

SUBMITTAL TO THE FLOOD CONTROL AND  
WATER CONSERVATION DISTRICT  
BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM  
11.4  
(ID # 9115)

**MEETING DATE:**

Tuesday, March 12, 2019

**FROM :** FLOOD CONTROL DISTRICT:

**SUBJECT:** FLOOD CONTROL DISTRICT: Review and Determine There is a Need to Continue the Emergency Action and Continue the Implementation of the Emergency Protection Projects in the Areas of Temescal Valley in Unincorporated Western Riverside County and Lake Elsinore for Storm/Flood Emergency Contract Work; Receive and File the Third Amendment to Emergency Protection Agreement with KIP Incorporated, CEQA Nothing Further Required, District 1. [\$1,500,000 – District Funds 100%] (4/5 vote required)

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Review and determine there is a need to continue the emergency action and continue the implementation of the Emergency Protection Projects (Emergency Projects) in the areas of Temescal Valley in unincorporated western Riverside County and Lake Elsinore; and
2. Receive and file the Third Amendment to the Emergency Protection Agreement between the Riverside County Flood Control and Water Conservation District (District) and KIP Incorporated for storm/flood emergency contract work on the Emergency Projects without solicitation of bids, as authorized by Public Contract Code Section 22050 and Resolution No. F94-39; and
3. Authorize the use of District funds in the amount of \$1,500,000 for the storm/flood emergency contract work done as a part of the Emergency Projects by KIP Incorporated.

**ACTION:** 4/5 Vote Required, Policy

Handwritten signature of Jason Uhley in black ink.

Jason Uhley, GENERAL MGR-CHF FLD CNTRL ENG

2/28/2019

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**MINUTES OF THE BOARD OF SUPERVISORS**

On motion of Supervisor Perez, seconded by Supervisor Spiegel and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt  
Nays: None  
Absent: None  
Date: March 12, 2019  
xc: Flood

Kecia Harper  
Clerk of the Board

Handwritten signature of Kecia Harper in black ink.

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<b>FINANCIAL DATA</b>	<b>Current Fiscal Year:</b>	<b>Next Fiscal Year:</b>	<b>Total Cost:</b>	<b>Ongoing Cost</b>
<b>COST</b>	\$1,500,000	\$0	\$1,500,000	\$0
<b>NET COUNTY COST</b>	\$0	\$0	\$0	\$0
<b>SOURCE OF FUNDS:</b> 25130 947440 527980 – Zone 3 Const/Maint/Misc – Contracts (100%)			<b>Budget Adjustment: No</b>	
			<b>For Fiscal Year: 18/19</b>	

**C.E.O. RECOMMENDATION:** Approve

**BACKGROUND:**

**Summary**

The Holy Fire began Monday afternoon, August 6, 2018, in the Cleveland National Forest and quickly moved from Orange County into Riverside County. Conditions of extreme peril to people, property and critical infrastructure necessitated the mandatory evacuation of several communities near Lake Elsinore and Temescal Valley. Due to the effects of the Holy Fire, Governor Edmund G. Brown Jr. issued an emergency proclamation for Orange and Riverside Counties on August 9, 2018.

Pursuant to Riverside County Ordinance No. 533, the Riverside County Director of Emergency Services proclaimed a "Local Emergency" in Riverside County on August 9, 2018. The Riverside County Board of Supervisors adopted Resolution No. 2018-170 in a special meeting on August 16, 2018 (Agenda Item No. 1.0) to ratify the Proclamation of Local Emergency as declared by the Riverside County Director of Emergency Services. The Riverside County Board of Supervisors have extended the Proclamation of Local Emergency for the Holy Fire through the adoption of a series of resolutions as the vast burn area left by the Holy Fire leaves Riverside County residents and visitors threatened by flooding and debris flows when rain occurs, most recently through Resolution No. 2019-052, adopted on February 26, 2019 (Agenda Item 3.15).

The District has existing facilities within or below the burn area boundaries, including Horsethief Canyon Storm Drain (Project No. 2-0-00250), Leach Canyon Dam (Project No. 3-0-00105) and West Elsinore MDP - McVicker Debris Basin (Project No. 3-0-00226). Typically, these facilities provide flood protection for much of the adjacent communities during large storm events. However, due to the vast burn area in the canyons and the significant loss of vegetation, these facilities are now at risk of being overwhelmed by stormwater, mud and debris during seemingly modest rain storms. A blockage, reduction in the storage and/or conveyance capacity of the facilities, or damage to the facilities could result in a critical threat to life and property in the areas of Temescal Valley in unincorporated western Riverside County and Lake Elsinore ("Post-Fire Risk Area").

