid in late May-early June.

It was decided at the last preliminary design meeting to move forward with the design to include the replacement of the chlorine contact tank as a part of the original disinfection upgrade. Once the design is completed, the design will be released for bid for the hypochlorite improvements and a separate alternate bid will be solicited for the contact tank improvements. The lowest cost estimate for the chlorine contact tank rehabilitation at the preliminary level is estimated at \$2.125 million. The Engineers Cost opinion at the preliminary level to complete construction of the hypochlorite improvements alone is estimated at \$1.05 million.

The original SB 170 allocation of \$765,700 for this project requires District funding of \$284,300 to complete the hypochlorite improvement project. The District can cover the \$284,300 through an even allocation of the expense to the sewer improvement and sewer replacement reserves.

Additional Background on Transition from Chlorine Gas

The two sodium hypochlorite projects are centered around the conversion of disinfection chemicals from chlorine gas to sodium hypochlorite. The two projects support each other operationally in the sense that the same strength of 12.5% hypochlorite is designated to be utilized at each plant. The District can easily purchase the hypochlorite in bulk quantities and leverage storage capabilities at both facilities. The operational practice, safety, cost, and convenience of utilizing sodium hypochlorite are mirrored at each facility. Initial estimates show savings of \$35,000 per year for chemicals, planning, and labor if both facilities are upgraded. There are also varying qualitative benefits to the projects as illustrated in the second table.

Sodium Hypochlorite vs Chlorine Gas Comparison			
Annual Cost Component	NaOCl	Cl2 Gas	
\$/LB of Chlorine	\$ 1.20	\$ 1.34	<i>For NaOCl, assume 1.251 LB CL2 per gallon of 12.5% NaOCl at specific gravity of 1.2 and \$1.50/gal as bid last year.</i>
Est. \$/yr	\$ 52,800.00	\$ 58,960.00	<i>Based on 44,000 LBS of chlorine used last year</i>
Estimated Average Annual Safety Permitting & Reporting Cost	\$ -	\$ 3,000.00	<i>The District has to provide an update of the process safety management plan every 5 years.</i>
Annual Specialized Calibration & Maintenance	\$ 5,000.00	\$ 28,000.00	<i>Currently utilize a specialized contractor that verifies, calibrates, and repairs the specialized gas equipment</i>
Estimated Annual Specialized Training and Safety Equipment	\$ -	\$ 3,000.00	<i>Hazwopper training, fit tests for self contained breathing apparatus to be provided and maintained per operator</i>
Annual Totals	\$ 57,800.00	\$ 92,960.00	
Annual expected savings by utilizing Sodium Hypochlorite	\$ 35,160.00		

Sodium Hypochlorite vs Chlorine Gas Qualitative Comparison

Factor	NaOCl	Cl2 Gas
Availability of Chemical	<i>Bulk NaOCl is available by at least 5 local manufacturers</i>	<i>Chlorine gas has one regional distributor for northern California. There have been chlorine gas shortages experienced in 2020.</i>
Operator Safety	<i>NaOCl leaks are non-lethal, most leaks are contained. An SCBA or negative pressure room is not required.</i>	<i>Chlorine gas is lethal and specialized negative pressure response equipment and emergency services are required for spills.</i>
OSHA Compliance	<i>District operators have received no OSHA violations for liquid chemicals.</i>	<i>District has received (2) OSHA violations in the past 2 years for chlorine gas releases, one of which resulted in an employee having to be taken to urgent care.</i>
Community Safety	<i>A NaOCl leak is designed for physical containment and poses very little threat to community safety</i>	<i>A large Chlorine gas release could be blown to nearby commercial and residential areas and would require an evacuation of those areas to prevent respiratory injury</i>
Liability Insurance	While not currently quantified by the District insurance agent, switching to NaOCl at both facilities should lower the overall liability insurance	-

CIP #	Project Name	Estimated Construction Cost	SB 170 Allocation *	remainder of cost to complete	Project Status	current % complete
23-10-01	WTP Chlorine to NaOCl replacement	\$ 590,000	\$ 360,100	\$ 229,900	<i>Updated electrical sheets in process. Updated Opinion of Probable Construction Cost. Ready to bid</i>	30%
23-04-01	Granlees Safety Rehabilitation	\$ 834,000	\$ 174,200	\$ 659,800	<i>Updated Opinion of Probable Construction Cost. Design completed and ready to prepare for bid process.</i>	30%
23-14-02	WWTF Chlorine to NaOCl replacement (Contact Tank Rehab not included)	\$ 1,050,000	\$ 765,700	\$ 284,300	<i>Completed preliminary design analysis. Some preliminary work completed in FY 22-23. Design has begun. Estimate does not include remainder of design costs and contact tank improvements.</i>	10%
	total	\$ 2,474,000	\$ 1,300,000	\$ 1,174,000		
*Original allocations can be modified per agreement						

		Envisioned Capital Funding Allocation			
	Remaining cost to complete	Improvement %	Improvement portion	Replacement %	Replacement portion
WTP Chlorine to NaOCl replacement - note 1	\$ 229,900	50%	\$ 114,950	50%	\$ 114,950
Granlees Safety Rehabilitation - note 2	\$ 659,800	15%	\$ 98,970	85%	\$ 560,830
WWTF Chlorine to NaOCl - note 1	\$ 284,300	50%	\$ 142,150	50%	\$ 142,150
total	\$ 1,174,000		\$ 356,070		\$ 817,930

note 1 - The introduction of a new disinfectant could potentially be classified as an improvement with some minor increase in capacity and improvements to ancillary systems such as lighting and chemical storage, the remainder would be considered a equipment replacement

note 2 - There are some minor improvements considered to the roof and intake of the forebay, however a larger portion of this project is considered replacement of infrastructure.

