AGENDA
MEETING OF THE
BOARD OF DIRECTORS

WEDNESDAY, MAY 20, 2015
10:00 A.M.

INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS
6075 KIMBALL AVENUE, BUILDING A
CHINO, CALIFORNIA 91708

CALL TO ORDER
OF THE INLAND EMPIRE UTILITIES AGENCY BOARD OF DIRECTORS MEETING

FLAG SALUTE

PUBLIC COMMENT

Members of the public may address the Board on any item that is within the jurisdiction of the Board; however, no action may be taken on any item not appearing on the agenda unless the action is otherwise authorized by Subdivision (b) of Section 54954.2 of the Government Code. Those persons wishing to address the Board on any matter, whether or not it appears on the agenda, are requested to complete and submit to the Board Secretary a “Request to Speak” form which are available on the table in the Board Room. Comments will be limited to five minutes per speaker. Thank you.

ADDITIONS TO THE AGENDA

In accordance with Section 54954.2 of the Government Code (Brown Act), additions to the agenda require two-thirds vote of the legislative body, or, if less than two-thirds of the members are present, a unanimous vote of those members present, that there is a need to take immediate action and that the need for action came to the attention of the local agency subsequent to the agenda being posted.

1. PUBLIC HEARING AND ADOPTION OF ORDINANCE NO. 103

It is recommended that the Board:

1. Hold a Public Hearing to receive public comments prior to the adoption of Ordinance No. 103, establishing water connection fees, classes of water service and regulating the sale and delivery of water; and

2. After closing the Public Hearing, adopt Ordinance No. 103.
2. CONSENT CALENDAR

NOTICE: All matters listed under the Consent Calendar are considered to be routine and non-controversial and will be acted upon by the Board by one motion in the form listed below. There will be no separate discussion on these items prior to the time the Board votes unless any Board members, staff or the public requests specific items be discussed and/or removed from the Consent Calendar for separate action.

A. MINUTES
The Board will be asked to approve the minutes from the April 15, 2015 Board meeting.

B. TREASURER’S REPORT ON GENERAL DISBURSEMENTS
It is recommended that the Board approve the total disbursements for the month of March 2015, in the amount of $12,608,608.36.

C. ADOPTION OF RESOLUTION NO. 2015-5-3, DECLARING ITS INTENT TO ADOPT THE FY’S 2015/16 AND 2016/17 BUDGETS FOR ALL AGENCY PROGRAMS
It is recommended that the Board:

1. Adopt Resolution No. 2015-5-3, declaring its intent to adopt the FY’s 2015/16 and 2016/17 budgets for the Agency’s Regional Wastewater, Recycled Water, Non-Reclaimable Wastewater, and Water Resources Programs and fixing time and place of hearing thereon for FY 2015/16; and

2. Set a hearing date, and direct staff to distribute the Resolution to the appropriate agencies in compliance with the Regional Sewage Service Contract.

D. ADOPTION OF RESOLUTION NO. 2015-5-1, PROCEDURES FOR RECORDS RETENTION, DESTRUCTION, AND AMENDMENT OF THE RECORDS RETENTION SCHEDULES
It is recommended that the Board adopt Resolution No. 2015-5-1, procedures for records retention, destruction, and amendment of the records retention schedules.

E. ENGINEERING CONTRACT AWARD FOR THE SAN SEVAINE BASIN RMPU IMPROVEMENTS
It is recommended that the Board:

1. Approve the consulting engineering services contract award for the San Sevaine Basin Recharge Master Plan Update Improvements, Project No. EN13001, to Dudek for the not-to-exceed amount of $358,828; and

2. Authorize the General Manager to execute the contract.
F. **APPROVAL OF A MEMORANDUM OF UNDERSTANDING FOR PARTICIPATION IN THE DEVELOPMENT OF THE SANTA ANA RIVER MULTIPLE SPECIES HABITAT CONSERVATION PLAN**

It is recommended that the Board:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency and San Bernardino Valley Municipal Water District for participation in the development of the Santa Ana River Multiple Species Habitat Conservation Plan to address permitting issues of threatened and endangered species associated with Recharge Master Plan construction projects.

2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

G. **RENEWAL OF ASR AGREEMENT WITH MONTE VISTA WATER DISTRICT**

It is recommended that the Board:

1. Approve the Aquifer Storage and Recover (ASR) agreement between Monte Vista Water District, Chino Basin Watermaster, and Inland Empire Utilities Agency; and

2. Authorize the General Manager to execute the agreement.

H. **AGENCY-WIDE ELECTRICAL TRANSFORMER TESTING SERVICE CONTRACT**

It is recommended that the Board:

1. Award Contract No. 4600001860 to Transformer Testing and Repairs, Inc. for the provision to test and analyzing Agency-wide electrical power transformers for a five-year term for the not-to-exceed amount of $147,675; and

2. Authorize the General Manager to execute the contract.

I. **CONTRACT AMENDMENT TO POLYDYNE INC.**

It is recommended that the Board:

1. Approve a Contract Amendment No. 4600000676-005 to Polydyne, Inc., extending the contract for one year to supply Flo sperse 30S at a fixed unit price of $0.919/pound, including sales tax and delivery; and

2. Authorize the General Manager to execute the contract amendment.
J. AGENCY-WIDE CONTRACT SERVICES FOR THE REPAIR, REBUILD, OR REFURBISHMENT OF ROTATING MACHINERY

It is recommended that the Board:

1. Approve the award of Contract No. 4600001868 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of $240,000 over a three-year period, with a one-year option to extend;

2. Approve the award of Contract No. 4600001864 to Vaughan's Industrial Repair, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of $240,000 over a three-year period, with a one-year option to extend; and

3. Authorize the General Manager to execute the contracts.

3. ACTION ITEMS


It is recommended that the Board:

1. Adopt rate Resolution Nos. 2015-5-4 through 2015-5-7, 2015-5-9, and 2015-5-10, for the Regional Wastewater Operations and Maintenance (RO) fund, Regional Wastewater Capital Improvement (RC) fund, Recycled Water (WC) fund, Water Resources (WW) fund; and

2. Adopt rate Resolution Nos. 2015-5-11 and 2015-5-12, for Fiscal Year 2015/16, equipment rental rates and laboratory fees.

B. COMMERCIAL, INDUSTRIAL, INSTITUTIONAL (CII) TURF REBATE PROGRAM POLICY PRINCIPLES

It is recommended that the Board:

1. Approve the policy principles for the CII Turf Removal Rebate Program; and

2. Authorize staff to execute the required Supplemental Funding Authorization, setting a maximum CII Turf application funding level.

C. ADOPTION OF RESOLUTION NO. 2015-5-8, CALLING FOR SUPPORT OF THE GOVERNOR’S EXECUTIVE ORDER B-29-15

It is recommended that the Board adopt Resolution No. 2015-5-8, calling for support of the Governor's Executive Order B-29-15; Statewide Mandatory Water Reductions to sustain regional water supplies in the Chino Basin.
D. CONSULTING ENGINEERING SERVICES CONTRACT AWARD FOR THE NEW WATER QUALITY LABORATORY
It is recommended that the Board:

1. Approve the consulting engineering services contract award to The Austin Company for the New Water Quality Laboratory, Project No. EN15008, for the not-to-exceed amount of $1,273,900;

2. Approve a Fiscal Year (FY) 2014/15 budget appropriation in the amount of $100,000; and

3. Authorize the General Manager to execute the budget appropriation and contract.

E. SANTA ANA RIVER WATERSHED-SCALE CONJUNCTIVE USE PROGRAM
It is recommended that the Board:

1. Approve the foundational principles of the Santa Ana River Watermaster Action Team;

2. Approve the final draft Memorandum of Understanding (MOU) for the Santa Ana River Watershed-Scale Conjunctive Use Program (SARCUP);

3. Authorize the General Manager to make non-substantive changes and execute the final MOU; and

4. Approve, in concept, the submission of a grant application of $60 million in funding from SAWPA and DWR for projects totaling $125 million.

F. BIOSOLIDS TRANSPORTATION AND RECYCLING SERVICES CONTRACT
It is recommended that the Board:

1. Approve a two-year contract, with three one-year renewal options, with Viramontes Express, Inc. for biosolids transportation and recycling services for approximately $500,000 per year (renewals to be adjusted annually using the Consumer Price Index), not to exceed $3,000,000 for five years; and

2. Authorize the General Manager to execute the contract.

4. INFORMATION ITEMS

A. ENGINEERING AND CONSTRUCTION MANAGEMENT MONTHLY UPDATE (POWERPOINT)

B. MWD UPDATE (ORAL)
RECEIVE AND FILE INFORMATION ITEMS

C. TREASURER'S REPORT OF FINANCIAL AFFAIRS (WRITTEN/POWERPOINT)

D. PUBLIC OUTREACH AND COMMUNICATION (WRITTEN)

E. LEGISLATIVE REPORT FROM INNOVATIVE FEDERAL STRATEGIES (WRITTEN)

F. LEGISLATIVE REPORT FROM WEST COAST ADVISORS (WRITTEN)

G. LEGISLATIVE REPORT FROM AGRICULTURAL RESOURCES (WRITTEN)

H. CALIFORNIA STRATEGIES, LLC MONTHLY ACTIVITY REPORT (WRITTEN)

I. STATE LEGISLATIVE TRACKER (WRITTEN)

J. FY 2015/16 ADOPTED BUDGET FOR INLAND EMPIRE REGIONAL COMPOSTING AUTHORITY (WRITTEN)

K. RP-1 FUEL CELL UPDATE (POWERPOINT)

L. ODOR STUDY (POWERPOINT)

Materials related to an item on this agenda submitted to the Agency, after distribution of the agenda packet, are available for public inspection at the Agency's office located at 6075 Kimball Avenue, Chino, California during normal business hours.

