

**CITY OF NEWPORT, OREGON  
AMENDMENT NO. 1  
TO GOODS AND SERVICES AGREEMENT  
WATER RIGHTS SERVICES – TRANSFER OF CERTIFICATION 1012**

This AMENDMENT NO. 1 to the Goods and Services Agreement dated August 22, 2011, hereinafter call AGREEMENT, between the City of Newport, (CITY), and Groundwater Solutions, Inc. dba GSI Water Solutions, Inc. (CONTRACTOR) shall modify the AGREEMENT as follows:

- A: Change in fee and scope of work: An increase of \$16,500 to the original contract value for a total contract value not to exceed \$19,800 in accordance with the scope of work per Attachment A, dated May 10, 2013, *Amendment #1 to City of Newport/GSI contracted executed August 22, 2011.*

**CITY OF NEWPORT:**

By: Jed Smith  
Title: Interim City Manager  
Date: 6/18/2013

**GSI WATER SOLUTIONS, INC.**

By: [Signature]  
Title: Principal  
Date: 6/18/2013



May 10, 2013

Tim Gross, PE  
Public Works Director  
City of Newport  
169 SW Coast Hwy  
Newport, OR 97365

RE: Amendment #1 to City of Newport/GSI contract executed August 22, 2011

Dear Tim:

At your request, GSI Water Solutions, Inc. (GSI) has prepared this scope of work to provide water rights consulting services. This scope of work will be carried out under the general terms and conditions of the contract executed August 22, 2011.

The additional work tasks and proposed schedule and budget are outlined below.

### **Additional Water Right Tasks**

#### **Task 2 – Obtain Certificate for Permit R-6171**

Permit R-6171 authorizes storage of 625 acre-feet of water in Big Creek Reservoir #2. The storage authorized under this permit is in addition to the 345 ac-ft already stored in Big Creek Reservoir #2 (under Certificate 48627). The current date for complete use of water under Permit R-6171 was October 1, 1977. The City provided notice to the Oregon Water Resources Department (OWRD) that the reservoir enlargement was completed on 1976 and that the reservoir was filled to capacity upon completion.

**Task Scope:** Under this task, GSI will review the City's use of this permit, confirm that the City can pursue certification of the water right, and prepare the necessary materials to certificate the water right. This task may include the following activities:

- Gather information from the official water right file maintained by OWRD
- Work with City staff to gather water use records and any other needed information
- Evaluate City compliance with the terms and conditions of use of the permit
- Prepare a draft Claim of Beneficial Use (COBU) report for review by the City
- Work with the City to finalize and submit the COBU to OWRD

ATTACHMENT A

- Facilitate review and approval of the COBU, which will include answering questions from OWRD and ensuring the application proceeds through the review process in an expeditious manner and in a manner that meets the City's needs.
- Review of draft documents produced by OWRD during the COBU.

**Estimated Task Budget: \$3,300**

**Task 3 – Obtain Certificate for Permit S-38220**

Permit S-38220 authorizes the use of the 625 acre-feet of water stored in Big Creek Reservoir #2. The current date for complete use of water under this permit was October 1, 1997. The City submitted a time extension application in March of 1998; however, OWRD returned the application in August 2006 after receiving a letter from the City stating that the City had made use of the full permitted amount of water prior to October 1, 1997.

**Task Scope:** Under this task, GSI will review the City's use of this permit, confirm that the City can pursue certification of the water right, and prepare the necessary materials to certify the water right. This task may include the following activities:

- Gather information from the official water right file maintained by OWRD
- Work with City staff to gather water use records and any other needed information
- Evaluate City compliance with the terms and conditions of use of the permit
- Prepare a draft COBU report for review by the City
- Work with the City to finalize and submit the COBU to OWRD
- Facilitate review and approval of the COBU, which will include answering questions from OWRD and ensuring the application proceeds through the review process in an expeditious manner and in a manner that meets the City's needs.
- Review of draft documents produced by OWRD during the COBU.

**Estimated Task Budget: \$3,300**

**Task 4 – Partially Certify Permit S-29213**

Permit S-29213 authorizes the use of 6.0 cfs of water from the Siletz River. The current date for complete use of water under this permit was October 1, 1998. The City submitted a time extension application to OWRD in October of 2007. The extension application is in the queue for a review by Oregon Department of Fish and Wildlife (ODFW). OWRD will not begin their review of the time extension application until ODFW has completed their review and provides advice as to how use of the undeveloped portion of the permit will impact listed fish species. It is our understanding that the City has used a portion of the rate authorized by the permit prior to the current completion date of the permit. This developed portion of the permit can be certified by the City and subsequently removed from the existing time extension request.

