

CITY OF LOMPOC, CA

UTILITY SERVICE CO., INC

KEITH JONES

BRIAN WOODRING

10/21/2024



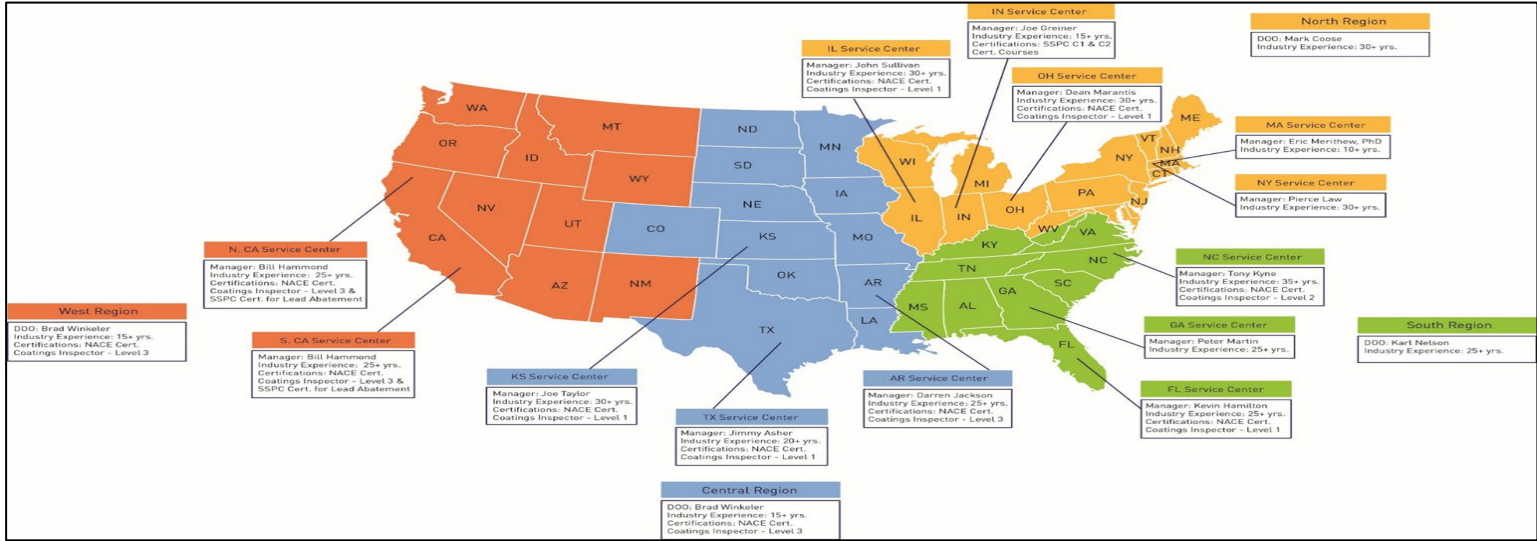
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- 1. Company Background**
 - 2. Experience and Qualifications**
 - 3. What is Asset Management**
 - 4. Assessments and Scopes**
 - 5. Next Steps and Questions**