5. AGENCY REPRESENTATIVES' REPORTS

A. SAWPA REPORT (WRITTEN)

B. MWD REPORT (WRITTEN)

C. REGIONAL SEWERAGE PROGRAM POLICY COMMITTEE REPORT (WRITTEN)

D. CHINO BASIN WATERMASTER REPORT (WRITTEN)

6. GENERAL MANAGER'S REPORT (WRITTEN)

7. BOARD OF DIRECTORS' REQUESTED FUTURE AGENDA ITEMS

8. DIRECTORS' COMMENTS

9. CONFERENCE REPORTS
This is the time and place for the Members of the Board to report on prescheduled Committee/District Representative Assignment meetings, which were held since the last regular Board meeting, and/or any other items of interest.

10. **CLOSED SESSION**

A. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9(a) – CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**
   1. Chino Basin Municipal Water District vs. City of Chino, Case No. RCV51010
   2. Martin vs. IEUA, Case No. CIVRS 1000767
   3. Shields vs. IEUA, Case No. CIVRS 1301638
   4. Desaddi vs. IEUA, Case No. CIVRS 1304617
   5. Mwembu vs. IEUA, Case No. CIVDS 1415762
   6. Southern California Edison vs. IEUA, Case No. CIVRS 1308595

B. **PURSUANT TO GOVERNMENT CODE SECTION 54956.8 – CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
   1. Property: Water and Pipeline Capacity/Cadiz
      Negotiating Party: General Counsel Jean Cihigoyenetche
   2. Supplemental Water Transfer/Purchase
      Negotiating Parties: General Manager P. Joseph Grindstaff
      Under Negotiation: Price and Terms of Purchase

C. **PURSUANT TO GOVERNMENT CODE SECTION 54956.9 CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION**
   1. One (1) Case

D. **PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS**
   1. Various Positions – Compensation Study
   2. Various Positions

E. **PURSUANT TO GOVERNMENT CODE SECTION 54957 – PERSONNEL MATTERS – PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
   Manager of Internal Audit

11. **ADJOURN**

*A Municipal Water District*
In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary/Office Manager (909) 993-1738, 48 hours prior to the scheduled meeting so that the Agency can make reasonable arrangements.

Declaration of Posting

I, April Woodruff, Board Secretary of the Inland Empire Utilities Agency*, A Municipal Water District, hereby certify that a copy of this agenda has been posted by 5:30 p.m. at the Agency’s main office, 6075 Kimball Avenue, Building A, Chino, CA on Thursday, May 14, 2015.

April Woodruff
Date: May 20, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (05/13/15)

From: P. Joseph Grindstaff General Manager

Submitted by: Chris Berch Executive Manager of Engineering/Assistant General Manager

Majid Karim Acting Manager of Engineering

Subject: Engineering Contract Award for the San Sevaine Basin RMPU Improvements

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RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the consulting engineering services contract award for the San Sevaine Basin Recharge Master Plan Update Improvements, Project No. EN13001, to Dudek for the not-to-exceed amount of $358,828; and

2. Authorize the General Manager to execute the contract.

BACKGROUND

The 2013 Amendment to the 2010 Recharge Master Plan Update (RMPU) was approved by both Inland Empire Utilities Agency (IEUA) and Chino Basin Watermaster (Watermaster). The proposed San Sevaine Basin Improvement project is a part of the RMPU to capture an additional 642 acre-feet of storm water and 4,100 acre-feet of recycled water for the Chino Basin Groundwater System. The $6.45 million capital project is a fifty-fifty cost share between Watermaster and IEUA. The improvement proposes to design and construct a new pump station in the lower downstream basin and placement of conveyance equipment to the upper basins. The upper basins historically performed at higher groundwater recharge rates which allow for more capture and help mitigate vector issues within the area.
On March 5, 2015, IEUA issued a request for proposals (RFP) to provide design services and engineering support in construction. On April 7, 2015, IEUA received proposals from the following firms: Dudek, Lee & Ro, Inc., PACE - Advance Water Engineering, and Stantec Consultant Services, Inc.

A review committee, which comprised of four IEUA staff; one Watermaster staff; and one Watermaster pool member, finalized selection on April 21, 2015. Based on qualifications and experience, innovation, understanding of the project scope, and ability to meet the project schedule, the committee reached a consensus that Dudek was the most qualified and responsive firm. Contract negotiations were immediately initiated to discuss their proposal fee and scope.

Negotiations lead to a fair and best value for a not-to-exceed contract of $358,828 which is within the projected budget. The following is the project’s cost breakdown, schedule, and the cost share between IEUA and Watermaster.

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Start</th>
<th>Finish</th>
<th>Total Project Budget</th>
<th>IEUA Share</th>
<th>Watermaster Share</th>
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<tbody>
<tr>
<td>Preliminary Design</td>
<td>Oct. 2012</td>
<td>Apr. 2015</td>
<td>$160,000</td>
<td>$80,000</td>
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</tr>
<tr>
<td>Environmental Impact</td>
<td>Jun. 2013</td>
<td>May 2015</td>
<td>$30,000</td>
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<tr>
<td>Construction</td>
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<td>Apr. 2017</td>
<td>$5,840,000</td>
<td>$2,920,000</td>
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<td>Total:</td>
<td></td>
<td></td>
<td>$6,460,000</td>
<td>$3,230,000</td>
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</tr>
</tbody>
</table>

The contract award meets IEUA’s water reliability business goals by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities.

**PRIOR BOARD ACTION**

On April 15, 2015, the Board of Directors approved the amendment to Task Order No. 8, under the 2014 Master Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster.

On August 20, 2014, the Board of Directors approved the Task Order No. 8, under the 2014 Master Agreement between Inland Empire Utilities Agency and Chino Basin Watermaster.
On July 16, 2014, the Board of Directors approved the Master Cost Sharing Agreement (Master Agreement) between Inland Empire Utilities Agency and Chino Basin Watermaster.

**IMPACT ON BUDGET**

If approved, the cost of the consulting engineering services contract for the San Sevaine Basin RMPU Improvement, Project No. EN13001 for the not-to-exceed amount of $358,828 is within the current total project budget of $3,550,000 which is planned to be revised to $6,460,000 in FY 2015/16 through the TYCIP budget process. Currently the FY 2014/15 appropriation for EN13001 is $214,203 in the Recycled Water (WC) fund of which approximately $104,000 has already been spent or committed and leaves a budget of $110,203. This remaining amount for this fiscal year is sufficient to cover the expected contract expenditures because the contract efforts will be spread over two fiscal years where $20,000 will be allocated this fiscal year and the remaining will be allocated for the next 2015/16 fiscal year. The contract’s scope of work is not expecting to expend over $20,000 before the end of June 2015. The project’s planned ten year budget for FY 2015/16 and FY 2016/17 is $3,400,000 and $3,000,000 respectively.

The project also received a $750,000 grant from Santa Ana Watershed Authority’s Proposition 84 funding which will reduce the project cost accordingly.

PJG:CB:MK:jsi
San Sevaine Basin RMPU Improvements Engineering Service Contract Award
Project No. EN13001
May 2015

Majid Karim, P.E.
Acting Manager of Engineering

Joel Ignacio, P.E.
Senior Engineer

Inland Empire Utilities Agency
A MUNICIPAL WATER DISTRICT
Project Request

- Staff recommends the approval of the contract award to Dudek to provide consulting services for the design of the San Sevaine Basins as part of the Recharge Master Plan Update (RMPU)
Project Background

Oct. 2013
CBWM & IEUA approved the Amendment to 2010 RMPU
11 projects for 2020 completion

Jul. 2014
CBWM & IEUA executed the Master Agreement
Management and cost of joint capital projects

Aug. 2014
CBWM & IEUA executed Task Order No. 8
Implement San Sevaine Basin
50% shared with CBWM

Dec. 2014
Completed San Sevaine Preliminary Design Report (PDR)

Mar. 2015
Issued a request for proposal (RFP) for consulting services for the design

Apr. 2015
Received Four (4) Proposals
Project Location

City of Rancho Cucamonga

San Sevaine Channel

Basin 1

Basin 2

Basin 3

San Sevaine Basin

Basin 4

Basin 5

Spillway

210 Freeway

15 Freeway

Foothill Fwy

Perry Rd

Cherry Rd

Bay Rd
Project Scope

Basin Improvements:
- Pump Basin 5 water to upper Basins
  - Install pump station in Basin 5
  - Build conveyance piping to upper basins

Project Benefits:
- Increase stormwater recharge to 642 acre-feet per year
- Increase recycled water recharge 4,100 acre-feet per year
- Increase operational flexibility for vector control
Consultant Selection

- Received four proposals:
  - Dudek
  - Lee & Ro, Inc.
  - PACE – Advance Water Engineering
  - Stantec Consulting Services, Inc.

