



Town of Yountville
"The Heart of the Napa Valley"

February 15, 2011

The Honorable Stephen T. Kroyer
Presiding Judge
Superior Court of the State of California
County of Napa
825 Brown Street
Napa, CA 94559

FILED

APR 15 2011

Clerk of the Napa Superior Court
By: C. Bernat
Deputy

Subject: Grand Jury Final Report on Water: Our Precious, Critical Resource

Dear Judge Kroyer:

This letter is being prepared to respond to a letter dated January 24 from Judith Bernat, who is the Foreman for the 2010-11 Grand Jury. In the letter, Ms. Bernat requested that the Town respond to findings 1, 2, 4, 8, 9, 14, 15, 17, and 18 in the subject report pursuant to the provisions of the California Penal Code 933.05 (a). Ms. Bernat also requested that the Town report actions taken to recommendations 1 and 4 pursuant to the provisions of the California Penal Code 933.05 (b).

Finding 1:

"Water quality testing in all municipalities in Napa meets current California Department of Public Health and EPA Clean Drinking Water Act requirements. Water Quality Reports are available annually from all Napa County municipalities".

Response:

Agree with the finding.

Finding 2:

"In the event of supply disruption from the NBA, the County and its municipalities will depend on water from municipal reservoirs and water

storage facilities”.

Response:

Agree with the finding, but also note that Yountville and several agencies have municipal wells that will be utilized during an emergency.

Finding 4:

“A major earthquake would likely cause a significant disruption to water delivery infrastructure throughout the County”.

Response:

Agree with the finding.

Finding 8:

“Recycled water is a non-potable supply option to alleviate demands on potable water programs”.

Response:

Agree with the finding.

Finding 9:

“In Yountville, eighty-five percent of wastewater is recycled”.

Response:

Agree with the finding, but clarify that 83% of wastewater from the Town of Yountville and the Veterans Home of California was recycled in 2009 and 80% was recycled in 2010.

Finding 14:

“None of Napa County’s public water systems fluoridate their water supplies”.

Response:

Agree with the finding.

Finding 15:

“Fluoridated water has a documented significant oral health benefit and

fluoridating water in Napa County was recommended as a component for community dental health improvement”.

Response:

Agree with the finding.

Finding 17:

“Annual savings in oral healthcare to County residents is projected to exceed the estimated costs of operating water fluoridation systems at the County public water systems”.

Response:

Disagree partially with the finding. Annual savings in oral healthcare to Yountville and Veterans Home residents has not been projected to exceed the estimated costs of operating water fluoridation systems at the Rector Reservoir Water Treatment Plant. As stated in the response to recommendation 14, the Town purchases water from the California Department of Veterans Affairs (CDVA), which operates Rector Reservoir and Water Treatment Plant. Fluoridation is most beneficial to children, most toothpastes have fluoride, and fluoride supplements can be purchased for children. Recent studies have also found that some children are receiving too much fluoride. There is little benefit of fluoridation to the veterans and the CDVA staff has stated that fluoridation is not cost effective. If the Town Council insists on fluoridation, then there are up front capital costs to add fluoride to the water treatment process and ongoing chemical purchase costs that would probably be entirely paid by the Town. On February 15, the Town Council is having a public hearing about increasing water rates, which is necessary to pay for increasing costs of water purchases from the CDVA and to fund the water infrastructure replacement fund. Since fluoridation would increase the rates higher, the benefits have not been found to justify the costs spread to all rate payers in Yountville.

Finding 18:

“No County municipalities have applied for funding to fluoridate their public water systems”.

Response:

Agree with the finding.

Recommendation 1:

“Municipalities within the County develop, expand, and formalize agreements to provide water allocations to address a catastrophic loss of water”.

Results of Analysis:

The Town purchases water from the California Department of Veterans Affairs (CDVA) and has adequate groundwater and backup water supplies. The Town has an emergency well and an agreement with the City of Napa to purchase water from a connection to the Conn Dam Transmission Line, which runs from Lake Hennessey to the City of Napa. The Town has also established a \$2 million drought reserve fund to purchase water when necessary. The Town has a Public Works Mutual Aid Agreement with other municipalities in Napa County and joined the California Water / Wastewater Agency Response Network (CalWARN). The CalWARN 2007 Omnibus Mutual Assistance Agreement sets forth covenants for agencies to provide mutual assistance to one another in times of emergency and the agreement is consistent with the Standardized Emergency Management System (SEMS). The Town staff also voluntarily prepared an Emergency Response Plan (ERP) to implement after a disaster, which includes hiring contractors to provide potable water to Town residents, repair pipelines, and install temporary pipelines. The Public Works Director met with other Public Works Directors in Napa County and does not feel it is necessary to formalize an agreement to provide water allocations and improve water supply reliability to address a catastrophic loss of water in Yountville.