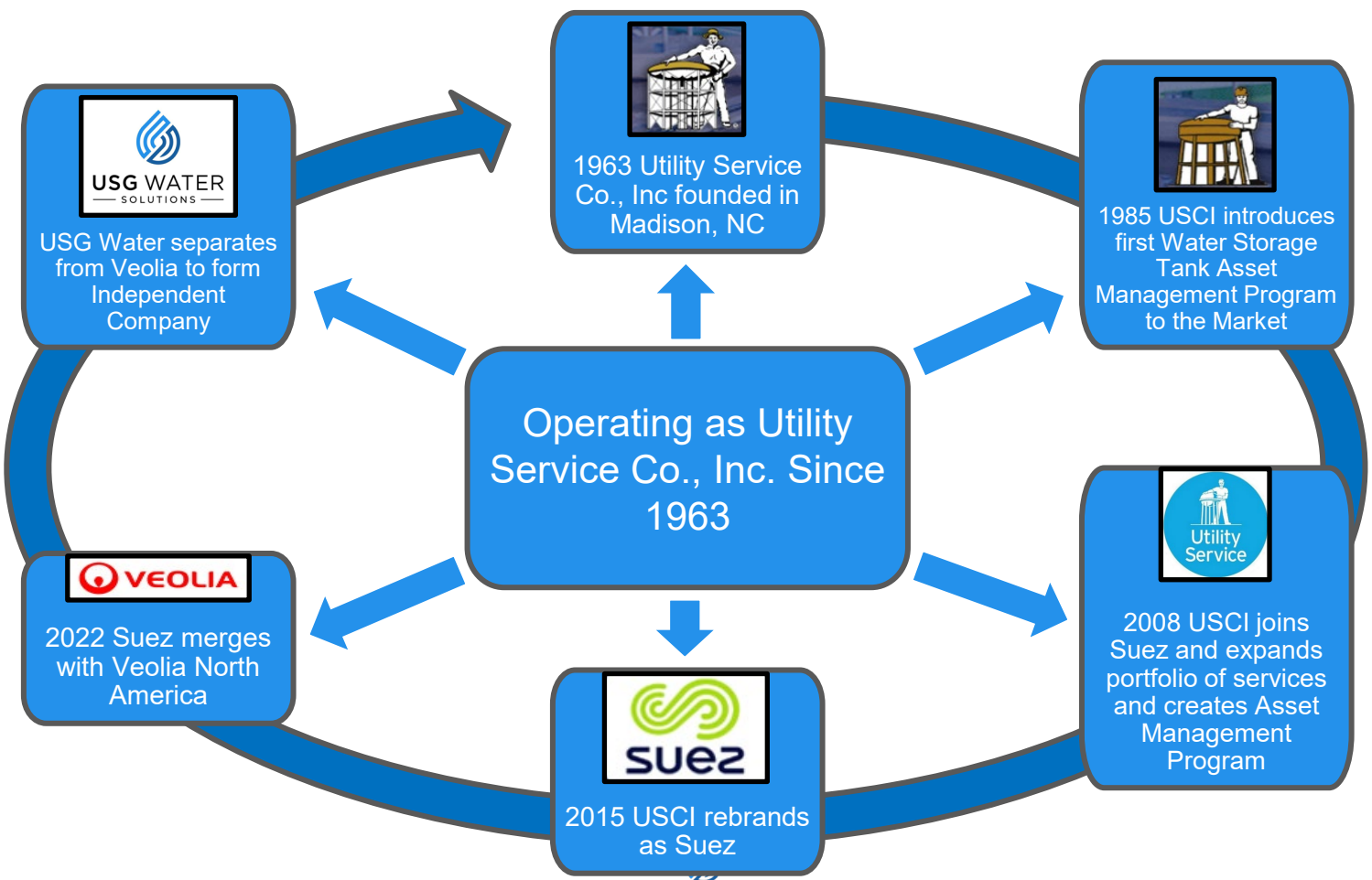
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Utility Service Group

Water Asset Management Solutions Leader

4,000+ Municipal & industrial customers	8,000+ Water assets managed
40 Water System Consultants	Technical & Financial Strength from a global partner





USG Water separates from Veolia to form Independent Company



1963 Utility Service Co., Inc founded in Madison, NC



1985 USCI introduces first Water Storage Tank Asset Management Program to the Market



2008 USCI joins Suez and expands portfolio of services and creates Asset Management Program



2015 USCI rebrands as Suez



2022 Suez merges with Veolia North America

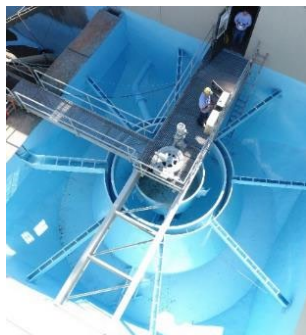
Our Solutions

Tank Services



- Tank condition assessment and cleaning
- Tank repair and rehabilitation
- Tank asset management program