Water Improvements	\$ 213,920				
Water Replacement	\$ 675,780				
Sewer Improvements	\$ 142,150				
Sewer Replacement	\$ 142,150				
total	\$ 1,174,000				

Capital Improvements Matrix – As of January 31, 2024

Water	Project	Budget FY 23-24	Spent to Date FY 23-24 (est)	status	Est % complete
24-200-01	Water portion of CIP/5-year rate study	\$ 225,000.00	\$ 25,538.68	Rate Study was removed from Scope of services	65%
23-20-01	Integrated Water Master Plan	\$ 313,369.00	\$ 145,395.10	Two contract amendments were approved, increasing the CIP project budget by \$113,369. Phase 1 and Phase 2 of master plan are complete, with the first phase completed in FY 22-23. Current contract is \$408,369 of which \$302,175 is spent.	65%
24-200-03	Water GIS Updates	\$ 25,000.00	\$ 7,275.00	completed initial water pipe mapping	29%
24-200-04	Water Condition Assessment	\$ 30,000.00	\$ -	not started - researching assessment methods	0%
23-06-01	Rio Oso Improvement Study	\$ 61,000.00	\$ 465.00	Contract awarded and in progress	20%
23-10-01	WTP Chlorine to NaOCl replacement	\$ 700,000.00	\$ 17,492.80	Design mostly completed waiting on updated electrical sheets and Opinion of Probable Construction Cost. Majority of design was completed in FY 22-23	30%
23-04-01	Granlees Safety Rehabilitation	\$ 822,000.00	\$ 29,712.50	Design completed and under District Review	30%
	Total	\$2,176,369.00	\$ 225,879.08		
Wastewater	Project	Budget FY 23-24	Spent to Date FY 23-24 (est)	status	Est % complete
24-250-01	Wastewater portion of CIP/5-year rate study	\$ 175,000.00	\$ 25,538.68	Rate Study was removed from Scope of services	65%
24-250-02	Wastewater GIS Updates	\$ 25,000.00	\$ 7,150.00	continue sewer updates and begin integrating condition assessment data	29%
24-250-03	Wastewater Condition Assessment	\$ 30,000.00	\$ -	CCTV work to be completed in the spring	0%
23-11-02	Complete Lift Station Generator Projects	\$ 450,000.00	\$ 13,672.50	Design at 75% complete	15%
23-11-02	Complete Lift Station Rehabilitation Projects	\$ 300,000.00	\$ 136,757.25	Lift 3B work complete. Alameda and Starter Shack at the preliminary design level.	40%
24-250-07	Main lift North Pump Replacement	\$ 65,000.00	\$ 71,775.00	Pump has been ordered and is expected within the month	90%
24-250-08	Main lift North Roof Repair	\$ 15,000.00	\$ -	In process of obtaining bids	10%
23-14-02	Complete WWTF Chlorine to NaOCl & Contact Tank Rehab	\$1,400,000.00	\$ 14,793.00	Completed preliminary design analysis. Starting design process.	10%
	Total	\$2,460,000.00	\$ 269,686.43		

**PROPOSAL FOR INTERNAL CATHODIC PROTECTION
RANCHO MURIETA COMMUNITY SERVICES DISTRICT
1.2 MG "RIO OSO TANK"
RANCHO MURIETA, CA
Corrpro Ref. #NCA-24-04
(REHABILITATION OF 15 CP HAND HOLES)**

Corrpro is pleased to provide this proposal for materials for one (1) internal Cathodic Protection (CP) system. Pricing based on rehabilitating 15 cathodic protection hand holes and providing new hand hole cover assemblies. ***All CP components exposed to the tank interior are UL classified in accordance with NSF Standard 61.**

The below table includes the price for each associated task as required in the project specifications.

Corrpro Waterworks' lump sum for the materials above will be \$9,447.00.

All (CP) materials shall be guaranteed for a period of one (1) year by Corrpro's standard warranty, beginning from the date of final acceptance or at such time materials are received upon arrival.

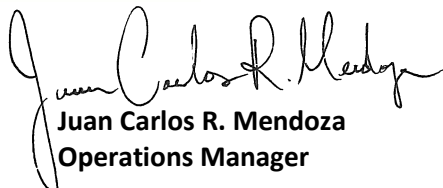
Corrpro Waterworks payment terms are due upon receipt, subject to credit approval and Corrpro Companies, Inc. professional services terms & conditions, available upon request. Invoices issued on a work complete to date basis. Corrpro Waterworks will not accept payment terms that are contingent upon payment to your firm by an outside source. An original copy of this quotation will be provided by U.S. Mail upon request.

Thank you for the opportunity to submit this proposal. This proposal will be honored for 90 days from this date. Kindly have the signatory space below signed and emailed (jmendoza@corrpro.com) back to my attention.

If you have any questions, please contact me directly at (602) 269-7641.