In early October, with scattered thunderstorms forecasted for the region and a significant risk of mud and debris flows in the Holy Fire burn area, the Riverside County Flood Control and Water

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Conservation District's (District) General Manager-Chief Engineer found that the emergency will not permit a delay in the implementation of the Emergency Projects resulting from a competitive solicitation for bids in accordance with California Public Contract Code Section 22050 and the District's Resolution No. F94-39. The District has retained the following contractors on an emergency basis to help implement the Emergency Projects:

- K E C Engineering
- KIP Incorporated
- Sukut Construction, LLC

On October 16, 2018 (Agenda Item No. 11.2), November 6, 2018 (Agenda Item 11.3), December 4, 2018 (Agenda Item 11.1), January 8, 2019 (Agenda Item 11.2), January 29, 2019 (Agenda Item 11.3) and February 26, 2019 (Agenda Item 11.4), the Board of Supervisors made motions to receive and file the Emergency Protection Agreements and associated Amendments, authorize the use of District funds for the storm/flood emergency contract work done as a part of the Emergency Projects and determined the need to continue the emergency action and continue the implementation of the Emergency Projects.

A series of winter storms between late November 2018 and February 2019 have triggered flooding and debris flows in the Holy Fire burn area on multiple occasions. This has caused the evacuation of residents, road closures, and damage to property and critical infrastructure. Despite extensive mitigation efforts taken by the County of Riverside, the District and City of Lake Elsinore prior to the storms arrival, the storms have left streets, residential and commercial properties, and critical flood control infrastructure loaded with mud and debris which must be cleared before arrival of the next storm. This is a pattern that will be repeated when storms occur over the Post-Fire Risk Area.

To help with the District's post-storm emergency efforts in Zone 3, the Emergency Protection Agreement with KIP Incorporated was amended to include an additional \$1,500,000 in funding that reflects a negotiated reduction in the markup rates for labor costs and trucking fees. Costs associated with this additional emergency work are anticipated to not exceed a total of \$1,500,000.

It is requested that the Board of Supervisors review and determine there is a need to continue the emergency action and continue the implementation of the Emergency Projects in the Post-Fire Risk Area for storm/flood emergency contract work by K E C Engineering, KIP Incorporated and Sukut Construction, LLC, including any and all necessary cleanup. In this action, the District is also requesting Board approval for authorization to use District funds for these necessary costs.

**Prev. Agn. Ref.:** MT#8686 3.15 of 02/26/19  
MT#8924 11.4 of 02/26/19

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MT#8913 11.3 of 01/29/19  
MT#8644 3.17 of 01/08/19  
MT#8679 11.2 of 01/08/19  
MT#8647 3.59 of 12/11/18  
MT#8071 3.28 of 12/04/18  
MT#8443 11.1 of 12/04/18  
MT#8070 3.19 of 11/06/18  
MT#8331 11.3 of 11/06/18  
MT#8249 3.22 of 10/23/18  
MT#8183 11.2 of 10/16/18  
MT#7947 3.18 of 09/11/18  
1.0 of 08/16/18  
9.4 of 11/22/94

**Environmental Findings**

Based on the review of the proposed emergency protection action, the District has found that the work is exempt pursuant to Section 15301 for "Existing Facilities" and Section 15269(a), (b) and (c) for "Emergency Projects" of the California Environmental Quality Act ("CEQA") Guidelines. The emergency protection work is associated with existing flood control facilities. The projects in question meet the conditions described in Section 15269(a), (b) and (c) for specific actions necessary to prevent or mitigate an emergency and to maintain essential flood control services. The Governor declared a state of emergency for the Holy Fire on August 9, 2018. In accordance with CEQA, two Notices of Exemption were prepared by the District and filed by the Clerk of the Board upon the Board of Supervisors approval at its October 16, 2018 and January 8, 2019 meetings. The Board of Supervisors' determination that there is a need to continue the emergency action and authorize the use of District funds are implementing actions of the Emergency Projects, and the additional emergency contract work are consistent with the above CEQA Notices of Exemptions. Therefore, nothing further is required under CEQA.

**Impact on Residents and Businesses**

More than 20,000 residents were impacted by the fire, having to evacuate the area. While the fire was 100% contained on September 13, 2018, the conditions in the burn areas of the fire have left the adjacent communities vulnerable to mud and debris flows and flooding during rain storms. In the event of another rain storm, the area may be negatively impacted if these measures are not taken to protect the communities.

**Additional Fiscal Information**

The District budgets for flood emergencies and/or unexpected contingencies to minimize risks to life and property. Sufficient funds for the Emergency Projects are available in the District's Zone 2 and Zone 3 budgets for FY 2018-2019. The \$1,500,000 in funding included as a part of the Third Amendment to Emergency Protection Agreement with KIP Incorporated is anticipated to solely be used for additional emergency work in Zone 3.