Concrete and Plant Rehabilitation Services



- Treatment Plant Services
- MBR
- Filters

Distribution System Services



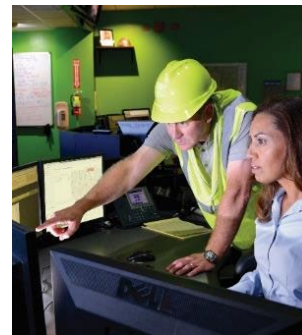
- Spray-in-place pipeline rehabilitation
- Pipeline condition assessment

Water Quality Services



- In-tank water mixers
- Trihalomethane Removal Systems (TRS)
- Real-time water quality monitoring

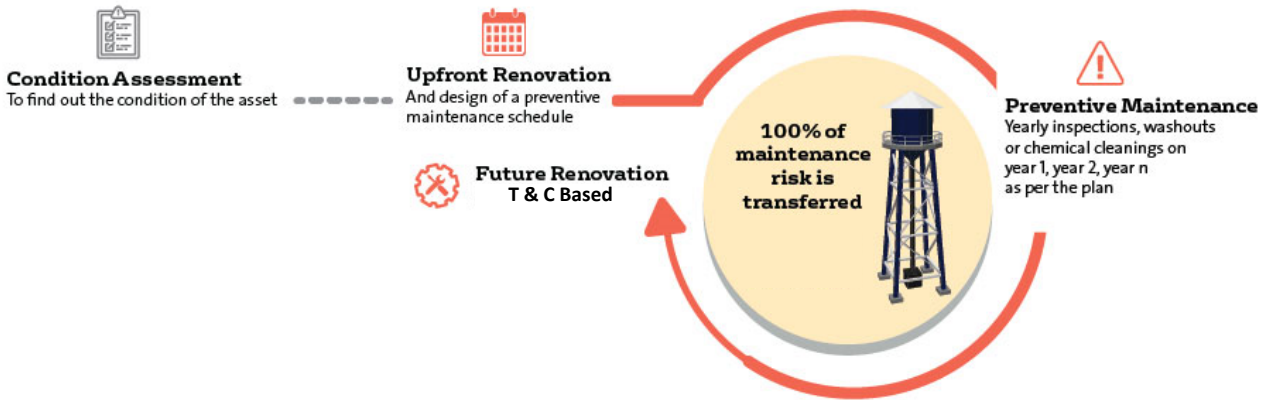
Metering Asset Management



- AMI and meter installation
- Improves revenue management and customer service
- Reduces water loss

ADVANCED SOLUTIONS ASSET MANAGEMENT PROGRAM

PEACE-OF-MIND SOLUTION APPLICABLE TO ALL ASSETS



- ✓ Lifetime warranty on coatings*
- ✓ No change orders or unplanned expenditures
- ✓ Predictable budget and cost certainty with annual fee

- ✓ Cost of rehabilitation can be spread, if necessary
- ✓ Single source responsibility

*For as long as the asset is in the maintenance program

Quality and Safety First

WE WORK WITH THE HIGHEST STANDARDS

ISO 9001:2015 certified company

All work, surface preparation and coating applied are completed in accordance with:

- Manufacturer's recommendations
- **OSHA** Regulations
- **SSPC** Standards
- **AWWA D100 and AWWA D102** Specifications
- **ANSI/NSF Standard 61** Requirements
- **EPA**



HIGHLY QUALIFIED PERSONNEL WITH A SAFETY PHILOSOPHY

All of our inspectors and Director of Safety & Health are **NACE Certified**.

All employees climbing and working on tanks are required to attend our 40-hour annual training program and pass exams on more than 14 topics including: Confined space, fall protection, lead exposure, CPR techniques, etc.