Respectfully submitted,

corrpro[®]
An Aegion[®] Company


Juan Carlos R. Mendoza
Operations Manager

CLIENT APPROVAL ON CORRPRO REFERENCE #NCA-24-04 (complete below):

Authorized Signature

Typed or Printed Name

Title

Date

The following additional terms and conditions apply to this proposal:

1. Progress billing will be submitted when materials are delivered and/or service progressively rendered.
2. Corrpro shall be entitled to an equitable adjustment in the price of the work, including but not limited to any increased costs of labor, including overtime, or materials, resulting from any change of schedule, acceleration, out of sequence work or delay caused by others for whom Corrpro is not responsible.
3. Corrpro reserves the right to pass on price increase in manufactured and/or consumable products to the Purchaser if the order has not been placed within ninety (90) days of the proposal being issued.
4. All terms and conditions listed above, whether explicitly detailed or not detailed in a resulting contract or purchase order, shall be accepted as "condition of sale" between Corrpro and the Purchaser and cannot be waived unless it is explicitly mentioned in the resulting contract or purchase order.
5. The schedule of the work is to be mutually agreed upon.
6. Completion and acceptance of a credit application may be required prior to commencement of work.

CORRPRO COMPANIES, INC. STANDARD TERMS AND CONDITIONS

The following terms and conditions ("T&Cs") apply to the proposed sale of equipment, supplies, products or materials ("Goods") or the proposed furnishing of labor, with or without the supply of Goods ("Services"), by Corpro Companies, Inc. ("Corpro"), all as further described in Corpro's Proposal or Invoice ("Sales Document"), to the buyer named in the Sales Document ("Buyer").

1. Scope of Agreement; Acceptance. Unless expressly provided otherwise in a master agreement signed by Buyer and an authorized representative of Corpro prior to the date of the Sales Document, the Sales Document, these T&Cs and any other documents expressly identified in the Sales Document as a contract document shall be considered contract documents (collectively, the "Agreement"). Any terms that add to or contradict the terms of this Agreement are not valid. A definite expression of acceptance of the Sales Document or the Agreement by Buyer that contains terms that are additional to or different from the terms of the Agreement will form a contract solely on the Agreement, and the additional or different terms shall not become a part of the Agreement, whether or not they would materially alter the Agreement. Neither course of prior dealings nor usage of trade shall be relevant to supplement or explain any provision of the Agreement. The Agreement becomes a valid and binding obligation of Corpro and Buyer on the earlier of: (a) Corpro's receipt of this Sales Document signed by Buyer; (b) Buyer delivering a purchase order or a purchase order number to Corpro for the Goods or Services described in the Proposal; (c) Buyer's receipt and acceptance of the Goods or Services, (d) Buyer's payment for the Goods or Services described in the Sales Document, or (e) any other written indication by Buyer of its acceptance of the Agreement.

2. Delivery; Risk of Loss. All shipping dates of Goods and performance dates of Services stated in the Sales Document are approximate and not a guarantee of a particular date of shipment or performance. Unless stated otherwise in the Agreement, delivery of the Goods shall be EXW (Incoterms 2010) at Corpro's facility stated in the Sales Document. At Buyer's option, Corpro will ship the Goods to Buyer at the shipping address stated in the Sales Document by any commercially reasonable means, provided that Corpro has the option of selecting the particular route and carrier for shipment of the Goods to Buyer, unless specified by Buyer in the Sales Document. Buyer shall bear all risk of loss or damage to the Goods during transit. All freight, insurance, tariffs, freight forwarding, customs, cartage and other transportation or incidental charges shall be borne by Buyer. Corpro reserves the right to deliver Goods or perform Services in installments, all such installments to be separately invoiced and paid for when due, without regard to subsequent deliveries. Delay in delivery of any installment shall not relieve Buyer's obligations to accept remaining deliveries.

3. Inspection and Acceptance. Immediately on Buyer's receipt of any Goods shipped or Services performed, Buyer shall inspect the same and shall notify Corpro in writing of any claims for shortages or non-conformance (including defective and damaged Goods or Services). Buyer shall hold any non-conforming Goods for Corpro's written instructions concerning disposition. Failure to give written notice of any non-conforming Goods or Services within ten (10) days after the earlier to occur of receipt of Goods or performance of Services, express oral or written acceptance of the Goods or Services, or payment for the Goods or Services, shall conclusively (a) establish Buyer's acceptance of the Goods or Services, (b) release Corpro from any and all liability therefor, and (c) waive Buyer's right to seek damages or other remedies for any non-conforming Goods or Services subject to Section 8 below. Buyer shall bear the expenses of inspection under all circumstances.

4. Payment Terms. Terms of sale are net thirty (30) days from date of invoice, unless otherwise stated in the Agreement. Time is of the essence with respect to all payments. Any amount not received by Corpro when due shall bear interest at the rate of one and one-half percent (1½%) per month (eighteen percent (18% annually), or the maximum rate of interest that applicable law allows, whichever is greater, until fully paid, including any interest due. Buyer agrees to pay all costs of collection resulting from any default by Buyer of this Agreement. Amounts due to Corpro under this Agreement are not subject to offset, deduction or back charges by Buyer. Unless stated otherwise in the Agreement, the prices stated in the Agreement and all payments due to Corpro from Buyer shall be in the lawful currency of the U.S. If, at any time prior to shipment or performance (either complete or partial), Buyer does not meet Corpro's credit approval or Corpro, in its sole discretion, deems Buyer's financial condition to be unsatisfactory, Corpro may either (a) delay or postpone delivery of Goods or

performance of Services, (b) terminate the Agreement, or (c) request payment in full or other security satisfactory to Corpro from Buyer prior to shipment of the Goods or performance of the Services.