**Task Scope:** Under this task, GSI will review the City's use of this permit, confirm that the City can pursue partial certification of the water right, and prepare the necessary materials to partially certify the water right. This task may include the following activities:

- Gather information from the official water right file maintained by OWRD
- Work with City staff to gather water use records and any other needed information

- Evaluate City compliance with the terms and conditions of use of the permit
- Prepare a draft COBU report for review by the City
- Work with the City to finalize and submit the COBU to OWRD
- Facilitate review and approval of the COBU, which will include answering questions from OWRD and ensuring the application proceeds through the review process in an expeditious manner and in a manner that meets the City's needs.
- Review of draft documents produced by OWRD during the COBU.

**Estimated Task Budget:** \$3,600

**Task 5 – Update Pending Time Extension for Permit S-29213 and Facilitating Approval**

Following the completion of Task 4, the existing time extension for Permit S-29213 on-file at OWRD will need to be updated to include only the undeveloped portion of the permit, excluding the portion of the permit included in the partial certification request (Task 4). The time extension may also need to be updated to reflect the most up-to-date projections of demand and the time needed to fully develop the permit.

**Task Scope:** Under this task, GSI will update the pending extension application and facilitate its review and approval. This task may include the following activities:

- Update the pending extension application, including information about the actions needed to complete development of the right, compliance with conditions, the population served, and the feasibility of development within a specific time period.
- Assist in communications with ODFW and OWRD regarding the potential conditioning of the undeveloped portion of the permit, including communications with ODFW and OWRD staff in Salem and review of draft advice and conditions.
- Facilitate approval of the extension application, which will include answering questions from OWRD and ensuring the application proceeds through the extension process in an expeditious manner and in a manner that meets the City's needs.

**Estimated Task Budget:** \$3,800

**Task 6 – Evaluate Status of City Pending Applications R-83810 and S-83809**

The City of Newport holds two pending applications: R-83810 for storage of up to 9,000 acre-feet in Rocky Creek Reservoir and S-83809 for use of the stored water and Rocky Creek natural flow. The applications, which were filed in April 1998, are currently on "administrative hold."

**Task Scope:** Under this task, GSI will review the application files, communicate with OWRD staff and then update and provide recommendations to City staff. Based on the outcome of this Task, an additional Task Order may need to be developed.

**Estimated Task Budget:** An allowance of up to \$2500 to evaluate application status and provide recommendations

## Budget and Schedule

The total budget estimate for the additional tasks covered under this scope of work is \$16,500. This is an estimated time and materials budget based on our current understanding of the project. This budgeted amount will not be exceeded without your prior approval. We have assumed that the City will cover any required OWRD fees for the COBUs separately.

We recommend that the City use OWRD's Reimbursement Authority program for expedited processing of the COBUs. Although there is an additional cost for Reimbursement Authority processing, a COBU will typically be processed and a certificate issued within 3 to 4 months compared to the standard COBU processing time of up to 5 years. The ballpark cost for Reimbursement Authority processing of a single COBU is \$700 - \$900.

We are prepared to begin work upon receiving authorization to proceed. Completion of these additional tasks will be dependent on the availability of needed information, but we anticipate having preliminary findings ready for discussion with the City within 6 weeks of the authorization to proceed.

Thank you for this opportunity to continue to work with you and the City. We look forward to hearing back from you and getting started. Please call me at 503-239-8799 x106 or Adam at 541-753-0745 x201 if you have any questions.

Sincerely,  
GSI Water Solutions, Inc.



Ted Ressler, RG, CWRE  
Senior Hydrogeologist



Adam Sussman  
Principal Water Resources Consultant

ATTACHMENT A



55 57th Street, Suite 500, Fort Lauderdale, FL 33309  
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info@gisolutions.com www.gisolutions.com

**2013 GSI Fee Schedule**

**Labor**

<u>Labor Category</u>	<u>Hourly Rate</u>
<u>Principal</u>	\$190 - \$160
<u>Senior</u>	\$170 - \$125
<u>Project</u>	\$125 - \$100
<u>Senior Staff</u>	\$100 - \$90
<u>Staff</u>	\$90 - \$80
<u>GIS/Graphics</u>	\$105 - \$90
<u>Editor/Documents</u>	\$95 - \$85
<u>Administration</u>	\$95 - \$70

The hourly rate for trial preparation and expert witness testimony is 1.5 times the standard billing rate shown above.