Experience

WE KNOW WHAT IT MEANS TO MAINTAIN YOUR TANK BECAUSE WE HAVE BEEN DOING IT SINCE 1963 AND WE PIONEERED THE TANK MAINTENANCE PROGRAM IN 1985.

1800+

Renovations in 2023

6000+

Tanks currently in program

8000+

Inspections and washouts every year



100+ Years

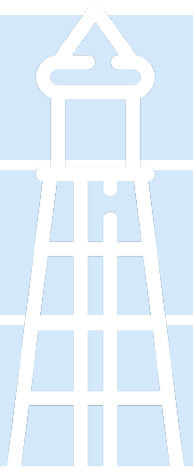
Oldest tank in the program

Over 50 Years

Of asset maintenance service

120+

Crew typically active across the nation



WHAT IS THE TANK ASSET MANAGEMENT PROGRAM

What is the Tank Asset Management Program?

Concept / Benefit / Value

CONCEPT

- An Aligned partnership with Utility Service Co., Inc to evaluate, manage and provide proactive maintenance for your water storage tank on an ongoing basis
 - USCI assumes 100% of the responsibility of maintaining your water storage tank.

BENEFIT

- Simplicity: One point of contact, no change orders and one annual fee

VALUE

- Extends the life of your tank indefinitely and guarantees compliance with all regulatory bodies
- Allows Utilities to use the GASB-34 approach
- Evergreen Agreement

Activities Included in the Asset Management Program

1

Visual & Washouts Assessments

We conduct visual condition assessments, washouts and chemical cleanings/disinfections in order to detect potential issues early, schedule preventive maintenance and maintain the asset performance.

3

Emergency Repairs

We complete emergency repairs and maintenance beyond repairs identified during annual assessments at any time. The removal of offensive graffiti is considered an emergency.

2

Interior & Exterior Renovations

We maintain the asset at a baseline (like new) condition both structurally and operationally per applicable AWWA, EPA, NSF and OSHA standards. We provide a lifetime warranty on coatings while the tank is on the program.

4

Security Measures

Preventing access to the tank by intruders is critical. The installation and maintenance of ladder anti-climb devices, roof hatch locks and security of access points is included in our program.



TRADITIONAL APPROACH: BID MODEL

Municipal customers are comfortable with the bid model, believing it's "the law", or the best way to "spend public funds" to minimize tax or water rate increases.



Reactive and NOT proactive



Sporadic inspections



Operation to failure on coatings



Inconsistent budget for tanks



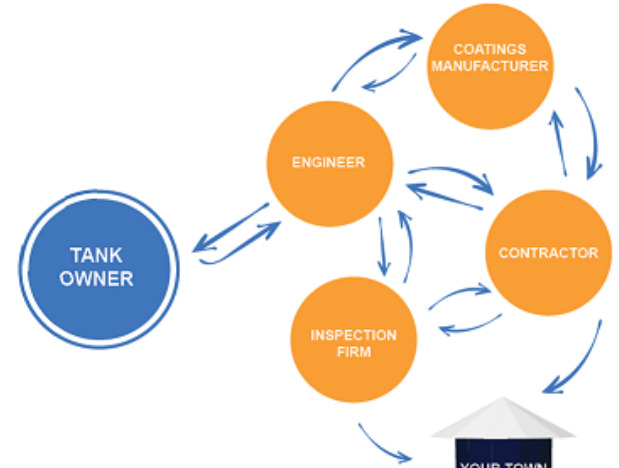
Lack of maintenance, repair and cleanings



Reliance on consulting engineer for recommendations

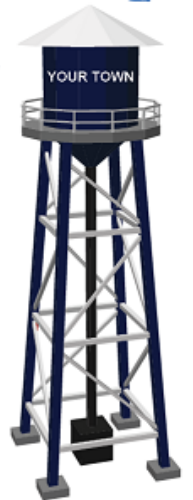


Risks placed fully on City



FRAGMENTED BUSINESS MODEL

Who takes responsibility when something goes wrong?