5. Taxes; Permits and Fees; Laws. Unless expressly stated otherwise in the Agreement, the price for the Goods furnished or Services performed by Corpro excludes all governmental or brokerage taxes, duties, customs, fees, charges or assessments (collectively, "Taxes"). If applicable, Buyer must provide Corpro with documentation acceptable to Corpro of any exemptions claimed from Taxes prior to invoicing. In the event Corpro is required to pay any Taxes not previously paid to Corpro, Buyer shall reimburse Corpro. Unless stated otherwise in the Agreement, Buyer shall secure and pay for all permits and fees necessary for delivery and installation of the Goods or performance of the Services. It is Buyer's duty to ascertain that the Goods or Services proposed by Corpro are and their subsequent installation and use are in accordance with applicable laws, ordinances and building codes. Corpro shall not be responsible for compliance of the Goods or Services to such laws, ordinances and building codes, but shall, to the extent reasonably possible, promptly notify Buyer of any discrepancies brought to Corpro's attention.

6. Specifications. Buyer warrants that any documents, drawings, designs or specifications furnished to Corpro by Buyer or any party acting on behalf of, or under direction of, Buyer (collectively, "Specifications") are complete, accurate and may be reasonably relied on by Corpro. Corpro shall have no liability for errors, omissions or inconsistencies in any Specifications. In the event the Agreement contains submittal requirements pertaining to the Goods or Services, Corpro agrees to submit in a timely fashion to Buyer for review and approval any shop drawings, samples, product data, manufacturers' literature or similar submittals as Buyer may reasonably request. Buyer shall be responsible for review and approval of submittals with reasonable promptness to avoid causing delay.

7. Change Orders. Changes to the quantity, Specifications, scope of supply or performance, delivery schedule, period of performance, shipping instructions or any other material term of the Agreement, may only be made by Buyer and Corpro executing a written change order ("Change Order"). Any Change Order shall state the parties' agreement on (a) change in the material term of the Agreement, and (b) an adjustment to the purchase price or the date of shipment or period of performance, as applicable. Both parties agree that, unless a Change Order is agreed in writing and signed by authorized representatives of both parties, the Agreement shall not be changed or modified in any manner. In addition, Corpro has the right to suspend performance during the period while the change is being evaluated and negotiated. In the event Buyer has communicated proposed changes to Corpro, Corpro, at its sole discretion, shall either (i) accept the Change Order, (ii) reject the Change Order and continue performance under the existing Agreement, or (iii) terminate the Agreement. In the event that Corpro elects (ii) above, Buyer shall have the option to terminate the Agreement.

8. Warranties. "Warranty Period" means (a) for Services and Goods installed as part of the Services, the one (1) year period beginning the date the applicable Services are substantially completed; and (b) for Goods not installed as part of any Services, the ninety (90) day period beginning with the date of shipment from Corpro. The providing of warranty service does not extend or restart a new Warranty Period. Corpro warrants that, for the duration of the Warranty Period and subject to the other limitations in this Agreement, each Service has been performed in accordance with applicable specifications and procedures for such Service, and, if applicable, Goods will be free from defect in materials and workmanship. Notwithstanding anything in this Agreement to the contrary, Corpro's warranty liability shall in no event exceed the amount paid for the original defective Goods or Services. Any claim not received by Corpro within the applicable Warranty Period shall be conclusively deemed waived by claimant. Corpro has the option to verify, with its own representatives, the nature and extent of the alleged defect. Corpro shall have no obligation to provide warranty service and shall have no liability with respect to defective Goods or Services if the Goods, materials, systems of which they are a part, or structures they are intended to protect from corrosion have: (a) been modified, altered, relocated (in the case of cathodic protection systems), used for other than intended purposes, or otherwise changed without Corpro's written consent; (b) been damaged or abused; (c) not been operated or maintained in accordance with design specifications, instructions, operations and maintenance documents, or reasonable business practices; or (d) in the case of Goods or Services, not been paid for in full.