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When it rains, mud and debris that is washed from the Holy Fire burn area has the potential to negatively impact water quality within the Santa Ana Watershed. For example, nutrients have been detected in the burn area runoff at levels exceeding 60 times the natural background levels. In addition to protecting the public and property, the emergency work the District is undertaking also reduces the amount of such pollutants that may otherwise reach and impair major receiving waters. As such, the District anticipates that a contribution from the Santa Ana Benefit Assessment fund may be made toward the cost of this work.

<u>Contractor</u>	<u>Original Agreement Amount</u>	<u>Funds via Previous Amendment(s)</u>	<u>Additional Funds via New Amendment</u>	<u>Estimated Total Costs</u>
1. KEC Engineering	\$750,000	N/A	\$750,000	\$1,500,000
2. KIP Incorporated	\$750,000	\$1,500,000	\$1,500,000	\$3,750,000
3. Sukut Construction, LLC	\$1,500,000	N/A	N/A	\$1,500,000

**Contract History and Price Reasonableness**

The original contract amount for the Agreement and the costs of the Amendments are summarized below:

Emergency Protection Agreement with KIP Incorporated

Original budget:	\$750,000	(Not-to-exceed \$750,000 for FY 2018/19)
First Amendment:	\$750,000	(An aggregate amount increase of \$750,000 for FY 2018/19)
Second Amendment:	\$750,000	(An aggregate amount increase of \$750,000 for FY 2018/19)
Third Amendment:	\$1,500,000	(An aggregate amount increase of \$1,500,000 for FY 2018/19)
<b>Total:</b>	<b>\$3,750,000</b>	

The work for the Emergency Projects is being paid for on a force account basis as set forth in Section 9-1.04 of the Standard Specifications of the State of California, Department of Transportation, 2018 edition as amended, which includes standard overhead rates. However, the District is continuing to negotiate with the contractors to reduce rates, including the markup rates for labor costs, soil disposal and trucking fees.

**ATTACHMENTS:**

1. Vicinity Map
2. Third Amendment to Emergency Protection Agreement

RKM:blm  
P8/224592

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Jeanine Rey, Finance Director

2/28/2019



Jason Farin, Senior Management Analyst

3/5/2019



Gregory V. Priamos, Director County Counsel

3/4/2019

THIRD AMENDMENT TO EMERGENCY PROTECTION AGREEMENT

Emergency Protection Project – Holy Fire

This THIRD AMENDMENT TO EMERGENCY PROTECTION AGREEMENT ("THIRD AMENDMENT"), dated as of 2-28-19, is entered into by and between the RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, a body politic ("DISTRICT"), and KIP INCORPORATED, a California corporation ("CONTRACTOR"), sometimes collectively referred to as the "Parties."

RECITALS

A. DISTRICT and CONTRACTOR have entered into that certain Emergency Protection Agreement, dated October 4, 2018 ("ORIGINAL AGREEMENT") pursuant to which CONTRACTOR has agreed to furnish all labor, materials, tools, equipment, transportation and services necessary to perform and complete in a workmanlike manner, in strict conformance with ORIGINAL AGREEMENT, the protection of existing DISTRICT facilities in the areas of Temescal Valley in unincorporated Western Riverside County and Lake Elsinore, such as Leach Canyon Dam (Project No. 3-0-00105), by (i) grading, (ii) installing inlet and spillway protection structures, (iii) as needed, installing any necessary interim protection barriers, (iv) as needed, removing sediment and accumulated debris from DISTRICT's existing rights of way in the areas of Temescal Valley in unincorporated Western Riverside County and Lake Elsinore following storm events, and (v) as needed, implementing other emergency work in the areas of Temescal Valley in unincorporated Western Riverside County and Lake Elsinore, as directed by DISTRICT.

B. The ORIGINAL AGREEMENT has been amended by:

- a. That certain First Amendment to the ORIGINAL AGREEMENT, dated December 19, 2018, by and between DISTRICT and CONTRACTOR ("FIRST AMENDMENT"), whereby the Parties amended the ORIGINAL AGREEMENT to increase the total compensation amount.
- b. That certain Second Amendment to the ORIGINAL AGREEMENT, dated February 13, 2019, by and between DISTRICT and CONTRACTOR ("SECOND AMENDMENT"), whereby the total compensation amount and certain rates were amended.

C. The ORIGINAL AGREEMENT, together with the FIRST AMENDMENT, SECOND AMENDMENT and this THIRD AMENDMENT, are collectively referred to herein as the "Agreement."

D. Storm events in the areas of Temescal Valley in unincorporated Western Riverside County and Lake Elsinore in February 2019 have necessitated the implementation of additional emergency work to protect life and property.