- Proposal Review/Selection Committee
  - 4 - IEUA staff
  - 1 - Watermaster staff
  - 1 - Watermaster’s Appropriative Pool

- Justification for selecting Dudek
  - History to perform work
  - Qualification and Experience
  - Innovation in project approach
  - Understanding of project scope
  - Work effort to perform services
  - Ability to meet project schedule

- Not-to-exceed contract of $358,828
# Project Budget and Schedule

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- Approved for $750,000 grant from the Department of Water Resources through the Santa Ana Watershed Project Authority as part of Proposition 84
Recommendation

- Staff recommends Board approval of the engineering design services contract with Dudek for a not-to-exceed cost of $358,828 for the design of the San Sevaine Basin RMPU Improvement, Project No. EN13001

Project meets IEUA business goals by maximizing the beneficial reuse of recycled water and sources of groundwater recharge through the enhancement of groundwater recharge facilities
Questions?
CONTRACT NUMBER: 4600001875
FOR
DESIGN SERVICES FOR
SAN SEVAINE BASIN IMPROVEMENTS

THIS CONTRACT (the "Contract"), is made and entered into this _____ day of ____________, 2015, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and Dudek with offices located in Encinitas, California (hereinafter referred to as "Consultant"), to provide consulting engineering services during the design, bid, and construction of San Sevaine Basin Improvements Project, No. EN13001.00.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. **PROJECT MANAGER ASSIGNMENT:** All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   Project Manager: Joel Ignacio, P.E., Senior Engineer  
   Address: 6075 Kimball Avenue, Building B  
   Chino, California 91708  
   Telephone: (909) 993-1913  
   Email: jignacio@ieua.org  
   Facsimile: (909) 993-1982

2. **CONSULTANT ASSIGNMENT:** Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   Consultant: Russ Bergholz, P.E., PMP, Project Manager  
   Address: 605 Third Street  
   Encinitas, CA 92024  
   Telephone: (760) 942-5147  
   Email: rbergholz@dudek.com  
   Facsimile: (760) 632-0164

3. **ORDER OF PRECEDENCE:** The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:
1. Amendments to Contract 4600001875.
2. Contract Number 4600001875, General Terms and Conditions.
3. Agency’s Request for Proposal RFP-RW-15-008 and all germane Addenda and correspondence, incorporated herein by this reference.
4. Consultant’s Original Proposal dated April 15, 2015, incorporated herein by this reference, and subsequent Revised Scope of Work dated April 28, 2015, the latter of which is attached hereto, incorporated herein and made a part hereof by this reference as Exhibit A.

4. **SCOPE OF WORK AND SERVICES:** Consultant services and responsibilities shall include and be in accordance with tasks identified in RFP-RW-15-008 dated March 5, 2015, Consultant’s Original Proposal dated April 15, 2015 and subsequent Revised Scope of Work dated April 28, 2015, the latter of which is attached hereto, incorporated herein and made a part hereof by this reference as Exhibit A.

5. **TERM:** The term of this Contract shall extend from the date of the Notice to Proceed and terminate one (1) year after acceptance of the construction project by the Agency’s Board of Directors, unless agreed to by both parties, reduced to writing, and amended to this Contract.

6. **COMPENSATION:** The Agency shall pay Consultant’s properly-executed invoices, subsequent to approval by the Project Manager, within thirty (30) calendar days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract or has proven unacceptable until such service is revised, resubmitted, and accepted by the Project Manager.

As compensation for work performed under this Contract, Agency shall pay Consultant, on a **Fixed Price Level-of-Effort basis** at the rates specified within Consultant’s revised Fee Estimate dated April 28, 2015, which is referenced herein, attached hereto, and made a part hereof as Exhibit B, up to the **NOT-TO-EXCEED maximum contract price established at $358,828.00** in accordance with Consultant’s revised Fee Estimate dated April 28, 2015, referenced herein, attached hereto, and made a part hereof as Exhibit B.

Consultant’s invoice must be submitted according to milestones achieved by Consultant and accepted by the Agency’s Project Manager, and shall include a breakdown by items completed, all associated labor categories provided, labor hours supplied and associated hourly rates, dates worked, the current monthly amount due, and the cumulative amount invoiced to-date against this Contract, using the Agency’s standard Excel-based invoicing template Exhibit C. Invoice shall not be submitted in advance and shall not be dated earlier than the actual date of submittal.

All invoices shall be submitted electronically with all required back-up to apgroup@iuea.org.

Payment shall be made according to milestones achieved by Consultant and accepted by the Agency’s Project Manager.

7. **CONTROL OF THE WORK:** Consultant shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Consultant shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Consultant is unable to accelerate the Work, Consultant...
shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

8. **FITNESS FOR DUTY:**

A. **Fitness:** Consultant and its Subcontractor personnel on the Jobsite:

1. Shall report for work in a manner fit to do their job;

2. Shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and

3. Shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. **Compliance:** Consultant shall advise all Consultant and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

1. **INSURANCE:** During the term of this Contract, the Consultant shall maintain at Consultant's sole expense, the following insurance.

A. **Minimum Scope of Insurance:**

1. General Liability: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required single occurrence limit.

2. Automobile Liability: $1,000,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."

3. Workers' Compensation and Employers Liability: Workers' compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.

4. Professional Liability Insurance in the amount of $1,000,000 per occurrence.

B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a
bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**
   a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements GL 20 11 07 66, CG2010 1185 and/or CA 20 01 (Ed. 0178), as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.
   b. The Consultant's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.
   c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.
   d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
   e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. **Workers' Compensation and Employers Liability Coverage**

The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Consultant for the Agency.

3. **All Coverages**

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, 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 Agency.
D. **Acceptability of Insurers:** All insurance is to be placed with insurers with a Best's rating of no less than A:VII, and who are admitted insurers in the State of California.

E. **Verification of Coverage:** Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. **Submittal of Certificates:** Consultant shall submit all required certificates and endorsements to the following:

   Attn. Ms. Angela Witte, Risk Representative
   c/o Inland Empire Utilities Agency
   P.O. Box 9020
   Chino Hills, California 91709

10. **LEGAL RELATIONS AND RESPONSIBILITIES**

A. **Professional Responsibility:** The Consultant shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. **Status of Consultant:** The Consultant is retained as an independent Consultant only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. **Observing Laws and Ordinances:** The Consultant shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Consultant shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers and employees against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Consultant or its employees.

D. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

E. **Hours of Labor:** The Consultant shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Consultant shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Consultant or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight (8) hours in any one (1)
calendar day and forty (40) hours in any one (1) calendar week in violation of the provisions of the Labor Code.

F. **Travel and Subsistence Pay:** The Consultant shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

G. **Liens:** Consultant shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Consultant on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Consultant shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

H. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

I. **Equal Opportunity and Unlawful Discrimination:** During the performance of this Contract, the Consultant shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency’s Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency’s Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency’s Human Resources Administrator. Please be assured that any possible infraction shall be thoroughly investigated by the Agency.

J. **Non-Conforming Work and Warranty:** Consultant represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Consultant shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Consultant by Agency, or any other person or entity. Consultant shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation dysfunctional or unusable and shall correct other errors within thirty (30) calendar days after Consultant’s receipt of notice of the error. Upon request of Agency, Consultant shall correct any such error deemed important by
Agency in its sole discretion to Agency's continued use of the Work or Documentation within seven (7) calendar days after Consultant's receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Consultant shall notify the Project Manager, in writing, detailing the dispute and reason for the Consultant's position. Any dispute that cannot be resolved between the Project Manager and Consultant shall be resolved in accordance with the provisions of this Contract.

The total amount of all claims the Agency may have against the Consultant under this Contract or arising from the performance or non-performance of the Work under any theory of law, including but not limited to claims for negligence, negligent misrepresentation and breach of contract, shall be strictly limited to the lesser of the fees or $500,000. As the Agency's sole and exclusive remedy under this Contract any claim, demand or suit shall be directed and/or asserted only against the Consultant and not against any of the Consultant's employees, officers or directors.

The Consultant's liability with respect to any claims arising out of this Contract shall be absolutely limited to direct damages arising out of the Work and the Consultant shall bear no liability whatsoever for any consequential loss, injury or damage incurred by the Agency, including but not limited to, claims for loss of use, loss of profits and loss of markets.

K. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Consultant shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Consultant shall comply, pursuant to the Agency Project Manager instructions. If the Consultant is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Consultant to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Consultant's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall
make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Consultant is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

   a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Consultant to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Consultant are acceptable and, if so, such person shall be designated as Arbitrator.

   b. In the event that none of the names submitted by Consultant are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Consultant a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Consultant shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

   c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Consultant in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency's representative to the Consultant.

11. INDEMNIFICATION: Consultant shall indemnify the Agency, its directors, employees and assigns, and hold them harmless from all liabilities, demands, actions, claims, losses and expenses, including reasonable attorneys' fees, which arise out of or are related to the negligence, recklessness or willful misconduct of the Consultant, its directors, employees, agents and assigns, in the performance of work under this contract. Notwithstanding the foregoing, to the extent that this Contract includes design professional services under Civil
Code Section 2782.8, as may be amended from time to time, such duties of Consultant to defend and to indemnify Agency shall only be to the full extent permitted by Civil Code Section 2782.8.

12. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data ("Work Product") prepared by the Consultant and/or the Consultant's subcontractor(s) pertaining to this Contract upon full payment of all monies owed to the Consultant. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Consultant shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Consultant agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

13. **TITLE AND RISK OF LOSS:**

A. **Documentation:** Title to the Documentation shall pass to Agency when prepared; however, a copy may be retained by Consultant for its records and internal use. Consultant shall retain such Documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the project.