Recommendation 4:

“Each County municipality prepare a plan to ensure rapid repair of the water delivery system and include procedures for emergency water delivery to facilities responsible for providing immediate health and safety aid to the communities’ population, especially local hospitals, shelters, and emergency centers”.

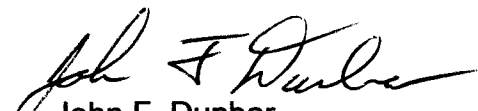
Report of Action:

The recommendation has been implemented. A copy of the general services “on call” agreement with Taylor and Bailey is enclosed with this letter. As stated above, the Town has a Public Works Mutual Aid Agreement with other municipalities in Napa County and joined CalWARN. The Town has less than 800 service connections to a population of approximately 2,200 people using approximately 510 acre feet of water per year. Even though the Town is not required to prepare an Emergency Response Plan (ERP), one has been prepared to respond to an emergency.

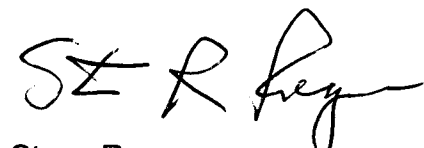
Letter to Judge Kroyer
February 2, 2011
Page 5 of 5

We hope that this letter adequately responds to the letter from Ms. Bernat. If you have any questions regarding these responses, please contact Graham Wadsworth at your convenience at 707-948-2628.


Sincerely,



John F. Dunbar,
Mayor



Steve Rogers,
Town Manager



Graham Wadsworth, P.E.
Public Works Director / Town Engineer

Enclosure: Agreement with Taylor and Bailey

Cc: Judith Bernat, Foreman, 2010-11 Napa County Grand Jury with attachment
Napa County Board of Supervisors without attachment
Marcella McCormack, Veterans Home without attachment
Michelle Dahme, Town Clerk without attachment
Barney La Rue, Public Works Supervisor without attachment
Don Moore, Wastewater Treatment Plant Supervisor without attachment

**GENERAL SERVICES AGREEMENT BETWEEN
THE TOWN OF YOUNTVILLE AND
TAYLOR-BAILEY CONSTRUCTION**

This agreement for General Services ("Agreement") is entered into on July 17, 2010 (the "Effective Date") between the TOWN OF YOUNTVILLE, a municipal corporation, with offices located at 6550 Yount Street, Yountville, California ("Town") and Taylor-Bailey Construction ("Contractor") (together sometimes referred to as the "Parties").

Section 1. SERVICES. In accordance with the terms and conditions set forth in this Agreement, Contractor agrees to perform all services described in the Scope of Services, attached as Exhibit A, which is incorporated herein. In the event of a conflict in or inconsistency between the terms of this Agreement and Exhibit A, this Agreement shall prevail.

- 1.1 **Term of Services.** This Agreement shall begin on the Effective Date and shall end one (1) year from the date this Agreement was signed by Town, unless the term of the Agreement is otherwise terminated or modified, as provided for herein. If the performance of the Scope of Services extends beyond the one (1) year term of this Agreement, then the term of this Agreement shall be extended solely for and until completion of the Scope of Services.
- 1.2 **Standard of Performance.** Contractor shall diligently perform all services required in connection with this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Contractor is engaged in the geographical area in which Contractor practices its profession.
- 1.3 **Assignment of Personnel.** Contractor shall assign only competent personnel to perform services in connection with this Agreement.
- 1.4 **Termination.** Town may cancel this Agreement at any time and without cause upon written notification to Contractor. In the event of termination, Contractor shall be entitled to compensation for services satisfactorily completed as of the date of written notice of termination; Town, however, may condition payment of such compensation upon Contractor delivering to Town documents and records identified in Section 10.1 of this Agreement.