E. The Parties now desire to amend the Agreement to increase the total compensation amount and update certain rates for the Agreement.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Section 4 of the Agreement is hereby replaced in its entirety by the following:

4. PAYMENT

A. Except as otherwise specifically provided herein, all work as directed by DISTRICT will be paid for on a force account basis as set forth in Section 9-1.04 of the Standard Specifications of the State of California, Department of Transportation, 2018 edition as amended, hereinafter called "State Standard Specifications."

- i. Commencing on January 14, 2019 and ending on February 20, 2019, the markup rate in Section 9-1.04, "Force Account," of the State Standard Specifications that is added to the direct costs of labor is amended to the agreed upon rate of 24 percent.
- ii. Commencing on February 21, 2019, the markup rate in Section 9-1.04, "Force Account," of the State Standard Specifications that is added to the direct costs of labor is amended to the agreed upon rate of 22 percent.

B. The labor surcharge percentage and equipment rental rates will be based on the Department of Transportation publication entitled Labor Surcharge and Equipment Rental Rates which is in effect on the date upon which the work is accomplished. A copy of said Labor Surcharge and Equipment Rental Rates is on file at the District Office and is hereby incorporated herein in its entirety, and can be found at <http://www.dot.ca.gov/hq/construc/equipmnt.html>.

C. All invoices shall itemize all charges to conform with the agreed upon equipment, labor and material rates as set forth in Section 9-1.04 of the State Standard Specifications.

D. CONTRACTOR shall not be eligible for any payment whatsoever, other than for the actual time usage and materials delivered, as approved by DISTRICT, of the equipment, labor and materials as set forth in Section 9-1.04 of the State Standard Specifications, or such equipment, labor and/or materials and corresponding rate(s) as may be otherwise approved in writing by DISTRICT prior to commencing work.

- i. Commencing on January 14, 2019, the markup rate that is added to the direct costs of soil disposal is amended to the agreed upon rate of 5 percent.
- ii. Commencing on February 21, 2019, the markup rate that is added to the direct costs of trucking fees is amended to the agreed upon rate of 8 percent.



E. DISTRICT payments to CONTRACTOR shall be made within twenty-one (21) days after receipt of corresponding DISTRICT approved invoices from CONTRACTOR.

F. Total payments by DISTRICT to CONTRACTOR for work performed under this Agreement shall not exceed the agreed upon sum of seven hundred fifty thousand even dollars (\$750,000) unless a written amendment to this Agreement is executed by both Parties prior to performance of additional work.

- i. DISTRICT shall pay CONTRACTOR for the additional emergency work in a total amount not to exceed seven hundred fifty thousand even dollars (\$750,000). Upon approval of the FIRST AMENDMENT, the total compensation amount for all work performed under this Agreement since its original Effective Date shall not exceed a sum total of one million five hundred thousand even dollars (\$1,500,000). CONTRACTOR shall provide to DISTRICT updated or additional performance and payment bonds in the sum total of the Agreement price.
- ii. DISTRICT shall pay CONTRACTOR for the additional emergency work in a total amount not to exceed seven hundred fifty thousand even dollars (\$750,000). Upon approval of the SECOND AMENDMENT, the total compensation amount for all work performed under this Agreement since its original Effective Date shall not exceed a sum total of two million two hundred fifty thousand even dollars (\$2,250,000). CONTRACTOR shall provide to DISTRICT updated or additional performance and payment bonds in the sum total of the Agreement price.
- iii. DISTRICT shall pay CONTRACTOR for the additional emergency work in a total amount not to exceed one million five hundred thousand even dollars (\$1,500,000). Upon approval of the THIRD AMENDMENT, the total compensation amount for all work performed under this Agreement since its original Effective Date shall not exceed a sum total of three million seven hundred fifty thousand even dollars (\$3,750,000). CONTRACTOR shall provide to DISTRICT updated or additional performance and payment bonds in the sum total of the Agreement price.

2. The provisions of this THIRD AMENDMENT shall prevail over any inconsistency or conflicting provisions of the Agreement, as heretofore amended, and shall supplement the remaining provisions thereof.

3. Except as amended or modified herein, all the terms of Agreement shall remain in full force and effect and shall apply with the same force and effect. Subject to the provisions of the Agreement as to assignment, the agreements, conditions and provisions herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto. If any provisions of this THIRD AMENDMENT or the Agreement shall be determined to be illegal or unenforceable, such determination shall not affect any other provision of the Agreement, and all such other provisions shall remain in full force and effect. The language in all parts of the

Agreement shall be construed according to its normal and usual meaning and not strictly for or against either DISTRICT or CONTRACTOR.

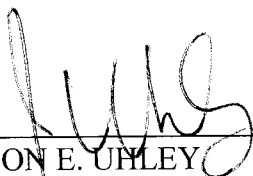
4. This THIRD AMENDMENT shall not be binding or consummated until it is fully executed by the Parties.