9. Warranty Limitations. The Goods warranty applies only to (a) Goods manufactured solely by Corpro ("Corpro Products"), and (b) components of cathodic protection systems installed as part of the Services. Except as stated in the preceding sentence, Corpro does not warrant products manufactured or supplied by other parties, and Buyer shall be entitled to rely on the warranties, if any, only to the extent extended to Buyer by such other parties. Corpro shall not be liable for any expense incurred by Buyer in order to remedy any warranted defect. Corpro's obligation to honor its warranty on defective Services is in all cases limited to, at Corpro's sole option: 1) re-performing such Corpro Service(s), 2) performing additional Service(s), or 3) providing a refund or credit equivalent to the decreased value of the Service(s). Corpro's obligation to honor its warranty on defective Corpro Products is in all cases limited to, at Corpro's sole option: 1) repair or replacement of the defective Corpro Product or component thereof, or 2) providing a cash refund or credit equivalent to the decreased value of the Corpro Products. Replaced Corpro Products shall become the property of Corpro, if Corpro so elects. Corpro shall not be liable for any expense incurred by Buyer in order to remedy any warranted defect. ALL WARRANTIES ARE IN LIEU OF AND CORRPRO DISCLAIMS ANY AND ALL OTHER WARRANTIES, CONDITIONS, AND LIABILITIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. BUYER EXPRESSLY AGREES THAT THIS WARRANTY SHALL SERVE AS BUYER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO THE GOODS OR SERVICES. **IN NO EVENT WILL CORRPRO BE LIABLE TO BUYER, ITS AFFILIATES, SUCCESSORS, ASSIGNS OR TRANSFEREES OR TO ANY THIRD PARTY (BY VIRTUE OF CONTRACT, TORT (INCLUDING NEGLIGENCE), WARRANTY, STRICT LIABILITY OR OTHERWISE) FOR ANY LOST USE, REVENUES OR PROFITS, INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR SPECIAL DAMAGES ARISING OUT OF OR IN ANY WAY RELATED TO THE GOODS OR SERVICES, ACTS OR OMISSIONS IN CONNECTION WITH ANY AGREEMENT RELATED TO THESE WARRANTIES, OR GOODS OR SERVICES PROVIDED BY CORRPRO UNLESS EXPRESSLY AND EXPLICITLY PROVIDED FOR IN WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF CORRPRO OR AS OTHERWISE REQUIRED BY LAW.** THESE WARRANTIES SHALL EXTEND ONLY TO THE FIRST PURCHASER OF GOODS OR SERVICES FROM CORRPRO AND SHALL NOT BE ASSIGNED OR TRANSFERRED. Corpro does not warrant that the use or sale of the Goods will not infringe on any U.S. or other patents covering the product itself of the use thereof in combination with other products or the operation of any process.

10. Reliance on Buyer's Representations. Corpro shall be entitled to rely on representations made by or on behalf of Buyer that all conditions necessary for the proper installation or performance of the Goods or Services or Corpro Products have been satisfied, except to the extent Corpro is specifically contracted to make such determination. Corpro shall have no liability for any and all claims, losses, and causes of action arising out of, resulting from, or in any way attributable to failure of Buyer to satisfy such conditions, Buyer's failure to advise of existing site conditions affecting the Goods or Services (including, but not limited to, the location of subsurface or concealed structures, systems or components thereof), or the use or operations of products, materials, or systems subsequent to any transfer to any third party. Corpro makes no representations or warranties with respect to, and disclaims liability arising out of, products or services sold by Buyer.

11. Technical Assistance. At Buyer's request, Corpro may, in its discretion, furnish technical assistance and information with respect to the Goods. CORRPRO MAKES NO WARRANTIES OF ANY KIND OR NATURE, EXPRESS OR IMPLIED, WITH RESPECT TO TECHNICAL ASSISTANCE OR INFORMATION PROVIDED BY CORRPRO OR ITS PERSONNEL. ANY SUGGESTIONS BY CORRPRO REGARDING USE, SELECTION, APPLICATION OR SUITABILITY OF THE GOODS SHALL NOT BE CONSTRUED AS AN EXPRESS WARRANTY UNLESS SPECIFICALLY DESIGNATED AS SUCH IN A WRITING SIGNED BY AN AUTHORIZED REPRESENTATIVE OF CORRPRO.

12. Confidentiality. All information, including quotations, specifications, drawings, prints, schematics, and any other engineering, technical or pricing data or information submitted by Corpro to Buyer related to any order for Goods or Services are the confidential and proprietary information of Corpro. Buyer and its employees, agents or other parties for whom Buyer is responsible may not disclose Corpro's confidential and proprietary information to any third parties, or use

Corpro's confidential and proprietary information for its own account or that of any third party, except in the performance of this Agreement.

13. Force Majeure. If Corpro is delayed at any time by the acts or omissions of Buyer, Change Orders, or any Force Majeure, then the period of performance of Services shall be extended, the delivery of Goods rescheduled and the price equitably adjusted to reflect the effects of delay on Corpro's costs. "Force Majeure" means circumstances beyond Corpro's reasonable control, including acts of God, acts of public enemies, wars, other hostilities, blockades, insurrections, riots, epidemics, quarantine restrictions, floods, unavailability of components or supplies, lightning, fire, storms, earthquakes, arrests, civil disturbances, acts of any governmental or local authority, and any other acts and causes not within Corpro's control, whether foreseeable or not. If Corpro is unable for any reason to supply the total demands for Goods specified in the Agreement, Corpro may allocate its viable supply among any or all purchasers on such basis as Corpro may deem fair and practical, without liability for any failure of performance which may result therefrom.

14. Default; Termination. If Buyer fails to perform any of its obligations under this Agreement, including failure to make payments as provided in this Agreement or otherwise, or if Buyer fails to give prompt assurances of future performance when requested by Corpro, then Corpro may, on five (5) days' written notice to Buyer, declare Buyer to be in default and Corpro may suspend or terminate performance of its obligations under this Agreement without liability and retain all rights and remedies Corpro may possess at law, in equity or as provided in these T&Cs. In addition to the remedies above, to the extent that (a) Corpro declares a default under this Paragraph 14, or (b) if the Agreement is terminated for any reason other than default by Corpro, Buyer agrees to pay Corpro for any (i) Services performed and Goods installed or delivered to date of termination, (ii) Goods ordered which cannot be terminated, and (iii) all costs associated with demobilizing equipment and personnel. All costs recovered shall include overhead or profit on costs.