**Expenses**

- Mileage: IRS authorized rate/mile
- Direct Expenses: Cost
- Outside Services: Cost plus 10 percent markup



**DESCRIPTIONS (Continued from Page 1)**



## Automatic Additional Insured – Owners, Lessees or Contractors

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This endorsement, effective 11/16/2012 attaches to and forms a part of Policy Number FEI-ECC-11249-00. This endorsement changes the Policy. Please read it carefully.

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This endorsement modifies insurance provided under the following:

**COMMERCIAL GENERAL LIABILITY COVERAGE PART  
CONTRACTORS POLLUTION LIABILITY COVERAGE PART**

SCHEDULE

Name of Person or Organization:

Any person(s) or organization(s) whom the *Named Insured* agrees, in a written contract, to name as an additional insured. However, this status exists only for the project specified in that contract.

The person or organization shown in this Schedule is included as an insured, but only with respect to that person's or organization's vicarious liability arising out of your ongoing operations performed for that insured.

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

## **COMMERCIAL AUTOMOBILE BROAD FORM ENDORSEMENT**

This endorsement modifies insurance provided under the following:

### **BUSINESS AUTO COVERAGE FORM**

To the extent that the provisions of this endorsement provide broader benefits to the "insured" than other provisions of the Coverage Form, the provisions of this endorsement apply.

#### **1. BROAD FORM INSURED**

##### **A. Subsidiaries and Newly Acquired or Formed Organizations**

The Named Insured shown in the Declarations is amended to include:

- (1) Any legally incorporated subsidiary in which you own more than 50% of the voting stock on the effective date of the Coverage Form. However, the Named Insured does not include any subsidiary that is an "insured" under any other automobile policy or would be an "insured" under such a policy but for its termination or the exhaustion of its Limit of Insurance.
- (2) Any organization that is acquired or formed by you and over which you maintain majority ownership. However, the Named Insured does not include any newly formed or acquired organization:
  - (a) That is a partnership, joint venture or limited liability company
  - (b) That is an "insured" under any other policy,
  - (c) That has exhausted its Limit of Insurance under any other policy, or
  - (d) 180 days or more after its acquisition or formation by you, unless you have given us notice of the acquisition or formation.

Coverage does not apply to "bodily injury" or "property damage" that results from an "accident" that occurred before you formed or acquired the organization.

##### **B. Employees as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of SECTION II - LIABILITY COVERAGE is amended to add:

- d. Any "employee" of yours while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

##### **C. Lessors as Insureds**

Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- e. The lessor of a covered "auto" while the "auto" is leased to you under a written agreement if:
  - (1) The agreement requires you to provide direct primary insurance for the lessor and
  - (2) The "auto" is leased without a driver.

Such a leased "auto" will be considered a covered "auto" you own and not a covered "auto" you hire.

##### **D. Additional Insured if Required by Contract**

(1) Paragraph A.1. - WHO IS AN INSURED - of Section II - Liability Coverage is amended to add:

- f. When you have agreed, in a written contract or written agreement, that a person or organization be added as an additional insured on your business auto policy, such person or organization is an "insured", but only to the extent such person or organization is liable for "bodily injury" or "property damage" caused by the conduct of an "insured" under paragraphs a. or b. of Who Is An Insured with regard to the ownership, maintenance or use of a covered "auto."

The insurance afforded to any such additional insured applies only if the "bodily injury" or "property damage" occurs:

- (1) During the policy period, and
  - (2) Subsequent to the execution of such written contract, and
  - (3) Prior to the expiration of the period of time that the written contract requires such insurance be provided to the additional insured.
- (2) How Limits Apply
- If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the most we will pay on behalf of such additional insured is the lesser of:
- (a) The limits of insurance specified in the written contract or written agreement; or
  - (b) The Limits of Insurance shown in the Declarations.

Such amount shall be a part of and not in addition to Limits of Insurance shown in the Declarations and described in this Section.

(3) Additional Insureds Other Insurance

If we cover a claim or "suit" under this Coverage Part that may also be covered by other insurance available to an additional insured, such additional insured must submit such claim or "suit" to the other insurer for defense and indemnity.

However, this provision does not apply to the extent that you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance.

(4) Duties in The Event Of Accident, Claim, Suit or Loss

If you have agreed in a written contract or written agreement that another person or organization be added as an additional insured on your policy, the additional insured shall be required to comply with the provisions in LOSS CONDITIONS 2. - DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS - OF SECTION IV - BUSINESS AUTO CONDITIONS, in the same manner as the Named Insured.

**E. Primary and Non-Contributory if Required by Contract**

Only with respect to insurance provided to an additional insured in 1.D. - Additional Insured If Required by Contract, the following provisions apply:

(3) Primary Insurance When Required By Contract

This insurance is primary if you have agreed in a written contract or written agreement that this insurance be primary. If other insurance is also primary, we will share with all that other insurance by the method described in Other Insurance 5.d.