B. **Material:** Title to all Material, field or research equipment, and laboratory models, procured or fabricated under the Contract shall pass to Agency when procured or fabricated, and such title shall be free and clear of any and all encumbrances. Consultant shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

C. **Disposition:** Consultant shall dispose of items to which Agency has title as directed in writing by the Agreement Administrator and/or Agency.

14. **PROPRIETARY RIGHTS:**

A. **Rights and Ownership:** Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Consultant in the performance of the Work, shall be governed by the following provisions:

Proprietary Rights conceived, developed, or reduced to practice by Consultant in the performance of the Work shall be the property of Agency, and Consultant shall cooperate with all appropriate requests to assign and transfer same to Agency.

If Proprietary Rights conceived, developed, or reduced to practice by Consultant prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Consultant
shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

If the Work or Documentation includes the Proprietary Rights of others, Consultant shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. **No Additional Compensation:** Nothing set forth in this Contract shall be deemed to require payment by Agency to Consultant of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Consultant in complying with this Contract.

15. **INFRINGEMENT:** Consultant represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Consultant shall indemnify and hold harmless Agency, its officers, directors, employees, successors, assigns, and servants free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Consultant shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its reasonable efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement.

16. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

<table>
<thead>
<tr>
<th>Agency:</th>
<th>Mr. Warren T. Green</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Manager of Contracts and Facilities Services</td>
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<tr>
<td></td>
<td>Inland Empire Utilities Agency</td>
</tr>
<tr>
<td></td>
<td>P.O. Box 9020</td>
</tr>
<tr>
<td></td>
<td>Chino Hills, California 91709</td>
</tr>
</tbody>
</table>

Contract 4600001875 (RW)  04/27/2015  Page 10 of 12
Consultant: Mr. Frank J.C. Dudek, P.E.
President
Dudek
605 Third Street
Encinitas, CA 92024

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

17. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Consultant, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Consultant under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

18. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency’s use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Consultant of any requests for disclosure of any documents pertaining to Consultant.

In the event of litigation concerning disclosure of information Consultant considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Consultant has marked “Confidential,” “Proprietary,” or “Trade Secret,” Consultant shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys’ fees, in any action or proceeding arising under the Public Records Act.

19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Consultant’s records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Consultant. The Consultant shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

20. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Consultant as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Consultant.
21. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.

22. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Consultant. In the event of such termination, the Agency shall pay Consultant for all authorized and Consultant-invoiced services up to the date of such termination.

23. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

24. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Consultant.

IN WITNESS WHEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**

<table>
<thead>
<tr>
<th>P. Joseph Grindstaff</th>
<th>(Date)</th>
<th>Frank J.C. Dudek, P.E.</th>
<th>(Date)</th>
</tr>
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<tbody>
<tr>
<td>General Manager</td>
<td></td>
<td>President</td>
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[ Balance Of This Page Intentionally Left Blank ]
Exhibit A
April 28, 2015

Mr. Joel Ignacio, P.E.
Senior Engineer
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California, 91708

Subject: Negotiated Fee Proposal for the San Sevaine Basin Improvements
         Project No. EN13001

Dear Mr. Ignacio:

Thank you for the opportunity to meet with you and your staff on April 27, 2015 to discuss the details of the above IEUA project. The enclosed negotiated fee table represents the following changes in scope items discussed:

1. Reduction in geotechnical investigation cost as a result of the elimination of deep soils testing needed for deep pipe construction (Task 1.2).

2. Reduction in survey cost. All easement documentation (plats/legals) and associated title report research will be prepared by IEUA. Dudek will provide survey topo and easement limit linework in CAD format (Task 3.5).

3. Addition of Thomas Harder & Co. for quality control review and as-needed assistance with relation to monitoring well and Lysimeter design (Task 2.2 and Task 2.5).

4. Reduction in Bid Phase Support level of effort (Task 6.1).

5. Eliminate preparation of post construction facility O&M Manual (Task 6.8)

The negotiated total, not-to-exceed fee for the above project is $358,828.

We also confirm that Dudek takes no exceptions to the terms and conditions of the IEUA Sample of Standard Contract.

The Dudek Team is excited about this opportunity to work with IEUA. Please contact me at rbergholz@dudek.com or 760.749.4107 to discuss the project further.

Sincerely,

Bob Olfend, PE
Vice President

Russ Bergholz, PE, PMP
Senior Project Manager

WWW.DUDEK.COM
Exhibit B
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<th>Subcontractor</th>
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Exhibit C
## Exhibit C
### CONSULTING SERVICES INVOICE

**Consultant:**
**Pay Estimate No.:**
**Contract Date:**
**Invoice Date:**

**Address:**
**Project No.:**
**URC Project Manager:**
**This Period:**
**From:**
**To:**

**Project Name and Location:**
**Account No.:**
**Contract Reference No.:**

### ORIGINAL CONTRACT:

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<td>$0.00</td>
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**Subtotal Original Contract:**
$0.00

### CONTRACT AMENDMENTS:

<table>
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<tr>
<th>Amendment Description</th>
<th>Amended Contract Value (From 1/02/15 To 1/02/15)</th>
<th>Total to Date (From 1/02/15 To 1/02/15)</th>
<th>Progress</th>
<th>Amount ($)</th>
<th>% Complete</th>
</tr>
</thead>
<tbody>
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<td>$0.00</td>
<td>0%</td>
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<td></td>
<td>$0.00</td>
<td>$0.00</td>
<td></td>
<td>$0.00</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Subtotal Contract Amendments:**
$0.00

**Total Contract with Amendments:**
$0.00

### PAYMENT SUMMARY FOR THIS PERIOD:

**Total This Period (From 1/02/15 To 1/02/15):**
- Amount Earned Original Contract: $0.00
- Amount Earned Amendments: $0.00
- Back Charges: $0.00
- Amount Due This Period: $0.00

### PRIOR PAYMENT SUMMARY:

**Total to Date (From 1/02/15 To 1/02/15):**
- Amount Earned Original Contract: $0.00
- Amount Earned Amendments: $0.00
- Back Charges: $0.00

### TOTAL PAYMENT SUMMARY:

**Total Contract:**
- Original Contract: $0.00
- Total Contract Amounts: $3.00
- Total Adjusted Contract: $3.00
- Total Payments to Date: $0.00
- Back Charges: $0.00
- Balance of Contract: $0.00

### CONTRACT SCHEDULE SUMMARY:

- Contract Start Date: 1/02/15
- Contract Duration: 0
- Contract Completion Date: 0
- Authorized Time Extension: 0
- Revised Completion Date: 0

### PROJECT COMPLETION SUMMARY:

- Contract Time Expired: DIV/V0
- Contract Work Complete: DIV/V0

### APPROVALS:

- Consultant Approval:
  - Title: 
  - Signature: 
  - Date: 

- Inland Empire Utilities Agency Approvals:
  - Project Manager/Engineer: 
    - Date: 
  - Supervising Engineer: 
    - Date: 
  - Department Manager: 
    - Date: 
  - Executive Manager: 
    - Date: 
  - General Manager/CIO: 
    - Date: 
  - General Manager/COO: 
    - Date: 
  - General Manager/CFO: 
    - Date: 
  - General Manager/CEO: 
    - Date: 

CONSENT CALENDAR ITEM

2F
Date: May 20, 2015

To: The Honorable Board of Directors

Through: Public, Legislative Affairs, and Water Resources Committee (05/13/15)

From: P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee
Manager of Planning and Environmental Resources

Subject: Approval of a Memorandum of Understanding for Participation in the Development of the Santa Ana River Multiple Species Habitat Conservation Plan

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Memorandum of Understanding (MOU) between Inland Empire Utilities Agency and San Bernardino Valley Municipal Water District for participation in the development of the Santa Ana River Multiple Species Habitat Conservation Plan to address permitting issues of threatened and endangered species associated with Recharge Master Plan construction projects; and

2. Authorize the General Manager to make non-substantive changes and execute the final MOU.

BACKGROUND

The Agency has been actively involved in the implementation of the groundwater recharge basin improvements and expansion projects identified in the Chino Basin Water Master’s 2013 Recharge Master Plan Update. These projects include improvements to the Wineville, Victoria, San Sevaine, Lower Day, and Montclair basins. In order to make the improvements in the basins, environmental permits for areas temporarily and permanently impacted by construction are
required. The process of obtaining permits can be arduous and time consuming, as individual impacts and mitigation measures are assessed, and frequently delays project implementation.

By participating in the Santa Ana River Multiple Species Habitat Conservation Plan, these regionally prioritized projects will be incorporated into a regional plan to offset the biological impacts of future water projects in the Upper Santa Ana River region that have the potential to impact federally-listed endangered, threatened or special status species. The US Fish and Wildlife Service (Service) is involved in the development of the plan, and it will result in a permit from the Service. Projects which would benefit, that have been proposed in either the 2010 or 2013 RMPU are listed in the table below.