NEW APPROACH: Asset Management Program (AMP™)

High value **sustainable solution** that ultimately saves the tank owner time and money, and limits most of the aggravation of owning a storage tank.



Proactive and sustainable



Annual inspections limit repairs or renovations



Lifetime warranty on coatings



Predictable annual fee makes budgeting simple



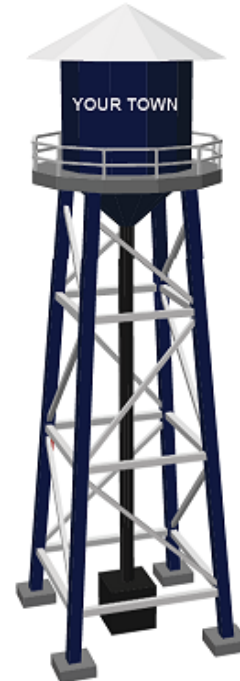
NO CHANGE ORDERS means no surprise expenses and scrambling for funds to cover unforeseen project costs.



Save \$\$\$ Long Term and Short Term



Tank Owner shifts the risk of any future problems to USG saving money and gaining peace of mind



The AMP™ MODEL

We provide **one** point of contact and take **100%** responsibility. The right solution, **simplified.**

Asset Management Model

New sustainable approach to tank maintenance

THE ASSET MANAGEMENT MODEL IS SUSTAINABLE BECAUSE IT YIELDS SOCIAL, ENVIRONMENTAL AND ECONOMIC BENEFITS

Social Benefits

- Management of water quality/public health by maintaining:
 - sanitary conditions
 - safety conditions
 - structural conditions
 - security conditions
 - coatings conditions
 - chemical cleanings
 - active mixing system
- Minimizing costs of tank maintenance lowers water rates for the public
- Proactive maintenance lowers risk of disruption of service or need for boil orders

Environmental Benefits

- Maintaining exterior coating system maximizes time between abrasive blasts, minimizing environmental impact to air, water and ground
- Use of low VOC coatings technology
- Use of recyclable blast media minimizes volume of material to landfill
- Use of highly energy efficient mixing systems

Economic Benefits

- Spreading of initial renovation costs
- Balanced allocation of funds into annual fee
- Assures all ongoing maintenance needs are funded. (Inspections, Disinfections, Repairs)
- Assures all future renovations are funded
- Assures GASB 34 Compliance
- Assures all risks associated with maintaining safety, sanitary, structural and coatings conditions are covered by provider
- Chemical cleaning & active mixing minimize disinfectant demand

Structure of the Agreement

USG assumes the Risk and Responsibility of Maintaining the Asset Short and Long Term

Asset Based	Term Length	Control
<ul style="list-style-type: none">• Each asset is defined by a custom and specific scope of work• SOW's can be separated by individual agreement or as stand-alone scopes in a Master Services Agreement	<ul style="list-style-type: none">• Agreements are evergreen in nature. The Tank Asset Management Agreement will/is:• Not “term based”• Renew automatically on it's anniversary date	<ul style="list-style-type: none">• Cancellation of the Agreement is controlled solely by the owner.• Utility Service can only cancel for non-payment

ASSESSMENTS AND SCOPES

View

City of Lompoc, CA

Tank	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9
Clearwell 1	MP Minimum		Project Complete	MP Base Fee					
Work Completed									
Clearwell 2	Project Complete	MP Base Fee							
Work Completed									
Avalon Tank	Project Complete	MP Minimum					Project Complete	MP Base Fee	
Work Completed									
O Street Tank	MP Minimum		Project Complete	MP Base Fee					
Work Completed									
Maguleito	MP Minimum				Project Complete	MP Base Fee			
Work Completed									
Beattie Tank	MP Minimum	Project Complete	MP Base Fee						
Work Completed									
Bio Washout Inspection and All Needed Repairs	Visual Inspection and All Needed Repairs		Interior and/or Exterior Renovation						

QUESTIONS AND NEXT STEPS