15. Hazardous Material. Corpro is not responsible for the discovery of any hazardous material at the site where Services are to be performed. In the event Corpro discovers hazardous material, Corpro will promptly notify Buyer. Corpro is not obligated to commence or continue providing Services until all hazardous material discovered at the place of performance has been removed, remediated, or determined to be harmless. If Corpro incurs additional costs or is delayed due to the presence or remediation of hazardous material, Corpro is entitled to an equitable adjustment in both the Agreement's price and the time for performance. In no event shall Corpro be liable to Buyer or any third party for any hazardous material existing at the place of performance, or brought onto said premises by any third party. Hazardous material includes any substance or material identified currently or in the future as hazardous under applicable laws, or any other substance or material that may be considered hazardous or otherwise subject to statutory or regulatory requirement governing handling, disposal, or cleanup.

16. Release of Liability for Buried Pipelines. If necessary for the performance of Services, Corpro will contact the appropriate jurisdictional authority to identify and locate any buried public utilities at least seventy-two (72) hours prior to commencing Services on site. Corpro will also attempt to locate any buried metallic piping prior to commencing Services on the site. Buyer will provide Corpro with accurate, dimensioned, reliable site piping and utility plans ("as-built site drawings") which depict, at a minimum, the precise location of all underground storage tanks and all below ground fuel, vent, air, water, or natural gas piping and electrical/instrumentation conduits (collectively "below-ground hazards") at least three (3) days in advance of the date Corpro is to commence Services at the site. If Buyer fails to provide as-built site drawings, or if any as-built site drawings provided by Buyer are inaccurate or fail to identify the location of all below-ground hazards, Buyer agrees that Corpro will not be liable to Buyer for any damages, liabilities or claims arising from damage to any below-ground hazard or a release of petroleum products or other hazardous material, in the course of Corpro's performance of the Services, including any such damages caused by the negligence of Corpro or its employees. In addition, Buyer will indemnify and hold Corpro harmless from any such damages, liabilities or claims made by third parties, including governmental agencies.

17. Indemnification. TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER AGREES TO DEFEND, INDEMNIFY, AND HOLD HARMLESS CORRPRO AND ITS DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

FROM AND AGAINST ANY AND ALL LIABILITY, LOSSES, COSTS (INCLUDING COSTS OF LITIGATION OR OTHER DISPUTE RESOLUTION AND ATTORNEYS' FEES), CLAIMS AND CAUSES OF ACTION IN FAVOR OF ANY AND ALL PERSONS ARISING OUT OF, RESULTING FROM, OR IN ANY WAY ATTRIBUTABLE TO THE NEGLIGENT ACT OR ACTION, OMISSION OR FAILURE TO ACT ON THE PART OF BUYER OR ITS DIRECTORS, OFFICERS, EMPLOYEES, SUBCONTRACTORS, AGENTS OR ANY OTHER PARTY FOR WHOSE ACTS OR OMISSIONS ANY OF THEM MAY BE LIABLE. TO THE FULLEST EXTENT PERMITTED BY LAW, BUYER FURTHER AGREES THAT WHERE OTHER CONSULTANTS OR CONTRACTORS ARE EMPLOYED IN THE WORK, BUYER WILL NOT HOLD CORRPRO RESPONSIBLE FOR ANY LOSS, DAMAGE OR INJURY CAUSED BY ANY FAULT OR NEGLIGENCE OF SUCH OTHER CONSULTANTS OR CONTRACTORS FOR RECOVERY FROM THEM, OR ANY OF THEM, FOR ANY SUCH DAMAGE OR INJURY.

18. Insurance. Corpro shall maintain the following insurance policies and limits: commercial general liability insurance with limits of \$2,000,000 per occurrence/\$4,000,000 per-project aggregate, automobile liability with combined single limits of \$2,000,000 per occurrence, workers' compensation/employer's liability with limits of \$1,000,000/\$1,000,000/\$1,000,000, contractor's pollution liability with \$5,000,000 per pollution event and professional liability with \$5,000,000 limits. Such insurance shall be subject to the coverage provisions, limitations of liability, and other terms and conditions contained in the applicable policies. Buyer agrees to waive any rights of subrogation against Corpro on behalf of itself and its insurers. Upon written request Corpro will provide to Buyer a certificate evidencing such insurance.

19. Limitation of Liability. NOTWITHSTANDING ANYTHING IN THIS AGREEMENT TO THE CONTRARY, BUYER AGREES THAT ANY RECOURSE AGAINST CORRPRO UNDER THIS AGREEMENT OR RELATED TO CORRPRO'S PROVISION OF GOODS OR SERVICES HEREUNDER, INCLUDING BUT NOT LIMITED ANY INDEMNITY OR WARRANTY OBLIGATIONS, SHALL BE STRICTLY LIMITED TO THE AMOUNT PAID TO CORRPRO UNDER THIS AGREEMENT. IN NO EVENT SHALL CORRPRO OR ITS AFFILIATES BE LIABLE TO BUYER, ITS AFFILIATES, SUCCESSORS, ASSIGNS, VENDEES OR TRANSFEREES, OR TO ANY THIRD PARTY, FOR ANY ECONOMIC LOSS, LOST PROFITS OR BUSINESS OPPORTUNITIES, PHYSICAL HARM, INCIDENTAL, CONSEQUENTIAL, SPECIAL OR PUNITIVE DAMAGES, EVEN IF CORRPRO HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING OUT OF, RESULTING FROM OR RELATING IN ANY WAY TO THIS AGREEMENT OR ACTS OR OMISSIONS OF CORRPRO IN CONNECTION THEREWITH.