<table>
<thead>
<tr>
<th>Project</th>
<th>Activities</th>
<th>Acres Impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wineville Basin (2010, 2013 RMPU)</td>
<td>Improvements, Maintenance, Pump Station, and Pneumatic Gate</td>
<td>51.5 permanent; 5.0 temporary</td>
</tr>
<tr>
<td>Victoria Basin (2013 RMPU)</td>
<td>Improvements, Maintenance</td>
<td>1.0 permanent; 20.3 temporary</td>
</tr>
<tr>
<td>San Sevaine Basin Cells 1-5 (2013 RMPU)</td>
<td>Improvements, Maintenance, Pump Station</td>
<td>3.0 permanent; 101.7 temporary</td>
</tr>
<tr>
<td>Lower Day Basin (2010 RMPU)</td>
<td>Improvements, RW Turnout, Secondary Diversion Structure</td>
<td>1.5 permanent; 15.1 temporary</td>
</tr>
<tr>
<td>Montclair Basin Cells 1-3 (2013 RMPU)</td>
<td>Improvements, Maintenance</td>
<td>5.0 permanent; 23.5 temporary</td>
</tr>
</tbody>
</table>

The Plan is being led by the San Bernardino Valley Municipal Water District (SBVMWD). Ten agencies are participating in the Santa Ana River Multiple Species Habitat Conservation Plan and sharing the plan development costs. As the lead, SBVMWD is administering and managing the project. This MOU has been developed to ensure that IEUA is able to reimburse SBVMWD for the IEUA cost share of the Plan. Cost share criteria was developed based on an Agency’s area of impact compared to the overall project area of impact. IEUA’s cost share of the Plan is 5.6 percent, or approximately $107,000.

This MOU is consistent with the Agency’s Business Goals of increasing Water Reliability through groundwater recharge by maximizing all sources of groundwater recharge within the Chino Groundwater Basin; On-Time Construction commitment of ensuring that projects are implemented in a timely and economically responsible manner; and Environmental Stewardship regulatory compliance goal of complying with all federal, state and local laws.

**PRIOR BOARD ACTION**

None.
IMPACT ON BUDGET

None. Funding for participation in the Santa Ana River Multiple Species Habitat Conservation Plan is included in the FY14/15 Budget in the Groundwater Recharge Fund.

Attachment:

1. Memorandum of Understanding
MEMORANDUM OF UNDERSTANDING

Between the Inland Empire Utilities Agency and the San Bernardino Valley Municipal Water District Regarding Joint Participation in the Development of the Proposed Santa Ana River Habitat Conservation Plan

The Inland Empire Utilities Agency (IEUA) and the San Bernardino Valley Municipal Water District (SBVMWD) are signatories to this Memorandum of Understanding (MOU) and shall be collectively referred to as “the PARTIES”. IEUA has agreed to cooperate in the SBVMWD led development of a Habitat Conservation Plan (HCP) for the upper Santa Ana River Watershed;

RECITAL

WHEREAS, the HCP will address the numerous endangered and threatened species’ permitting issues associated with water supply projects in the upper Santa Ana River Watershed; and

WHEREAS, the HCP will also specifically address the endangered and threatened species’ permitting issues associated with IEUA’s proposed improvements to the Wineville, Victoria, San Sevaine, Lower Day, and Montclair basins consistent with the 2010 and 2013 Recharge Master Plan Update; and

WHEREAS, IEUA contributed Thirty-Three Thousand Five Hundred and Thirty-Eight Dollars ($33,538) towards the funding of a scoping study produced by SBVMWD for the Development of the Santa Ana River HCP; and

WHEREAS, the scoping study, now complete, estimates that the Santa Ana River HCP will take three (3) years and a total cost of $1,911,039 to develop; and

WHEREAS, the estimated cost for the development of the Santa Ana River HCP in the amount of $1,119,039 has been allocated among the nine (9) participating agencies as shown in Exhibit “A”; and

WHEREAS, IEUA’s share of the cost is $106,644 or 5.6% of the total cost, and

WHEREAS, SBVMWD is the lead agency for the development of the Santa Ana River HCP; and

WHEREAS, as the lead agency, SBVMWD is responsible for collecting the respective cost shares from the other collaborative partners and administering the development of the Santa Ana River HCP and any appurtenant permitting components; and
WHEREAS, the PARTIES desire to set forth responsibilities and obligations of each as they pertain to their respective participation in the development of the Santa Ana River HCP.

NOW, THEREFORE, IEUA and SBVMWD agree as follows:

SECTION I:

3.0 IEUA shall:

1.1 Within sixty (60) days from the date of approval of this MOU by the PARTIES remit its cost share of $106,644 to SBVMWD.

1.2 Continue to participate and collaborate with SBVMWD and with the other collaborative partners in the development of the Santa Ana River HCP.

1.3 Continue to provide relevant information as necessary and appropriate for the development of the Santa Ana River HCP.

SECTION II:

2.0 SBVMWD shall:

2.1 Act as the Lead Agency in the preparation of all plans, specifications, and engineer's estimates.

2.2 Be responsible for project administration for all projects for the development of Santa Ana River HCP including, advertisements for bids, bid reviews, contract awards.

2.3 Administer and manage the development of the Santa Ana River HCP in a responsible and businesslike manner.

2.4 Advertise, award, administer, and fund contracts associated with the development of the Santa Ana River HCP in accordance with the California Public Contract Code.

2.5 Provide status reports regarding the development of the Santa Ana River HCP to IEUA upon request.

2.6 Retain all records and accounting documents relating to the development of the Santa Ana River HCP and make such materials available for audit by IEUA or other government auditors for a period of three (3) years from the date of the final payment.
2.7 Obtain IEUA approval for any and all uses of IEUA property, including, but not limited to: covered activity or conservation use as outlined in the Santa Ana River HCP, ground disturbance, hydrologic impacts (including discharge) and groundwater recharge.

SECTION III:

3.0 AMENDMENTS

This MOU may be amended by mutual agreement of SBVMWD and IEUA. It shall remain in full force and effect until otherwise determined.

AS WITNESS HEREOF, the parties hereto have caused the Memorandum of Understanding to be entered as of the day and year written below.

Approved: Douglas D. Headrick

_____________________________________
General Manager & Chief Engineer, San Bernardino Valley Municipal Water District

Date: ____________

Approved: P. Joseph Grindstaff

_____________________________________
General Manager, Inland Empire Utilities Agency, a Municipal Water District

Date: ____________

[ Balance Of This Page Intentionally Left Blank ]
Exhibit A: Cost Allocation for Santa Ana River Multiple-Species Habitat Conservation Plan by Participating Agency

<table>
<thead>
<tr>
<th>Agency-Specific Cost-Weighted Proportion</th>
<th>Additional Shared Costs</th>
<th>Total Cost Share Allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>MRP Applicant</strong></td>
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</tr>
<tr>
<td><strong>Weighted Proportion</strong></td>
<td><strong>Weighted Relative Cost</strong></td>
<td><strong>Base Effort Cost</strong></td>
</tr>
<tr>
<td>--------------------------------------</td>
<td>-------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>Conservation District</td>
<td>2.2%</td>
<td>$12,940</td>
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<tr>
<td>East Valley</td>
<td>9.6%</td>
<td>$38,430</td>
</tr>
<tr>
<td>Flood Control</td>
<td>4.2%</td>
<td>$17,130</td>
</tr>
<tr>
<td>HDA</td>
<td>2.6%</td>
<td>$11,027</td>
</tr>
<tr>
<td>RPA</td>
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</tr>
<tr>
<td>Valley District</td>
<td>4.7%</td>
<td>$19,257</td>
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<tr>
<td>Water Department</td>
<td>17.6%</td>
<td>$82,582</td>
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<tr>
<td>West Valley</td>
<td>15.1%</td>
<td>$67,920</td>
</tr>
<tr>
<td>Western</td>
<td>28.1%</td>
<td>$127,905</td>
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<tr>
<td>Total</td>
<td>100.0%</td>
<td>$571,021</td>
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</table>
Upper Santa Ana River Multiple Species Habitat Conservation Plan
Objectives

- Plan for impacts of federal endangered species regulations on future projects
- Regional coordination of habitat management opportunities
- Access to US Fish & Wildlife Service regional permit
- Approve MOU to continue participation in the Habitat Conservation Plan
Benefits of Coordination with Other Regional Agencies

- Build on existing efforts
  - More efficient
  - Cost-effective
  - Greater biological success

- Benefits:
  - Mitigation banks
  - Habitat owned by Habitat Conservation Plan Team partners
  - Habitat enhancement opportunities

Team includes 10 participating resource agencies:

- San Bernardino Valley Municipal Water District
- San Bernardino County Flood Control District
- Western Municipal Water District of Riverside County
- Inland Empire Utilities Agency
- East Valley Water District
- San Bernardino Municipal Water Department
- San Bernardino Valley Water Conservation District
- Riverside Public Utilities
- West Valley Water District
- City of Rialto
Covered Species

- Santa Ana Sucker
- Kangaroo Rat
- Delhi Sand Loving Fly
- Least Bell’s Vireo
- Gnatcatcher

Covered Projects
- Wineville Basin
- Etiwanda Debris Basin
- RP-3 Basins
- Lower Day Basin
## Scope of Work

<table>
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<tr>
<th>Phase</th>
<th>Description</th>
<th>Cost (Excluding Federal Grant)</th>
<th>IEUA Est. Share*</th>
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<tbody>
<tr>
<td>Phase I</td>
<td>Planning Development, Key Issues, and Preparing the Data</td>
<td>$455,000</td>
<td>$32,000</td>
</tr>
<tr>
<td>Phase II</td>
<td>Preparing the Environmental Documents and Writing the Plan</td>
<td>$651,000</td>
<td>$36,000</td>
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<tr>
<td>Phase III</td>
<td>Permit Application Package and Permits</td>
<td>$805,000</td>
<td>$39,000</td>
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<tr>
<td>Total</td>
<td>-</td>
<td>$1,911,000</td>
<td>$107,000</td>
</tr>
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</table>

* Total Project Budget of $107,000 included in FY 14/15 Budget
Staff Recommendation

- Approve MOU to continue participation in the Santa Ana River Multiple Species Habitat Conservation Plan and authorize cost-share payments.