Section 2. COMPENSATION. Town hereby agrees to pay Contractor for the Scope of Services, whether by fixed price, hourly rates subject to a fixed rate schedule, pursuant to the fee schedule attached as Exhibit B, which is incorporated herein. Total compensation for work performed under this Agreement, **NOT TO EXCEED** twenty-five thousand dollars (\$25,000).

- 2.1 **Invoices.** Contractor shall submit invoices once a month, based on the cost for services performed and reimbursable costs incurred prior to the invoice date. Contractor shall have ninety (90) days after the completion of work to invoice Town for all amounts due and outstanding under each governed by this Agreement. In the event, Contractor fails to invoice Town for all amounts due within such ninety (90) day period, Contractor shall waive its right to collect payment from Town.

- 2.2 **Payment.** Town shall make monthly payments, based on invoices received, for services satisfactorily performed, and for authorized reimbursable costs incurred.
- 2.3 **Reimbursable Expenses.** No expenses, costs, or liabilities of Contractor shall be reimbursable unless the obligation and manner of reimbursement is expressly set forth in the scope of services (Exhibit A) and in the fee schedule (Exhibit B).
- 2.4 **Payment of Taxes.** Contractor is solely responsible for the payment of employment taxes incurred under this Agreement and any similar federal or state taxes.

Section 3. CHANGES AND EXTRA SERVICES.

- 3.1 Provided that Town gives reasonable advance notice to Contractor, Town may propose in writing changes to Contractor's work within the Scope of Services described. If Contractor is of the opinion that any proposed change causes an increase or decrease in the cost, or a change in the schedule for performance, of the services, Contractor shall notify Town in writing of that fact within five (5) days after receipt of written proposal for changes. Contractor may also initiate such notification, upon identifying a condition which may change the Scope of Services as agreed at the time of execution of this Agreement covering such Scope of Services. When and if Town and Contractor reach agreement on any such proposed change and its effect on the cost and time for performance, they shall confirm such agreement in writing as an amendment to this Agreement. In the event the Parties cannot reach agreement as to the proposed change, at the Town's sole discretion, Contractor shall perform such work and will be paid for labor, materials, equipment rental, etc., actually used to perform the work.
- 3.2 Town shall not be liable for payment of any changes under Section 3.1, nor shall Contractor be obligated to perform any such changes, except upon such written amendment or supplement; provided that if, upon Town's written request, Contractor begins work in accordance with a proposed change, Town shall be liable to Contractor for the amounts due with respect to Contractor's work pursuant to such change, unless and until Town notifies Contractor to stop work on such change.

Section 4. PROJECT SITE. Contractor shall perform the Services in such a manner as to cause a minimum of interference with Town's operations and the operations of other contractors at each Project site and to protect all persons and property thereon from damage or injury. Upon completion of the Services at a Project site, Contractor shall leave such Project site clean and free of all tools, equipment, waste materials and rubbish. Each Project site may include all buildings, offices, and other locations where Services are to be performed, including any access roads. Contractor shall be solely responsible for the safe transportation and packing in proper containers and storage of any equipment required for performing the Services, whether owned, leased or rented. Town will not be responsible for any such equipment which is lost, stolen or damaged or for any additional rental charges for such equipment. Equipment left or stored at a Project site, with or without permission, is at Contractor's sole risk. Town may assume that anything left on the work site an unreasonable length of time after said work is completed has been abandoned. Any transportation furnished by Town shall be solely as an accommodation and Town shall have no liability therefore. Contractor acknowledges and agrees that it shall assume the risk and is solely responsible for its use of any Town owned equipment and property provided by Town for the performance of Services.

Town shall have no liability to Contractor therefore. In addition, Contractor further acknowledges and agrees that it shall assume the risk and is solely responsible for its owned, non-owned and hired automobiles, trucks or other motorized vehicles as well as any equipment, tools, or other property which is utilized by Contractor on each Project site.

Section 5. INSURANCE REQUIREMENTS. Before beginning any work under this Agreement, Contractor, at its own cost and expense, shall procure the types and amounts of insurance listed below for the period covered by the Agreement.