20. Governing Law; Venue; Dispute Resolution. The validity, construction and interpretation of this Agreement shall be governed by the laws of the State of Texas (USA), excluding any conflicts of laws principles which would direct application of the substantive law of another jurisdiction. Any and all disputes, claims or controversies arising out of or relating to this Agreement, or the breach thereof, shall be finally settled in the district court for the Southern District of Texas or the Harris County District Court, both located in Houston, Texas. Each party agrees to personal jurisdiction in these courts. In any litigation proceeding pursuant to this Agreement, the prevailing party shall recover from the other party all reasonable attorneys' fees, and other expenses in connection with such proceeding. Neither the UNCITRAL Convention on Contracts for the International Sale of Goods nor the UNIDROIT Principles of International Commercial Contracts (last version published as of the date of this Agreement) shall apply to the validity, construction and performance of this Agreement.

21. Export Compliance. Corpro's Goods or Services are subject to U.S. export laws, rules, treaties, regulations, and international agreements (collectively, "Export Laws"). Buyer assumes the responsibility of abiding by the Export Laws along with applicable foreign laws when transferring, selling, importing, exporting, re-exporting, deemed exporting, diverting, or otherwise disposing of Goods or Services. By purchasing the Goods or Services, Buyer represents it is not in a sanctioned country nor is Buyer an individual or an entity whose purchase of the Goods or Services is restricted by the Export Laws.

22. Order of Precedence; Notice. If there is a conflict between the contract documents included in this Agreement, unless specified otherwise, the provisions of the documents will control in the following order: (a) provisions stated in the Sales Document; (b) these T&Cs; and (c) any other contract documents. All notices

and communications required by this Agreement shall be delivered, in writing, to the Corpro address stated on the Sales Document.

23. Interpretation. Corpro and Buyer acknowledge this Agreement represents the entire agreement and understanding between the parties, incorporating all prior negotiations and understandings relating to the subject matter of this Agreement, whether written or oral. This Agreement shall be construed neither against nor in favor of either party, but shall be construed in a neutral manner. The failure of Corpro to insist on strict performance of this Agreement shall not constitute a waiver of, or estoppel against, asserting the right to require such performance in the future, nor shall a waiver or estoppel in any one instance constitute a waiver or estoppel with respect to a later breach of a similar nature or otherwise. All rights and remedies under this Agreement are cumulative and are in addition to any other rights and remedies Corpro may have at law or in equity. Unless the context of this Agreement clearly requires otherwise, "including" is not limiting and "or" has the inclusive meaning represented by the phrase "and/or." If any provision of this Agreement shall be held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not be affected or impaired thereby. The section headings are for convenience only; they form no part of the terms and conditions and shall not affect their interpretation. This Agreement shall be binding on and inure to the benefit of the parties and their respective successors and assigns; however, Buyer may not assign this Agreement without the prior written consent of Corpro.

This **WARRANTY CERTIFICATE** is provided to the purchaser of Corrpro's products and/or services and is subject to Corrpro's terms and conditions applicable to such sale.

WARRANTY ON CORRPRO SERVICES

Corrpro warrants that, for the duration of the Warranty Period and subject to the other limitations herein, each Corrpro Service has been performed in accordance with Corrpro's applicable specifications, procedures, and directions for such Corrpro Service. As used in this warranty, "Corrpro Service" means service provided by Corrpro, its employees, and authorized subcontractors.

WARRANTY ON CORRPRO PRODUCTS

Corrpro warrants that, for the duration of the Warranty Period and subject to the other limitations herein, Corrpro Products will be free from defect in materials and workmanship. As used in this warranty, "Corrpro Products" means only (a) products manufactured solely by Corrpro and (b) components of cathodic protection systems installed as part of Corrpro Services. Except as stated in the preceding sentence, Corrpro does not warrant products manufactured or supplied by other parties, and purchaser shall be entitled to rely on the warranties, if any, only to the extent extended to purchaser by such other parties.

WARRANTY PERIOD

"Warranty Period" means (a) for Corrpro Services and Corrpro Products installed as part of Corrpro Services, the one (1) year period beginning the date the applicable Corrpro Services are completed; and (b) for Corrpro Products not installed as part of Corrpro Services, the ninety (90) day period beginning with the date of shipment from Corrpro. The providing of Warranty Service does not extend or restart a new Warranty Period.

WARRANTY SERVICE

Claims arising out of the above warranties must be made in writing and delivered to the Corrpro location which provided the Corrpro Services or Corrpro Products, or if such location has moved, to its new location or to Corrpro's headquarters. As a condition to Corrpro's obligations herein, the claimant must provide the warranty certificate and original invoice applicable to such Corrpro Product or Corrpro Service and shall set forth the specific circumstances of the claim in reasonable detail. Any claim not made within the applicable Warranty Period shall be conclusively deemed waived by claimant.