This MOU is consistent with the Agency's Business Goals of Water Reliability, On-Time Construction, and Environmental Stewardship
Questions?
Date: May 20, 2015

To: The Honorable Board of Directors

From: P. Joseph Grindstaff
General Manager

Submitted by: Chris Berch
Executive Manager of Engineering/Assistant General Manager

Sylvie Lee
Manager of Planning and Environmental Resources

Subject: Renewal of ASR Agreement with Monte Vista Water District

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the Aquifer Storage and Recover (ASR) Agreement between Monte Vista Water District, Chino Basin Watermaster, and Inland Empire Utilities Agency; and

2. Authorize the General Manager to execute the agreement.

BACKGROUND

Monte Vista Water District (MVWD) has developed an Aquifer Storage and Recover (ASR) program that injects treated water from the State Water Project into the aquifers of Chino Groundwater Basin for storage and later recovery by pumping, when needed. This activity is regulated by the Regional Water Quality Control Board (RWQCB). In 2005, the RWQCB Santa Ana Region reviewed the proposed program and informed MVWD that its ASR program must comply with the maximum benefit objectives of the Chino Basin, namely for total dissolved solids (420 mg/L) and nitrate as nitrogen (5 mg/L). As the source water for injection is treated water suitable for drinking, the RWQCB recognized that MVWD would not have difficulty meeting these water quality objectives, and gave MVWD two options for regulatory compliance with its program. Either obtain a permit for the ASR program or work with IEUA and Watermaster to utilize their recharge permit for reporting on the ASR program compliance with maximum benefit objectives. In April 2005, IEUA and Watermaster had obtained a joint permit for recycled water groundwater recharge from the RWQCB.

In April 2007, MVWD, IEUA and Watermaster entered into an agreement to incorporate the MVWD ASR Program reporting into the IEUA and Watermaster permit (RWQCB Order R8-2005-0033). Since 2007, IEUA and Watermaster have conducted quarterly reporting of MVWD
Renewal of ASR Agreement with MVWD
May 20, 2015
Page 2 of 2


The ASR Agreement stated it would terminate automatically when the Watermaster and IEUA joint permit is revised by the RWCQB or if the Watermaster and IEUA joint permit is terminated by the RWQCB. It estimated the agreement would expire in April 2010. IEUA and Watermaster received an updated recharge permit in 2007 (Order R8-2007-0039) and a permit amendment in 2009 (Order R8-2007-0039). In June 2014, California recycled water groundwater recharge regulations were finalized by the State. These regulations have potential impact to the IEUA and Watermaster joint permit.

In late 2014, MVWD approached IEUA to update the ASR agreement. The agreement language was modified to reference Order R8-2007-0039, Order R8-2007-0039, and the 2014 California groundwater recharge regulations. The agreement term was modified to be 10 years and can still be terminated by either party. The term is also linked to the continued existence of the IEUA and Watermaster 2007 joint permit (Order No. R8-2007-0039). Signatories to the ASR Agreement are the current General Managers of MVWD and IEUA and the Chief Executive Officer of Watermaster.

Participation in the ASR Agreement is consistent with the IEUA business goal of Water Reliability, namely development of new water supplies and groundwater recharge.

**PRIOR BOARD ACTION**

The initial ASR agreement was executed on April 13, 2007.

**IMPACT ON BUDGET**

None.
AGREEMENT BETWEEN CHINO BASIN WATERMASTER, INLAND EMPIRE UTILITIES AGENCY AND MONTE VISTA WATER DISTRICT REGARDING INCORPORATION OF GROUNDWATER INJECTION WITH STATE WATER PROJECT WATER BY MONTE VISTA WATER DISTRICT IN THE CHINO BASIN WATERMASTER AND INLAND EMPIRE UTILITIES AGENCY PERMIT ORDER NO. R8-2007-0039

WHEREAS, Monte Vista Water District (MVWD) may recharge up to 3,500 acre-feet per year of treated State Water Project (SWP) water by injection at its wells, 4, 30, 32, and 33 and subsequently recover most of this water within the same year as part of their Aquifer Storage and Recovery (ASR) program. A map showing the ASR well location is attached hereto as Exhibit A.

WHEREAS, this water will be treated to California Code of Regulations (CCR) Title 22 drinking water standards at the Water Facilities Authority treatment plant prior to injection.

WHEREAS, injection will generally occur in the seven-month period of October through April and recovery will generally occur in the five-month period May through September.

WHEREAS, MVWD intends to use the injected water to offset a portion of the MVWD annual overproduction from the Chino Basin.

WHEREAS, MVWD completed an investigation entitled Groundwater Recharge Facilities Program Feasibility Study in April 2003 and a related CEQA document entitled Findings of Consistency, Groundwater Recharge Facility Feasibility Study in May 2003 that was tiered off of the OBMP Program EIR completed in 2000.

WHEREAS, on November 1, 2005, MVWD sent an application to the Chino Basin Watermaster (Watermaster) pursuant to the Peace Agreement and Watermaster’s Rules and Regulations requesting to recharge to the Chino Basin up to 3,500 acre-foot per year of treated SWP water.

WHEREAS, the Watermaster approved this application in its January 2006 Watermaster process meetings.

WHEREAS, the Watermaster and the Inland Empire Utilities Agency (IEUA) received a permit to recharge supplemental waters in the Chino Basin from the Regional Water Quality Control Board (RWQCB) pursuant to Order No. R8-2005-0033 adopted on April 15, 2005 for Phase I program basins.

WHEREAS, in 2007 the Watermaster and IEUA received a new joint permit from the RWQCB to implement both Phase I and Phase II Projects of the Chino Basin Recycled Water Groundwater Recharge Program pursuant to Order No. R8-2007-0039 adopted on June 29, 2007.

WHEREAS, in 2009 the Watermaster and IEUA received an amendment to their joint permit from the RWQCB for Water Recycling Requirements for the Chino Basin Recycled Water Groundwater Recharge Program Phase I and Phase II projects, San Bernardino County pursuant to Order No. R8-2009-0057 adopted on October 23, 2009.

WHEREAS, in 2014 the California Division of Drinking Water approved regulations for Groundwater Replenishment Using Recycled Water pursuant to DPH-14-003E, which may impact existing and future groundwater recharge permits.

WHEREAS, the RWQCB required that MVWD either apply for and receive an individual permit to inject treated SWP water through its ASR project or apply to Watermaster and IEUA for inclusion of its ASR project under the Watermaster and IEUA joint permit.
WHEREAS, Watermaster and IEUA has originally notified the RWQCB that it was MVWD’s desire to include the ASR project within Order No. R8-2005-0033.

WHEREAS, MVWD, Watermaster and IEUA still desire to include the ASR project within Watermaster and IEUA’s joint permit R8-2007-0039 and amended by Order No. R8-2009-0057.

WHEREAS, MVWD ASR injection well data have been included in quarterly monitoring reports since the second quarter of 2007.

WHEREAS, MVWD has agreed to perform appropriate monitoring and reporting as required by the Watermaster.

THEREFORE, the parties do hereby agree as follows:

1. The Watermaster and IEUA developed an Operations and Monitoring Program for the injection of treated SWP water through MVWD’s ASR project pursuant to Order No. R8-2007-0039 and other criteria as the Watermaster and IEUA deem necessary based on the OBMP, the Peace Agreement, mitigation requirements contained in the ASR project CEQA document, and sound basin management, a copy of the Operations and Monitoring Program is attached hereto as Exhibit B.

2. MVWD will, at its sole expense, operate its ASR project pursuant to the Operations and Monitoring Program referenced in Paragraph 1 above, its recharge application to the Watermaster dated November 1, 2005 and the MVWD ASR project CEQA document.

3. Failure to comply with the Operations and Monitoring Program will result in immediate termination of this Agreement and the subsequent removal of the MVWD ASR project from coverage pursuant to Order No. R8-2007-0039. Watermaster and IEUA will immediately notify the RWQCB if this Agreement is terminated.

4. From time to time the Watermaster and IEUA may determine it necessary to modify the supplemental water recharge in the Basin to remain in compliance with Order No. R8-2007-0039 and Order No. R8-2009-0057. If this occurs, the Watermaster and IEUA may, at their sole discretion, modify the Operations and Monitoring Program, and MVWD agrees to comply with the revised Operations and Monitoring Plan.

5. From time to time, MVWD may apply to Watermaster and IEUA to modify the operation of the ASR project. Watermaster and IEUA will consider this application and, at their sole discretion, modify the Operations and Monitoring Program.

6. The term of this Agreement shall be 10 years from the signature date, or sooner should Order No. R8-2007-0039 be terminated or should the RWQCB elect to individually permit the MVWD ASR project.