5. This THIRD AMENDMENT may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument.

IN WITNESS WHEREOF, the parties hereto have executed this THIRD AMENDMENT on

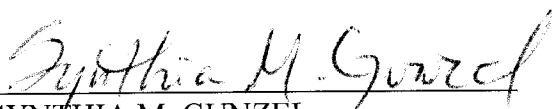
2-28-19  
(to be filled in by General Manager-Chief Engineer)

**RIVERSIDE COUNTY FLOOD CONTROL KIP INCORPORATED  
AND WATER CONSERVATION DISTRICT**

By:   
\_\_\_\_\_  
JASON E. UHLEY  
General Manager-Chief Engineer

By: \_\_\_\_\_  
GREG D. QUIRING  
President

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS  
County Counsel


By:   
\_\_\_\_\_  
SYNTHIA M. GUNZEL  
Chief Deputy County Counsel

IN WITNESS WHEREOF, the parties hereto have executed this THIRD AMENDMENT on

\_\_\_\_\_  
(to be filled in by General Manager-Chief Engineer)

**RIVERSIDE COUNTY FLOOD CONTROL KIP INCORPORATED  
AND WATER CONSERVATION DISTRICT**

By: \_\_\_\_\_  
JASON E. UHLEY  
General Manager-Chief Engineer

By:  \_\_\_\_\_  
GREG D. QUIRING  
President

APPROVED AS TO FORM:  
GREGORY P. PRIAMOS  
County Counsel

By: \_\_\_\_\_  
SYNTHIA M. GUNZEL  
Chief Deputy County Counsel

Third Amendment to Emergency Protection Agreement  
Emergency Protection Project – Holy Fire  
RKM:blm  
02/26/19

**CHANGE RIDER**

Rider to be attached to and a part of Bond Number 53S207217, dated the 8th day of October, 2018, executed by The Ohio Casualty Insurance Company

(the "Surety") on behalf of KIP Incorporated (the "Principal")

in favor of Riverside County Flood Control and Water Conservation District (the "Obligee")

The Principal and the Surety hereby consent to changing the attached bond as follows:

Third Amendment to Emergency Protection Agreement for an additional \$1,500,000.00 for the Leach Canyon Emergency Protection Project 3-0-00105. Increasing the total contract from \$2,250,000.00 to \$3,750,000.00

This change is effective 26th day of February, 2019

The attached bond shall be subject to all of its terms, conditions and limitations except as herein modified.

Signed, sealed and dated this 26th day of February, 2019

WITNESS or ATTEST:

*[Handwritten signature]*

KIP Incorporated  
(Principal)

By *[Handwritten signature]* (Seal)

Name: Greg D. Quiring

Title: President

The Ohio Casualty Insurance Company



By *[Handwritten signature]* (Seal)  
Robert W. Lagler Attorney-In-Fact

ACCEPTED:

\_\_\_\_\_  
(Obligee)

Name:

Title:

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



This Power of Attorney limits the acts of those named herein, and they have no authority to bind the Company except in the manner and to the extent herein stated.

Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

Certificate No: 8196956-973951

POWER OF ATTORNEY

KNOWN ALL PERSONS BY THESE PRESENTS: That The Ohio Casualty Insurance Company is a corporation duly organized under the laws of the State of New Hampshire, that Liberty Mutual Insurance Company is a corporation duly organized under the laws of the State of Massachusetts, and West American Insurance Company is a corporation duly organized under the laws of the State of Indiana (herein collectively called the "Companies"), pursuant to and by authority herein set forth, does hereby name, constitute and appoint, Annalyn Kikawa, Robert W. Lagler

all of the city of Vancouver state of Washington each individually if there be more than one named, its true and lawful attorney-in-fact to make, execute, seal, acknowledge and deliver, for and on its behalf as surety and as its act and deed, any and all undertakings, bonds, recognizances and other surety obligations, in pursuance of these presents and shall be as binding upon the Companies as if they have been duly signed by the president and attested by the secretary of the Companies in their own proper persons.

IN WITNESS WHEREOF, this Power of Attorney has been subscribed by an authorized officer or official of the Companies and the corporate seals of the Companies have been affixed thereto this 8th day of October, 2018.



Liberty Mutual Insurance Company
The Ohio Casualty Insurance Company
West American Insurance Company

By: David M. Carey, Assistant Secretary

State of PENNSYLVANIA ss
County of MONTGOMERY

On this 8th day of October, 2018 before me personally appeared David M. Carey, who acknowledged himself to be the Assistant Secretary of Liberty Mutual Insurance Company, The Ohio Casualty Company, and West American Insurance Company, and that he, as such, being authorized so to do, execute the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed my notarial seal at King of Prussia, Pennsylvania, on the day and year first above written.