(4) Primary And Non-Contributory To Other Insurance When Required By Contract

If you have agreed in a written contract or written agreement that this insurance is primary and non-contributory with the additional insured's own insurance, this insurance is primary and we will not seek contribution from that other insurance.

Paragraphs (3) and (4) do not apply to other insurance to which the additional insured has been added as an additional insured.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, by the method described in Other Insurance 5.d.

**2. AUTOS RENTED BY EMPLOYEES**

Any "auto" hired or rented by your "employee" on your behalf and at your direction will be considered an "auto" you hire.

The OTHER INSURANCE Condition is amended by adding the following:

If an "employee's" personal insurance also applies on an excess basis to a covered "auto" hired or rented by your "employee" on your behalf and at your direction, this insurance will be primary to the "employee's" personal insurance.

**3. AMENDED FELLOW EMPLOYEE EXCLUSION**

EXCLUSION 5. - FELLOW EMPLOYEE - of SECTION II - LIABILITY COVERAGE does not apply if you have workers' compensation insurance in-force covering all of your "employees".

Coverage is excess over any other collectible insurance.

**4. HIRED AUTO PHYSICAL DAMAGE COVERAGE**

If hired "autos" are covered "autos" for Liability Coverage and if Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form for any "auto" you own, then the Physical Damage Coverages provided are extended to "autos" you hire or borrow, subject to the following limit.

The most we will pay for "loss" to any hired "auto" is:

- (1) \$100,000;
- (2) The actual cash value of the damaged or stolen property at the time of the "loss"; or
- (3) The cost of repairing or replacing the damaged or stolen property,

whichever is smallest, minus a deductible. The deductible will be equal to the largest deductible applicable to any owned "auto" for that coverage. No deductible applies to "loss" caused by fire or lightning. Hired Auto Physical Damage coverage is excess over any other collectible insurance. Subject to the above limit, deductible and excess provisions, we will provide coverage equal to the broadest coverage applicable to any covered "auto" you own.

We will also cover loss of use of the hired "auto" if it results from an "accident", you are legally liable and the lessor incurs an actual financial loss, subject to a maximum of \$1000 per "accident".

This extension of coverage does not apply to any "auto" you hire or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company), or members of their households.

**5. PHYSICAL DAMAGE - ADDITIONAL TEMPORARY TRANSPORTATION EXPENSE COVERAGE**

Paragraph A.4.a. of SECTION III - PHYSICAL DAMAGE COVERAGE is amended to provide a limit of \$50 per day and a maximum limit of \$1,000.

**6. LOAN/LEASE GAP COVERAGE**

Under SECTION III - PHYSICAL DAMAGE COVERAGE, in the event of a total "loss" to a covered "auto", we will pay your additional legal obligation for any difference between the actual cash value of the "auto" at the time of the "loss" and the "outstanding balance" of the loan/lease.

"Outstanding balance" means the amount you owe on the loan/lease at the time of "loss" less any amounts representing taxes; overdue payments; penalties, interest or charges resulting from overdue payments; additional mileage charges; excess wear and tear charges; lease termination fees; security deposits not returned by the lessor; costs for extended warranties, credit life insurance, health, accident or disability insurance purchased with the loan or lease; and carry-over balances from previous loans or leases.

**7. AIRBAG COVERAGE**

Under Paragraph B. EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

The exclusion relating to mechanical breakdown does not apply to the accidental discharge of an airbag.

**8. ELECTRONIC EQUIPMENT - BROADENED COVERAGE**

The exceptions to Paragraphs B.4 - EXCLUSIONS - of SECTION III - PHYSICAL DAMAGE COVERAGE are replaced by the following:

a. Exclusions 4.c. and 4.d. do not apply to equipment designed to be operated solely by use of the power from the "auto's" electrical system that, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto";
- (2) Removable from a housing unit which is permanently installed in or upon the covered "auto";
- (3) An integral part of the same unit housing any electronic equipment described in Paragraphs a. and b. above; or
- (4) Necessary for the normal operation of the covered "auto" or the monitoring of the covered "auto's" operating system.

b. \$1,500 is the most we will pay for "loss" in any one "accident" to all electronic equipment that reproduces, receives or transmits audio, visual or data signals which, at the time of "loss", is:

- (1) Permanently installed in or upon the covered "auto" in a housing, opening or other location that is not normally used by the "auto" manufacturer for the installation of such equipment;
- (2) Removable from a permanently installed housing unit as described in Paragraph b.(1) above or is an integral part of that equipment; or
- (3) An integral part of such equipment.

c. For each covered "auto", should loss be limited to electronic equipment only, our obligation to pay for, repair, return or replace damaged or stolen electronic equipment will be reduced by the applicable deductible shown in the Declarations, or \$250, whichever deductible is less.