7. Notices among the parties to this agreement may be sent shall be as follows:

Chino Basin Watermaster:  
Peter Kavounas  
General Manager  
9641 San Bernardino Road  
Rancho Cucamonga, CA 91730

Inland Empire Utilities Agency:  
P. Joseph Grindstaff  
General Manager
Monte Vista Water District:

8. Approved:

Monte Vista Water District

By: ____________________________

Date: __________________________

Chino Basin Watermaster

By: ____________________________

Date: __________________________

Inland Empire Utilities Agency

By: ____________________________

Date: __________________________

Attachments:
Exhibit A – MVWD ASR Well Map
Exhibit B – Operations and Monitoring Program for the MVWD ASR Project
Exhibit B
Operations and Monitoring Program for the MVWD ASR Project

This Exhibit contains the operations and monitoring requirements for the injection of State Water Project (SWP) water through the Monte Vista Water District (MVWD) ASR Project and is provided for in the Agreement among the MVWD, the Chino Basin Watermaster (Watermaster) and the Inland Empire Utilities Agency (IEUA) Regarding Incorporation of Groundwater Injection with State Water Project Water by Monte Vista Water District in the Chino Basin Watermaster and Inland Empire Utilities Agency Permit Order No. R8-2007-0039. Pursuant to its authorities in Chino Basin Judgment, the Peace Agreement, the Agreement for Operations and Maintenance of Facilities to Implement the Chino Basin Recharge Master Plan, and the Chino Basin Recharge Facilities Operations Procedures, the Watermaster regulates and coordinates all recharge activities in the Chino Basin. It is the intent of the Watermaster to revise this Exhibit from time to time to reflect new regulatory requirements, other new information, and sound basin management practices.

Source Water for Injection
1. The source water used by MVWD for injection shall be State Water Project water treated to drinking water standards as described in Title 22 of the California Code of Regulations.

Integrated Recharge Operations
2. The Watermaster and the IEUA have integrated recharge operations to maximize the use of stormwater / local runoff, recycled water, and imported waters. Pursuant to the Watermaster and IEUA joint permit (Order No. R8-2007-0039), the five-year, volume-weighted average total dissolved solids (TDS) and total inorganic nitrogen (TIN) limits for recharge must not exceed 420 mg/L and 5 mg/L as nitrogen, respectively. The Watermaster and the IEUA, pursuant to Order No. R8-2007-0039, must monitor and make determinations to the Regional Board to demonstrate compliance. The MVWD ASR project will inject treated SWP water into the Chino Basin during non-peak water use periods and will pump the injected water and groundwater from the basin such that the amount of pumped water will equal or exceed the volume of water injected. Operated this way, there should be no net increase in TDS or TIN in groundwater associated with the ASR project.

Monitoring and Reporting
3. The volume of water injected in and pumped from each well will be reported to the Watermaster and IEUA monthly as direct meter readings and computations based on the meter readings.

4. All water quality determinations used to demonstrate compliance with Title 22 Drinking water requirements at the WFA and in the water recovered from ASR wells shall be submitted to the Watermaster and the IEUA in electronic format at the same frequency that this information is submitted to the State Water Resources Control Board — Division of Drinking Water (formerly California Department of Public Health).

5. MVWD shall obtain and analyze samples for TDS and TIN (summation of nitrate as nitrogen, nitrite as nitrogen, and ammonia as nitrogen) from the ASR wells on a quarterly basis.
when they are being used to recover injected water. These data shall be electronically submitted to the Watermaster and the IEUA in a timely manner to facilitate quarterly reporting.

6. The Watermaster and the IEUA will use the information described in paragraphs 3, 4, and 5 to determine compliance with the Order No. R8-2007-0039. This information will then be included in the Watermaster/IEUA quarterly compliance monitoring reports submitted to the Regional Board.

Effective Date

7. These requirements are effective as of _____________, 2015 and will remain in effect until modified by the Watermaster.

Approved

__________________________
Peter Kavounas
General Manager
Chino Basin Watermaster

__________________________
Date
ASR AGREEMENT BETWEEN MVWD, IEUA AND WATERMASTER

May 20, 2015
2007 ASR Agreement expired in 2009
ASR program has not been active since 2011
The agreement eliminates a RWQCB permit need for the MVWD ASR Program
The new ASR Agreement references the current GWR permit, new GWR regulations, and a 10-year expiration term
IEUA provides reporting for ASR compliance with Chino Basin Maximum Benefit Objectives (TDS 420 mg/L and TIN 5 mg/L)
RECOMMENDATION

* Approve the ASR Agreement between MVWD, Watermaster, and IEUA and authorizing the General Manager to execute the agreement
CONSENT CALENDAR ITEM

2H
Date: May 20, 2015
To: The Honorable Board of Directors
Through: Engineering, Operations, and Biosolids Management Committee (05/13/15)
Finance, Legal, and Administration Committee (05/13/15)
From: P. Joseph Grindstaff
General Manager
Submitted by: Ernest Yeboah
Executive Manager of Operations/Assistant General Manager
Subject: Agency-Wide Electrical Transformer Testing Service Contract

RECOMMENDATION

It is recommended that the Board:

1. Award Contract No. 4600001860 to Transformer Testing and Repairs, Inc. for the provision of testing and analyzing Agency-wide electrical power transformers for a five-year term for the not-to-exceed amount of $147,675; and

2. Authorize the General Manager to execute the contract.

BACKGROUND:

The Agency has 55 electrical transformers throughout its facilities that require annual testing and oil analyses to ensure optimum equipment operation and reliability. Having a five-year contract with a reputable and highly qualified service provider ensures that the majority of the contract terms (e.g., shop rates, evidence of insurance, indemnification language, warranty provision, etc.) are established up front, and will expedite the testing and analysis process. Staff will issue a task order for any work required.

A Request for Proposal RFP-RH-15-002 was issued through the BidNet Network for the oil analysis of the Agency’s electrical transformers. Three proposals were received, with Transformer Testing & Repairs, Inc. of Suisun City, California being the lowest responsive bidder.
RFP-RH-15-002 bid results are as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Annual Transformer Testing Proposal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transformer Testing &amp; Repairs, Inc.</td>
<td>$29,535</td>
</tr>
<tr>
<td>Industrial Oil Recovery</td>
<td>$41,484</td>
</tr>
<tr>
<td>ABM Electrical Power</td>
<td>$128,700</td>
</tr>
</tbody>
</table>

**PRIOR BOARD ACTION**

None.

**IMPACT ON BUDGET**

If approved, the not-to exceed amount of $147,685 will be funded from the O&M contract labor account included in the Fiscal Year 2015/16 through Fiscal Year 2019/20 budgets of Regional Wastewater Operations and Maintenance (RO) fund.
CONTRACT NUMBER: 4600001860

For Provision of

TRANSFORMER TESTING SERVICES

THIS CONTRACT (the "Contract") is made and entered into this ___ day of ________, 2015, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and Transformer Testing & Repairs, Inc., (hereinafter referred to as "Contractor") to provide transformer testing services at various Agency facility locations.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   Project Manager: Joseph King
   Address: 14950 Telephone Ave.
             Chino, CA 91708
   Telephone: (909) 993-11734
   Facsimile: (909) 393-4826
   E-mail: jdking@ieua.org

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   Contractor: Michael Ducharme
   Address: P.O. Box 2219
             Suisun City, CA 94585-5219
   Telephone: (707) 421-9398
   Facsimile: (707) 421-9662
   E-mail: mducharme@transformerservices.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

   1. Amendments to Contract No. 4600001860
   2. Contract No. 4600001860 general terms and conditions
3. Exhibit A – Statement of Work

4. **SCOPE OF WORK AND SERVICES:** Contractor services and responsibilities shall include and be in accordance with the tasks, requirements and specifications detailed within Exhibit A – Statement of Work, which appears at the end of this document.

5. **TERM OF CONTRACT:** The term of this Contract shall extend from the date of its bi-lateral execution through May 31, 2020, unless a change in the Contract period of performance is agreed to by both parties, reduced to writing, and amended to this Contract.

6. **PAYMENT, INVOICING AND COMPENSATION:** Subsequent to submittal of each deliverable test report, the Contractor may invoice for the agreed-upon test price(s) and other charges, as shown in the Rate Schedule below, multiplied by the total number of each test performed and documented with the submitted report. Agency shall pay Contractor’s properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

Contractor’s invoices shall be submitted as follows:
Inland Empire Utilities Agency
Attention: Accounts Payable Dept.
P.O. Box 9020
Chino Hills, CA 91709

OR, alternatively, invoices may be submitted via e-mail to: APGroup@ieua.org

Concurrent with submittal of each original invoice to the Agency’s Accounts Payable Department, the Contractor shall e-mail a copy of said invoice to the Agency’s designated Project Manager identified on page 1 of this Contract.