COMMONWEALTH OF PENNSYLVANIA
Notarial Seal
Teresa Pastella, Notary Public
Upper Merion Twp., Montgomery County
My Commission Expires March 28, 2021
Member, Pennsylvania Association of Notaries

By: Teresa Pastella, Notary Public

This Power of Attorney is made and executed pursuant to and by authority of the following By-laws and Authorizations of The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company which resolutions are now in full force and effect reading as follows:

ARTICLE IV - OFFICERS: Section 12. Power of Attorney.

Any officer or other official of the Corporation authorized for that purpose in writing by the Chairman or the President, and subject to such limitation as the Chairman or the President may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Corporation to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact, subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Corporation by their signature and execution of any such instruments and to attach thereto the seal of the Corporation. When so executed, such instruments shall be as binding as if signed by the President and attested to by the Secretary. Any power or authority granted to any representative or attorney-in-fact under the provisions of this article may be revoked at any time by the Board, the Chairman, the President or by the officer or officers granting such power or authority.

ARTICLE XIII - Execution of Contracts: Section 5. Surety Bonds and Undertakings.

Any officer of the Company authorized for that purpose in writing by the chairman or the president, and subject to such limitations as the chairman or the president may prescribe, shall appoint such attorneys-in-fact, as may be necessary to act in behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations. Such attorneys-in-fact subject to the limitations set forth in their respective powers of attorney, shall have full power to bind the Company by their signature and execution of any such instruments and to attach thereto the seal of the Company. When so executed such instruments shall be as binding as if signed by the president and attested by the secretary.

Certificate of Designation - The President of the Company, acting pursuant to the Bylaws of the Company, authorizes David M. Carey, Assistant Secretary to appoint such attorneys-in-fact as may be necessary to act on behalf of the Company to make, execute, seal, acknowledge and deliver as surety any and all undertakings, bonds, recognizances and other surety obligations.

Authorization - By unanimous consent of the Company's Board of Directors, the Company consents that facsimile or mechanically reproduced signature of any assistant secretary of the Company, wherever appearing upon a certified copy of any power of attorney issued by the Company in connection with surety bonds, shall be valid and binding upon the Company with the same force and effect as though manually affixed.

I, Renee C. Llewellyn, the undersigned, Assistant Secretary, The Ohio Casualty Insurance Company, Liberty Mutual Insurance Company, and West American Insurance Company do hereby certify that the original power of attorney of which the foregoing is a full, true and correct copy of the Power of Attorney executed by said Companies, is in full force and effect and has not been revoked.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seals of said Companies this 26th day of February, 2019.



By: Renee C. Llewellyn, Assistant Secretary

Not valid for mortgage, note, loan, letter of credit, currency rate, interest rate or residual value guarantees.

To confirm the validity of this Power of Attorney call 1-610-832-8240 between 9:00 am and 4:30 pm EST on any business day.

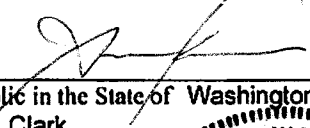
ACKNOWLEDGMENT BY SURETY

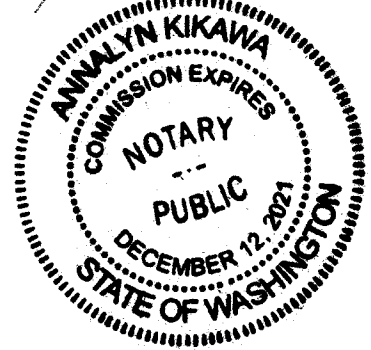
STATE OF Washington }  
County of Clark } ss.

On this 26th day of February, 2019, before me personally  
appeared Robert W. Lagler, known to, me to be the Attorney-in-Fact of  
Ohio Casualty Insurance Company

\_\_\_\_\_, the corporation  
that executed the within instrument, and acknowledged to me that such corporation executed the same.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal, at my office in the aforesaid County, the day and  
year in this certificate first above written.