- 5.1 **Workers' Compensation.** If Contractor employs any person, Contractor shall maintain Statutory Workers' Compensation Insurance and Employer's Liability Insurance for any and all persons employed directly or indirectly by Contractor with limits of not less than One Million Dollars (\$1,000,000.00) per accident.
- 5.2 **Commercial General and Automobile Liability Insurance.** Contractor shall maintain commercial general and automobile liability insurance for the term of this Agreement in an amount not less than Two Million Dollars (\$2,000,000.00) per occurrence, combined single limit coverage for risks associated with the work contemplated by this Agreement. Such coverage shall include but shall not be limited to, protection against claims arising from bodily and personal injury, including death resulting therefrom, and damage to property resulting from activities contemplated under this Agreement, including the use of owned and non-owned automobiles. The Town shall be named as an additional insured and insurance shall provide primary coverage with respect to the Town by written endorsement to the policy.
- 5.3 **General Liability/Umbrella Insurance.** The coverage amounts set forth above may be met by a combination of underlying and umbrella policies so long as in combination the limits equal or exceed those stated.
- 5.4 **Professional Liability Insurance.** (Required for all Licensed Contractors performing design work) Contractor shall maintain professional liability insurance for licensed professionals performing work in connection with this Agreement in an amount not less than One Million Dollars (\$1,000,000.00) covering the licensed professionals' errors and omissions. Any deductible or self-insured retention shall not exceed Two Hundred Fifty-Thousand Dollars (\$250,000.00) per claim.
- 5.5 **All Policies Requirements.**
 - 5.5.1 **Verification of Coverage.** Prior to beginning any work under this Agreement, Contractor shall, at the sole option of the Town, provide Town with (1) certified Certification of Insurance that demonstrates compliance with all applicable insurance provisions contained herein; and (2) upon request by the Town, complete certified copies of all policies and/or complete certified copies of all endorsements that demonstrate compliance with this Section 5.
 - 5.5.2 **Notice of Reduction in or Cancellation of Coverage.** A certified endorsement must be attached to all insurance obtained in accordance with this Agreement

stating that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the Town.

- 5.6 **Waiver of Subrogation.** Contractor agrees to waive subrogation which any insurer of Contractor may acquire from Contractor by virtue of the payment of any loss. Contractor agrees to obtain any endorsement that may be necessary to effect this waiver of subrogation. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of Town for all work performed by Contractor, its employees, agents and subcontractors.

Section 6. INDEMNIFICATION AND CONTRACTOR'S RESPONSIBILITIES.

- 6.1 Contractor shall to the fullest extent allowed by law, with respect to all services performed in connection with this Agreement, indemnify, defend and hold harmless the Town and its officials, commissioners, officers, employees, agents and volunteers from and against any and all claims that arise out of, pertain to or relate to the negligence, recklessness or willful misconduct of the Contractor. Contractor will bear all losses, costs, damages, expense and liability of every kind, nature and description that arise out of, pertain to, or relate to such Claims, whether directly or indirectly ("Liabilities"). Such obligations to defend, hold harmless and indemnify the Town shall not apply to the extent that such Liabilities are caused by the sole negligence, active negligence, or willful misconduct of the Town.

Section 7. STATUS OF CONTRACTOR. At all times during the term of this Agreement, Contractor shall be an independent contractor and shall not be an employee of Town. Contractor shall have no authority, express or implied, to act on behalf of Town in any capacity whatsoever as an agent.

Section 8. LEGAL REQUIREMENTS.

- 8.1 **Governing Law.** The laws of the State of California shall govern this Agreement.
- 8.2 **Compliance with Applicable Laws.** Contractor and any subcontractors shall comply with all laws applicable to the performance of the work in connection with this Agreement.
- 8.3 **Licenses and Permits.** Contractor represents and warrants to Town that Contractor and its employees, agents, and any subcontractors have all licenses, permits, qualifications, and approvals of whatsoever nature that are legally required to practice their respective professions. A Town of Yountville business license is required for all contractors performing work in the Town of Yountville.
- 8.4 **Nondiscrimination and Equal Opportunity.** In compliance with federal, state and local laws, Contractor shall not discriminate, on the basis of a person's race, religion, color, national origin, age, physical or mental handicap or disability, medical condition, marital status, sex, or sexual orientation, against any employee, applicant for employment, subcontractor, bidder for a subcontract, or participant in, recipient of, or applicant for any services or programs provided by Contractor under this Agreement.

- 8.5 **Work Requiring Payment of Prevailing Wages.** In accordance with California Labor Code § 1771, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which these services are to be performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in the California Labor Code shall be paid to all workers engaged in performing the services under this Agreement.