Corrpro's obligation to honor its warranty on defective Corrpro Services is in all cases limited to, at Corrpro's sole option: 1) re-performing such Corrpro Service, 2) performing additional Corrpro Service, or 3) providing a refund or credit. Notwithstanding anything herein to the contrary, the value of the foregoing shall in no event exceed the amount paid for the original Corrpro Service.

CORRPRO COMPANIES, INC. WARRANTY CERTIFICATE

Corrpro's obligation to honor its warranty on defective Corrpro Products is in all cases limited to, at Corrpro's sole option: 1) repair or replacement of the defective Corrpro Product or component thereof, or 2) providing a cash refund or credit. Notwithstanding anything herein to the contrary, the value of the foregoing shall in no event exceed the amount paid for the original Corrpro Product. Replaced Corrpro Products shall become the property of Corrpro. Corrpro shall not be liable for any expense incurred by purchaser in order to remedy any warranted defect.

RELIANCE ON PURCHASER'S REPRESENTATIONS

Corrpro shall be entitled to rely on representations made by or on behalf of Purchaser that all conditions necessary for the proper installation or performance of Corrpro Products, systems, materials, components and Corrpro Services have been satisfied, except to the extent Corrpro is specifically contracted to make such determination. Corrpro shall have no liability for any and all claims, losses, and causes of action arising out of, resulting from, or in any way attributable to failure of Purchaser to satisfy such conditions, Purchaser's failure to advise of existing site conditions affecting the work (including, but not limited to, the location of subsurface or concealed structures, systems or components thereof), or the use or operations of products, materials, or systems subsequent to any transfer to any third party. Corrpro makes no representations or warranties with respect to, and disclaims liability arising out of, products or services sold by purchaser.

DAMAGE AND SUBSEQUENT EVENTS

Corrpro shall have no obligation to provide warranty service and shall have no liability with respect to defective Corrpro Services or Corrpro Products if the Corrpro Products, materials, systems of which they are a part, or structures they are intended to protect from corrosion have: 1) been modified, altered, relocated (in the case of cathodic protection systems), used for other than intended purposes, or otherwise changed without Corrpro's written consent; 2) been damaged or abused; 3) not been operated or maintained in accordance with design specifications, instructions, operations and maintenance documents, or reasonable business practices; or 4) in the case of Corrpro Products or Corrpro Services, not been paid for in full.

NO RELIANCE ON OTHER STATEMENTS

This warranty is the sole warranty offered by Corrpro. No statement or affirmation by or on behalf of Corrpro by words or actions other than as set forth herein shall constitute a warranty, and Purchaser shall not be entitled to rely on any oral or written statement including those of any employee,

agent, or representative of Corrpro as being part of the terms and conditions of this warranty or of doing business unless such statement is in writing signed by a vice president of Corrpro.

RISK ALLOCATION

Corrpro does not represent, warrant, or otherwise guarantee that any product, material, or system sold is failure proof. Corrpro does not insure results and the prices charged reflect that an allocation of risk is being made. It is the responsibility of purchaser to maintain such insurance as is required under the circumstances.

LIMITATION OF LIABILITY/SOLE REMEDY

THE WARRANTIES PROVIDED ABOVE ARE IN LIEU OF ANY AND ALL OTHER WARRANTIES, CONDITIONS, AND LIABILITIES, EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE. PURCHASER AND SELLER EXPRESSLY AGREE THAT THIS WARRANTY SHALL SERVE AS PURCHASER'S SOLE AND EXCLUSIVE REMEDY WITH RESPECT TO PRODUCTS AND SERVICES PROVIDED BY CORRPRO, ITS EMPLOYEES OR AUTHORIZED SUBCONTRACTORS. IN NO EVENT WILL CORRPRO BE LIABLE TO PURCHASER, ITS AFFILIATES, SUCCESSORS, ASSIGNS OR TRANSFEREES OR TO ANY THIRD PARTY (BY VIRTUE OF CONTRACT, TORT (INCLUDING NEGLIGENCE), WARRANTY, STRICT LIABILITY OR OTHERWISE) FOR ANY INCIDENTAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR, EXCEPT AS PROVIDED HEREIN, SPECIAL DAMAGES (INCLUDING WITHOUT LIMITATION LOST PROFITS OR OPPORTUNITIES) ARISING OUT OF OR IN ANY WAY RELATED TO THE PRODUCTS OR SERVICES SUPPLIED, ACTS OR OMISSIONS IN CONNECTION WITH ANY AGREEMENT RELATED TO THE WARRANTIES CONTAINED HEREIN, OR PRODUCTS, MATERIALS, OR SERVICES PROVIDED BY CORRPRO UNLESS EXPRESSLY AND EXPLICITLY PROVIDED FOR HEREIN OR IN WRITING SIGNED BY AN AUTHORIZED OFFICER OF CORRPRO OR AS OTHERWISE REQUIRED BY LAW. THE WARRANTY PROVIDED HEREIN SHALL EXTEND TO THE FIRST PURCHASER OF SUCH GOODS OR SERVICES FROM CORRPRO AND SHALL NOT BE ASSIGNED OR TRANSFERRED.

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