  
\_\_\_\_\_  
Notary Public in the State of Washington  
County of Clark





KIPINCO-01

BMARIN

# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)  
10/01/2018

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

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

<b>PRODUCER</b> License # 0757776 Newport Beach, CA - HUB International Insurance Services Inc. 4695 MacArthur Court, Suite 600 Newport Beach, CA 92660	<b>CONTACT NAME:</b> PHONE (A/C, No, Ext): (949) 623-3980		<b>FAX (A/C, No):</b> (949) 891-0407
	<b>E-MAIL ADDRESS:</b>		
<b>INSURED</b>  KIP Incorporated 25740 Washington Avenue Murrieta, CA 92562	<b>INSURER(S) AFFORDING COVERAGE</b>		<b>NAIC #</b>
	<b>INSURER A:</b> Old Republic General Insurance Corp.		24139
	<b>INSURER B:</b> Travelers Property Casualty Company of America		25674
	<b>INSURER C:</b>		
	<b>INSURER D:</b>		
	<b>INSURER E:</b>		

### COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

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

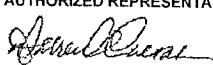
INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Deductible: \$10,000  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:		X	A1CG92711810	07/15/2018	07/15/2019	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 100,000 MED EXP (Any one person) \$ 5,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000
A	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY		X	A1CA92711810	07/15/2018	07/15/2019	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Liability Ded. \$ 0
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED <input checked="" type="checkbox"/> RETENTION \$ 10,000			ZUP-14S1631A-18-NF	07/15/2018	07/15/2019	EACH OCCURRENCE \$ 8,000,000 AGGREGATE \$ 8,000,000
A	<input checked="" type="checkbox"/> WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y/N <input type="checkbox"/> If yes, describe under DESCRIPTION OF OPERATIONS below		X	A1CW92711809	07/15/2018	07/15/2019	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)  
 RE: Leach Canyon Emergency Protection Project, Project No. 3-0-00105. Umb follow form-glai/auai/wcww GL-AU-WC-UMB 60 Day Canc (AM Best)  
 Riverside County Flood Control and Water Conservation District, County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives are included as Additional Insureds where required by an executed written contract as respects General Liability and Auto Liability per attached endorsements.  
 Waiver of Subrogation applies where required by an executed written contract as respects Workers' Compensation per attached endorsement.

SEE ATTACHED ACORD 101

### CERTIFICATE HOLDER

### CANCELLATION

Riverside County Flood Control and Water Conservation District Attn: Administrative Services Section 1995 Market Street Riverside, CA 92501	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE 
--	--

ACORD 25 (2016/03)

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## ADDITIONAL REMARKS SCHEDULE

AGENCY Newport Beach, CA - HUB International Insurance Services Inc.		License # 0757776	NAMED INSURED KIP Incorporated 25740 Washington Avenue Murrieta, CA 92562
POLICY NUMBER SEE PAGE 1			
CARRIER SEE PAGE 1	NAIC CODE SEE P 1	EFFECTIVE DATE: SEE PAGE 1	

## ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,  
FORM NUMBER: ACORD 25 FORM TITLE: Certificate of Liability Insurance

## Description of Operations/Locations/Vehicles:

Please see the following A.M. Best Ratings for the carriers listed on this certificate effective policy inception:

- Old Republic General Insurance Corp. A.M. Best Rating A, X
- Travelers Property Casualty Company of America A.M. Best Rating A++,XV

## Cancellation:

\* Should the policies be cancelled before the expiration date, Hub International Insurance Services Inc. (Hub), independent of any rights which may be afforded within the policies to the certificate holder named below, will provide to such certificate holder notice of such cancellation within thirty (30) days of the cancellation date, except in the event the cancellation is due to non-payment of premium, in which case Hub will provide to such certificate holder notice of such cancellation within ten (10) days of the cancellation date.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
WHERE REQUIRED BY AN EXECUTED WRITTEN CONTRACT, BUT ONLY WHEN COVERAGE FOR COMPLETED OPERATIONS IS SPECIFICALLY REQUIRED BY THAT CONTRACT.	LOCATIONS AS REQUIRED BY AN EXECUTED WRITTEN CONTRACT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:**

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
  2. Available under the applicable Limits of Insurance shown in the Declarations;
- whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR  
CONTRACTORS – SCHEDULED PERSON OR  
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
WHERE REQUIRED BY AN EXECUTED WRITTEN CONTRACT.	LOCATIONS AS REQUIRED BY AN EXECUTED WRITTEN CONTRACT.
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

**B.** With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to **Section III – Limits Of Insurance:**

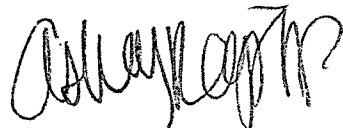
If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

A handwritten signature in black ink, appearing to read "Ashley [unclear]", is located in the bottom right corner of the page.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**EARLIER NOTICE OF CANCELLATION  
PROVIDED BY US**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

**SCHEDULE**

**Number of Days' Notice** 60

(If no entry appears above, information required to complete this Schedule will be shown in the Declarations as applicable to this endorsement.)

For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in paragraph 2. of either the CANCELLATION Common Policy Condition or as amended by an applicable state cancellation endorsement, is increased to the number of days shown in the Schedule above.



HUB International Insurance Services Inc.