Section 9. MODIFICATION.

- 9.1 **Amendments.** The Parties may amend this Agreement only by a writing signed by all the Parties.
- 9.2 **Assignment.** Contractor may not assign this Agreement or any interest therein without the prior written approval of the Town.
- 9.3 **Subcontracting.** Contractor shall not subcontract any portion of the performance contemplated and provided for herein without prior written approval of the Town. Where written approval is granted by the Town, Contractor shall supervise all work subcontracted by Contractor in performing the Services; shall be responsible for all work performed by a subcontractor as if Contractor itself had performed such work; the subcontracting of any work to subcontractors shall not relieve Contractor from any of its obligations under this Agreement with respect to the Services; and Contractor is obligated to ensure that any and all subcontractors performing any Services shall be fully insured in all respects and to the same extent as set forth under Section 5, to Town's satisfaction.
- 9.4 **Survival.** All obligations arising prior to the termination of this Agreement and all provisions of this Agreement allocating liability between Town and Contractor shall survive the termination of this Agreement.
- 9.5 **Options upon Breach by Contractor.** If Contractor materially breaches any of the terms of this Agreement, Town's remedies shall include, but not be limited to, the following:
- 9.5.1 Immediately terminate the Agreement;
 - 9.5.2 Retain the plans, specifications, drawings, reports, design documents, and any other work product prepared by Contractor in accordance with this Agreement;
 - 9.5.3 Retain a different Contractor to complete the Services not finished by Contractor;
or
 - 9.5.4 Charge Contractor the difference between the costs to complete the work at the time of breach and the amount that Town would have paid Contractor in accordance with Section 2 if Contractor had completed the Work.

Section 10. KEEPING AND STATUS OF RECORDS.

- 10.1 **Records Created as Part of Contractor's Performance.** All reports, data, maps, models, charts, studies, surveys, photographs, memoranda, plans, studies, specifications,

records, files, or any other documents or materials, in electronic or any other form, that Contractor prepares or obtains in accordance with this Agreement and that relate to the matters covered under the terms of this Agreement shall be the property of the Town.

- 10.2 Contractor's Books and Records.** Contractor shall maintain any and all records or documents evidencing or relating to charges for services or expenditures and disbursements charged to the Town under this Agreement for a minimum of three (3) years, or for any longer period required by law, from the date of final payment to the Contractor to this Agreement.
- 10.3 Confidential Information and Disclosure.** During the term of this Agreement, either party (the "Disclosing Party") may disclose confidential, proprietary or trade secret information (the "Information"), to the other party (the "Receiving Party"). The Receiving Party shall hold the Disclosing Party's Information in confidence and shall take all reasonable steps to prevent any unauthorized possession, use, copying, transfer or disclosure of such Information. Contractor understands that Town is a public Town and is subject to the laws that may compel it to disclose information about Contractor's business.

Section 11. WARRANTY.

- 11.1** In addition to any and all warranties provided or implied by law or public policy, Contractor warrants that all Services (including but not limited to all equipment and materials supplied in connection therewith) shall be free from defects in design and workmanship, and that Contractor shall perform all Services in accordance with all applicable engineering, construction and other codes and standards, and with the degree of high professional skill normally exercised by or expected from recognized professional firms engaged in the practice of supplying services of a nature similar to the Services in question. Contractor further warrants that, in addition to furnishing all tools, equipment and supplies customarily required for performance of work, Contractor shall furnish personnel with the training, experience and physical ability, as well as adequate supervision, required to perform the Services in accordance with the preceding standards and the other requirements of this Agreement. In addition to all other rights and remedies which Town may have, Town shall have the right to require, and Contractor shall be obligated at its own expense to perform, all further services which may be required to correct any deficiencies which result from Contractor's failure to perform any Services in accordance with the standards required by this Agreement. Moreover, if, during the term of this Agreement (or during the one (1) year period following the term hereof), any equipment, goods or other materials or Services used or provided by Contractor under this Agreement fail due to defects in material and/or workmanship or other breach of this Agreement, Contractor shall, upon any reasonable notice from Town, replace or repair the same to Town's satisfaction. Unless otherwise expressly permitted, all materials and supplies to be used by Contractor in the performance of the Services shall be new and best of kind.
- 11.2** Contractor hereby assigns to Town all additional warranties, extended warranties, or benefits like warranties, such as insurance, provided by or reasonably obtainable from suppliers of equipment and material used in the Services.