#### **9. EXTRA EXPENSE - BROADENED COVERAGE**

Under Paragraph A. - COVERAGE - of SECTION III - PHYSICAL DAMAGE COVERAGE, we will pay for the expense of returning a stolen covered "auto" to you.

#### **10. GLASS REPAIR - WAIVER OF DEDUCTIBLE**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

No deductible applies to glass damage if the glass is repaired rather than replaced.

#### **11. TWO OR MORE DEDUCTIBLES**

Under Paragraph D. - DEDUCTIBLE - of SECTION III - PHYSICAL DAMAGE COVERAGE, the following is added:

If another Hartford Financial Services Group, Inc. company policy or coverage form that is not an automobile policy or coverage form applies to the same "accident", the following applies:

- (1) If the deductible under this Business Auto Coverage Form is the smaller (or smallest) deductible, it will be waived;
- (2) If the deductible under this Business Auto Coverage Form is not the smaller (or smallest) deductible, it will be reduced by the amount of the smaller (or smallest) deductible.

#### **12. AMENDED DUTIES IN THE EVENT OF ACCIDENT, CLAIM, SUIT OR LOSS**

The requirement in LOSS CONDITIONS 2.a. - DUTIES IN THE EVENT OF ACCIDENT,

CLAIM, SUIT OR LOSS - of SECTION IV - BUSINESS AUTO CONDITIONS that you must notify us of an "accident" applies only when the "accident" is known to:

- (1) You, if you are an individual;
- (2) A partner, if you are a partnership;
- (3) A member, if you are a limited liability company; or
- (4) An executive officer or insurance manager, if you are a corporation.

#### **13. UNINTENTIONAL FAILURE TO DISCLOSE HAZARDS**

If you unintentionally fail to disclose any hazards existing at the inception date of your policy, we will not deny coverage under this Coverage Form because of such failure.

#### **14. HIRED AUTO - COVERAGE TERRITORY**

Paragraph e. of GENERAL CONDITIONS 7. - POLICY PERIOD, COVERAGE TERRITORY - of SECTION IV - BUSINESS AUTO CONDITIONS is replaced by the following:

- e. For short-term hired "autos", the coverage territory with respect to Liability Coverage is anywhere in the world provided that if the "insured's" responsibility to pay damages for "bodily injury" or "property damage" is determined in a "suit," the "suit" is brought in the United States of America, the territories and possessions of the United States of America, Puerto Rico or Canada or in a settlement we agree to.

#### **15. WAIVER OF SUBROGATION**

TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US - of SECTION IV - BUSINESS AUTO CONDITIONS is amended by adding the following:

We waive any right of recovery we may have against any person or organization with whom you have a written contract that requires such waiver because of payments we make for damages under this Coverage Form.

#### **16. RESULTANT MENTAL ANGUISH COVERAGE**

The definition of "bodily injury" in SECTION V - DEFINITIONS is replaced by the following:

"Bodily injury" means bodily injury, sickness or disease sustained by any person, including mental anguish or death resulting from any of these.

#### **17. EXTENDED CANCELLATION CONDITION**

Paragraph 2. of the COMMON POLICY CONDITIONS - CANCELLATION - applies except as follows:

If we cancel for any reason other than nonpayment of premium, we will mail or deliver to the first Named Insured written notice of cancellation at least 60 days before the effective date of cancellation.

#### **18. HYBRID PAYMENT COVERAGE**

In the event of a total loss to a "non-hybrid" auto for which Comprehensive, Specified Causes of Loss, or Collision coverages are provided under this Coverage Form, then such Physical Damage Coverages are amended as follows:

- a. If the auto is replaced with a "hybrid" auto, we will pay an additional 10%, to a maximum of \$2,500, of the "non-hybrid" auto's actual cash value or replacement cost, whichever is less,
- b. The auto must be replaced and a copy of a bill of sale or new lease agreement received by us within 60 calendar days of the date of "loss,"

c. Regardless of the number of autos damaged in any one "loss", the most we will pay under this Hybrid Payment Coverage provision for any one "loss" is \$10,000.

For the purposes of the coverage provision,

- a. A "non-hybrid" auto is defined as an auto that uses only an internal combustion engine to move the auto.
- b. A "hybrid" auto is defined as an auto with an internal combustion engine and one or more electric motors; and that uses the internal combustion engine and one or more electric motors to move the auto, or the internal combustion engine to charge one or more electric motors, which move the auto.