4095 MacArthur Court • Suite 600  
Newport Beach, CA 92660  
Toll-free: (855) 466-1764

hubinternational.com

July 5, 2018

**Riverside County Flood Control & Water Conservation District**

Attn: Contract Administration  
1995 Market Street  
Riverside, CA 92501-1770

**RE: KIP Incorporated  
Travelers Property & Casualty Company of America  
Umbrella Liability Insurance Policy No. ZUP-14S1631A-18-NF  
Policy Period: 07/15/2018 to 07/15/2019**

To Whom It May Concern:

The Commercial Umbrella Liability Policy No. ZUP-14S1631A-18-NF in force for KIP Incorporated provides coverage in excess of the primary General Liability, Automobile Liability and Employers Liability policies listed in the schedule of underlying.

Should you have any questions or require additional information, please feel free to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'JCY', is written over a horizontal line.

Jamie Campbell Younger, CRIS  
Senior Vice President

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **EARLIER NOTICE OF CANCELLATION/NONRENEWAL PROVIDED BY US**

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS INCLUDED IN THIS POLICY

### **SCHEDULE**

**CANCELLATION:** **Number of Days Notice: 60**

**WHEN WE DO NOT RENEW (Nonrenewal):** **Number of days Notice: 60**

### **PROVISIONS:**

**A.** For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of cancellation, as provided in the CONDITIONS Section of this insurance, or as amended by any applicable state cancellation endorsement applicable to this insurance, is increased to the number of days shown in the SCHEDULE above.

**B.** For any statutorily permitted reason other than nonpayment of premium, the number of days required for notice of When We Do Not Renew (Nonrenewal), as provided in the CONDITIONS Section of this insurance, or as amended by any applicable state When We Do Not Renew (Nonrenewal) endorsement applicable to this insurance, is increased to the number of days shown in the SCHEDULE above.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## DESIGNATED INSURED FOR COVERED AUTOS LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

AUTO DEALERS COVERAGE FORM  
BUSINESS AUTO COVERAGE FORM  
MOTOR CARRIER COVERAGE FORM

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by this endorsement.

This endorsement identifies person(s) or organization(s) who are "insureds" for Covered Autos Liability Coverage under the Who Is An Insured provision of the Coverage Form. This endorsement does not alter coverage provided in the Coverage Form.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Named Insured: KIP Incorporated

Endorsement Effective Date: 07/15/2018

### SCHEDULE

Name Of Person(s) Or Organization(s):

WHERE REQUIRED BY AN EXECUTED WRITTEN CONTRACT.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

Each person or organization shown in the Schedule is an "insured" for Covered Autos Liability Coverage, but only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Paragraph A.1. of Section II – Covered Autos Liability Coverage in the Business Auto and Motor Carrier Coverage Forms and Paragraph D.2. of Section I – Covered Autos Coverages of the Auto Dealers Coverage Form.





# OLD REPUBLIC GENERAL INSURANCE CORPORATION

## EARLY NOTICE OF CANCELLATION PROVIDED BY US

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

BUSINESS AUTO COVERAGE FORM

Common Policy Conditions, A. Cancellation, 2. is replaced by the following:

2. We may cancel this policy by mailing to the first Named Insured written notice of cancellation at least:
  - a. TEN ( 10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. SIXTY (60) days before the effective date of cancellation if we cancel for any other reason.

Named Insured	KIP INCORPORATED		
Policy Number	A1CA92711810	Endorsement No.	
Policy Period	07/15/2018 to 07/15/2019	Endorsement Effective Date:	07/15/2018
Producer's Name:			
Producer Number:			

**OLD REPUBLIC GENERAL INSURANCE CORPORATION**

**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

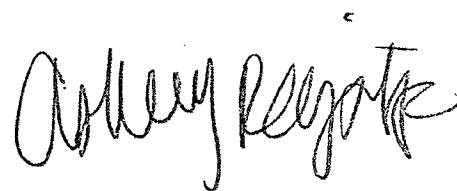
This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

WHEN REQUIRED BY WRITTEN CONTRACT.

The premium charge for this endorsement is \$0.00.

Named Insured	KIP Incorporated		
Policy Number	A1CW92711809	Endorsement No.	
Policy Period	07/15/2018 to 07/15/2019	Endorsement Effective Date:	07/15/2018
Producer's Name:			
Producer Number:			



OLD REPUBLIC GENERAL INSURANCE CORPORATION

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

WHEN REQUIRED BY EXECUTED WRITTEN CONTRACT.

The premium charge for this endorsement is \$0.00.

Named Insured	KIP Incorporated		
Policy Number	A1CW92711708	Endorsement No.	
Policy Period	07/15/2017 07/15/2018	to	Endorsement Effective Date: 07/15/2017
Producer's Name:			
Producer Number:			