Section 12. HEALTH AND SAFETY PROGRAMS. As appropriate for the scope of work to be performed, the Contractor shall establish, maintain, and enforce safe work practices, and implement an accident/incident prevention program intended to ensure safe and healthful operations under their direction. The program shall include all requisite components of such a program under Federal, State and local regulations and shall comply with all Town site programs.

- 12.1 Contractor will be responsible for acquiring job hazard assessments as necessary to safely perform all duties of each Project and provide a copy to Town upon request.
- 12.2 Contractor will be responsible for providing all employee health and safety training and personal protective equipment in accordance with potential hazards that may be encountered in performance of Project and provide copies of the certified training records upon request by Town. Contractor shall be responsible for proper maintenance and/or disposal of their personal protective equipment and material handling equipment.
- 12.3 Contractor is responsible for ensuring that its lower-tier subcontractors are aware of and will comply with the requirements set forth herein.
- 12.4 Town, or their representatives, shall periodically monitor the safety performance of the Contractor working on the Project. All Contractors and their subcontractors shall be required to comply with the safety and health obligations as established in the Agreement. Non-compliance with safety, health, or fire requirements may result in cessation of work activities, until items in non-compliance are corrected. It is also expressly acknowledged, understood and agreed that no payment shall be due from Town to Contractor under this Agreement at any time when, or for any Services performed when, Contractor is not in full compliance with this Section 10.
- 12.5 Contractor shall immediately report any injuries to the Town site safety representative. Additionally, the Contractor shall investigate and submit to the Town site safety representative copies of all written accident reports, and coordinate with Town if further investigation is requested.
- 12.6 Contractor shall take all reasonable steps and precautions to protect the health of their employees and other site personnel with regard to their Scope of Services. Contractor shall conduct occupational health monitoring and/or sampling to determine levels of exposure of its employees to hazardous or toxic substances or environmental conditions. Copies of any sampling results will be forwarded to the Town site safety representative upon request.
- 12.7 Contractor shall develop a plan to properly handle and dispose of all hazardous wastes they generate within the Scope of Services.
- 12.8 Contractor shall advise its employees and subcontractors that any employee, who jeopardizes his/her safety and health, or the safety and health of others, may be subject to actions including removal from Project.

- 12.9 Contractor shall, at the sole option of the Town develop and provide to the Town a Hazardous Material Spill Response Plan that includes provisions for spill containment and clean-up, emergency contact information including regulatory agencies and spill sampling and analysis procedures. Hazardous Materials to include diesel fuel used for trucks owned or leased by the Contractor.

Section 13. MISCELLANEOUS PROVISIONS.

- 13.1 **Attorneys' Fees.** If a Party to this Agreement brings any action, including an action for declaratory relief, to enforce or interpret the provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- 13.2 **Venue.** In the event that either Party brings any action against the other under this Agreement, the Parties agree that trial of such action shall be vested exclusively in the state courts of California in the County of Napa or in the United States District Court for the Northern District of California.
- 13.3 **Severability.** If a court of competent jurisdiction finds or rules that any provision of this Agreement is invalid, void, or unenforceable, the provisions of this Agreement not so adjudged shall remain in full force and effect.
- 13.4 **No Implied Waiver of Breach.** The waiver of any breach of a specific provision of this Agreement does not constitute a waiver of any other breach of that term or any other term of this Agreement.
- 13.5 **Contract Administration.** This Agreement shall be administered by the Town Manager or designee, who shall act as the Town's representative. All correspondence shall be directed to or through the representative.
- 13.6 **Notices.** Any written notice to Contractor shall be sent to:

Taylor-Bailey Construction
135 Camino Dorado, Suite 16
Napa, CA 94558

Any written notice to Town shall be sent to:

Town Manager
Town of Yountville
6550 Yount Street
Yountville, CA 94599

With a copy to:

Town Clerk
6550 Yount Street
Yountville, CA 94599

- 13.7 **Professional Seal.** Where applicable in the determination of the Town, the first page of a technical report, first page of design specifications, and each page of construction drawings shall be stamped/sealed and signed by the licensed professional responsible for the report/design preparation.
- 13.8 **Integration; Incorporation.** This Agreement, including all the exhibits attached hereto, represents the entire and integrated agreement between Town and Contractor and supersedes all prior negotiations, representations, or agreements, either written or oral. All exhibits attached hereto are incorporated by reference herein.
- 13.9 **Alternative Dispute Resolution.** If any dispute arises between the Parties that cannot be settled after engaging in good faith negotiations, Town and Contractor agree to resolve the dispute in accordance with the following:
- Each Party will designate a senior management or executive level representative to negotiate the dispute. Through good faith negotiations, the representatives will attempt to resolve the dispute by any means within their authority. If dispute remains unresolved after fifteen (15) days of good faith negotiations, the Parties shall attempt to resolve the disagreement by mediation through a disinterested third person as mediator selected by both Parties. Mediation will begin within thirty (30) days of the selection of this disinterested third party, and will end fifteen (15) days after commencement. The Parties shall equally bear the costs of any third party in any alternative dispute resolution process.
- The alternative dispute resolution process is a material condition to this Agreement and must be exhausted as an administrative remedy prior to either Party initiating legal action. This alternative dispute resolution process is not intended to nor shall be construed to change the time periods for filing a claim or action specified by Government Code § 900, et. seq.
- 13.10 **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be an original and all of which together shall constitute one agreement.

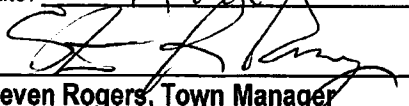
The Parties have executed this Agreement as of the date signed by the Town.

TOWN OF YOUNTVILLE

CONTRACTOR

Date: 7/16/2010

Date: 7-19-2010

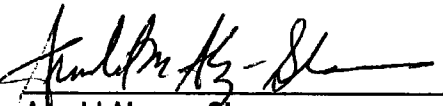


Steven Rogers, Town Manager



Bob Covey, Taylor-Bailey Construction

Approved as to Form:



Arnold Alvarez-Glasman
Town Attorney



135 Camino Dorado, Suite 16, Napa, CA 94558
Phone (707)251-0142, Fax (707)967-8225

Date June 25, 2010

ATTN. Barny
Town Yountville
6550 Yount Street
Yountville, Ca. 94599

Ref. Water leak 27 lande way

Taylor Bailey, Inc. proposes to furnish all labor, equipment and materials as required to complete the following items of work.

Work Items:

1. Excavate water line to blowoff, Cut and cap from main water line.
2. Backfill and patch street. Total \$2,320.00

Exclusions:

Engineering, staking, bonds, permits, soils and materials testing, erosion control, electrical work, subdrains, damage to unmarked utilities, hazardous material, blasting, any item not specifically included is excluded.

Notes:

- All work is to be undertaken when weather and ground conditions permit.

Payment Schedule: Progress Payments, In full upon completion, Net 15 days

We propose to perform the above work in accordance with the drawings and specifications submitted, and to complete it in a workmanlike manner according to standard practices for the sum stated above.

Upon satisfactory payment being made for any portion of the work performed, the Contractor shall, prior to any further payment being made, furnish to the Owner or Tenant contracting for the work a full and unconditional release from any claim or mechanics' lien pursuant to Section 3114 of the Civil Code for that portion of the work for which payment has been made.

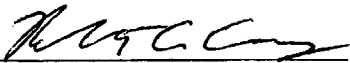
You the Owner or Tenant have the right to require the Contractor to have a performance and payment bond or funding control.

Acceptance of Proposal: The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as

outlined above. It is understood and agreed that this work is not provided for in any other agreement and no contractual rights arise until this proposal is accepted in writing. It is understood by me that I will pay all attorneys fees and other charges necessary for the collection of any amounts not paid by me when due.

Failure by the Contractor without lawful excuse to substantially commence work within twenty (20) days from the approximate date specified in this contract when the work will begin is a violation of the Contractors' License Law.

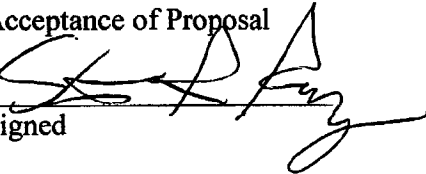
Taylor Bailey, Inc.
License # 778716



Bob Covey

6-25-2010
Date

Acceptance of Proposal



Signed

7/16/2010
Date

Note: This proposal may be withdrawn by us if not accepted within 30 days.