As compensation for the work performed under this Contract, Agency shall pay Contractor, **on a fixed unit price basis, a total not-to-exceed price of $155,058.75** during the five year term of this Contract for all work/services/products satisfactorily provided hereunder.
### Rate Schedule

<table>
<thead>
<tr>
<th>Item / Test Description</th>
<th>Year One</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waiver of Subrogation Charge</td>
<td></td>
<td>5% of inv. value</td>
</tr>
<tr>
<td>Technician Mobilization Charge *</td>
<td>1 Lot*</td>
<td>$385.00*</td>
</tr>
<tr>
<td>Furan analysis</td>
<td>As Ordered</td>
<td>$55.00</td>
</tr>
<tr>
<td>Nitrogen gas pressurization service</td>
<td>As Ordered</td>
<td>$40.00</td>
</tr>
<tr>
<td>Resistivity test</td>
<td>As Ordered</td>
<td>$45.00</td>
</tr>
<tr>
<td>Corrosive sulfur test</td>
<td>As Ordered</td>
<td>$50.00</td>
</tr>
<tr>
<td>Power factor test at 100 degrees C</td>
<td>As Ordered</td>
<td>$45.00</td>
</tr>
<tr>
<td>Particle counts</td>
<td>As Ordered</td>
<td>$45.00</td>
</tr>
<tr>
<td>D1816 dielectric test</td>
<td>As Ordered</td>
<td>$40.00</td>
</tr>
<tr>
<td>PCB content in insulating fluid</td>
<td>As Ordered</td>
<td>$45.00</td>
</tr>
<tr>
<td>5 Star fluid essential testing package, including**:</td>
<td>As Ordered</td>
<td>$165.00</td>
</tr>
</tbody>
</table>

* based on 1 contiguous mobilization schedule per year

**oil quality analyses including dielectric strength test, interfacial tension test (excluding silicone), acid test, specific gravity analysis, color analysis and visual analysis

**water content analysis for moisture content in ppm (parts per million) using Karl Fischer Method

**gas chromatography for dissolved gas to check for combustibles and other detrimental conditions within the transformers

**power loss analyses in insulating fluid, tested at 25 degrees Celsius

**oxidation inhibitor content analyses

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7. **INSURANCE**: During the term of this Contract, the Contractor shall maintain at Contractor's sole expense, the following insurance.

A. **Minimum Scope of Insurance**:

1. **General Liability**: $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 0001-87 covering Comprehensive General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice the required occurrence limit.

2. **Automobile Liability**: $500,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 87, covering Automobile Liability, including "any auto."

3. **Workers’ Compensation and Employers Liability**: Workers’ compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.
4. Professional Liability insurance in the amount of $1,000,000 per claim.

   a. Deductibles and Self-Insured Retention: Contractor shall maintain self-insurance in the amount of $25 million per occurrence throughout the term of this Contract.

   b. Other Insurance Provisions: The policies are to contain, or be endorsed to contain, the following provisions:

      1. General Liability and Automobile Liability Coverage

         a. The Agency, its officers, officials, employees are to be covered as additional insureds, to the extent of Contractor’s negligence, as respects: liability arising out of activities performed by or on behalf of the Contractor, products and completed operations of the Contractor, premises owned, occupied or used by the Contractor, or automobiles owned, leased, hired or borrowed by the Contractor. Except as stated herein, the coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers.

         b. The Contractor’s insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees to the extent of Contractor’s negligence. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Contractor’s insurance and shall not contribute with it, except to the extent of the Agency’s negligence.

         c. (This section has been intentionally deleted.)

         d. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.

         e. (This section has been intentionally deleted.)

         f. The Contractor may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

      2. Workers’ Compensation and Employers Liability Coverage

         The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees for losses arising from work performed by the Contractor for the Agency, to the extent of the Contractor’s negligence.

      3. All Coverages

         Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, 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 Agency.

   D. Acceptability of Insurers: All insurance is to be placed with insurers with a Best’s rating of no less than A minus:VII, and who are admitted insurers in the State of California.
E. Verification of Coverage: Contractor shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences.

F. Submittal of Certificates: Contractor shall submit all required certificates and endorsements to the following:

Attention: Roger Hughbanks (e-mail: rhughbanks@ieua.org)
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

8. CONTROL OF THE WORK: Contractor shall perform the Work in compliance with the Work Schedule. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. LEGAL RELATIONS AND RESPONSIBILITIES

A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing and future state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

D. Confined Space Work: Work requiring confined space entry must follow Cal-OSHA Regulation 8 CCR, Sections 5157 - 5158. This regulation requires the following to be submitted to IEUA for approval prior to entry:

A written plan that includes identification of confined spaces within the construction site, alternate procedures where appropriate, contractor provisions, specific procedures for permit-required and non-permit required spaces, a
rescue plan, and monthly status of each confined space defining any changes to the space.

Proof of training on confined space procedures, as defined in Cal-OSHA Regulation 8 CCR, Section 5157, must also be submitted to IEUA for approval prior to confined space entry.

E. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Project Manager.

F. **Hours of Labor:** The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

G. **Travel and Subsistence Pay:** The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

H. **Liens:** Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

I. **Indemnification:** Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:

A. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or Consultant, or any directors, officers, employees, or authorized volunteers of Agency or Consultant, and damages to or destruction of property of any person, including but not limited to, Agency and/or Consultant or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;

B. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, or every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Consultant;

C. Any and all losses, expenses, damages (including damages to the work itself), attorneys’ fees, and other costs, including all costs of defense, which any of them may incur with respects to the failure, neglect, or refusal or Consultant to faithfully perform the work and all of the Consultant’s
obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys’ fees, incurred by the indemnified parties in any lawsuit to which they are a party.

J. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

K. **Equal Opportunity:** During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin.

L. **Disputes:**

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency’s Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency’s decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager’s resolution. The Agency’s Project Manager shall submit the Contractor’s written protests to the General Manager, together with a copy of the Agency Project Manager’s written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager’s decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:
a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.

b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys’ fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys' fees which shall be recoverable by the prevailing party.

4. Joinder in Mediation/Arbitration: The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency’s representative to the Contractor.

M. Attorney Fees: In the event an action is commenced by a party to this Contract against the other to enforce its rights or obligations arising from this Contract, the prevailing party in such action, in addition to any other relief and recovery ordered by the court or arbitration, shall be entitled to recover all statutory costs, plus reasonable attorneys' fees.

N. Workers’ Legal Status: For performance against this Contract, Supplier shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

O. Prevailing Wage Requirements: Not applicable to this contract.

10. FITNESS FOR DUTY:

A. Fitness: Consultant and its Subcontractor personnel on the Jobsite:

1. shall report for work in a manner fit to do their job;

2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a
physician so long as the performance or safety of the Work is not affected thereby); and

3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

B. **Inspection:** Searches by Agency authorized personnel may be made of lockers, storage areas, vehicles, persons or personal effects on Agency-owned, or leased property at various times without prior announcement. Such facility inspections may be conducted using detection dog teams to search work areas and other common areas in order to detect evidence of unlawful drug use or the presence of pyrotechnics, explosives, firearms, weapons, or facsimiles thereof, alcoholic beverages and illegal drugs ("Prohibited Items"). Prohibited Items must not be brought onto, or kept on, Agency property.

C. **Compliance:** Consultant shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Consultant shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Consultant violates these Fitness for Duty Requirements.

11. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor's subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

12. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret," Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys’ fees, in any action or proceeding arising under the Public Records Act.

13. **NON-CONFORMING WORK AND WARRANTY:** Contractor represents and warrants that the Work shall be in conformance with the specifications provided herein and shall serve the purposes described. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors or shortcomings of the
Work, regardless of whether any such errors or shortcomings is brought to the attention of the Contractor by Agency, or any other person or entity.

14. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

   **Agency:** Inland Empire Utilities Agency  
   Attn: Warren Green  
   Manager Contracts/Procurement & Facilities Services  
   P.O. Box 9020  
   Chino Hills, California 91709

   **Contractor:** Transformer Testing & Repairs, Inc.  
   Attn: Michael Ducharme  
   P.O. Box 2219  
   Suisun City, CA 94585-5219

   Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

15. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

16. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

17. **GOVERNING LAW:** This Contract is to be governed by and constructed in accordance with the laws of the State of California.

18. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoiced services up to the date of such termination.

19. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor’s records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make
all records and related documentation available within three (3) working days after said records are requested by the Agency.

20. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

21. **CHANGES:** The Agency may, at any time, make changes to this Contract’s Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

22. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a Notice to Proceed order has been issued to the Contractor.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**  

**TRANSFORMER TESTING & REPAIRS, Inc.:**

_________________________  
P. Joseph Grindstaff  
General Manager  
(Date)

_________________________  
Michael Ducharme  
Authorized Representative  
(Date)

Contract No. 4600001860
CONSENT
CALENDAR
ITEM

21
Date: May 20, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (05/13/15)  
Finance, Legal, and Administration Committee (05/13/15)

From: P. Joseph Grindstaff  
General Manager

Submitted by: Ernest Yeboah  
Executive Manager of Operations/Assistant General Manager

Subject: Contract Amendment to Polydyne Inc.

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve a Contract Amendment No. 4600000676-005 to Polydyne Inc., extending the contract for one year to supply Flosperse 30S at a fixed unit price of $0.919/pound, including sales tax and delivery; and

2. Authorize the General Manager to execute the amendment.

BACKGROUND

During the dewatering process, struvite (a combination of various minerals in wastewater that deposit on surfaces) can form. Without treatment, RP-1 experiences substantial struvite build-up. Struvite build-up is a common problem in sludge dewatering processes within the wastewater industry. Agency Operations and Maintenance staff have been challenged by struvite formation on sludge dewatering equipment for many years. Some of the equipment have experienced clogging and failures due to struvite build-up. The addition of Flosperse 30S has provided significant benefits in the form of reduced struvite deposits in the dewatering process, fewer disruptions to dewatering operations, and the need for less frequent cleaning of discharge lines.

In 2010 staff researched the manufacturing market for anti-struvite chemicals. Based on that research, Contracts and Facilities staff issued invitations to participate in a chemical trial to seven prospective candidates. Only one firm, Polydyne, Inc., elected to pursue this business opportunity by submitting the required product pre-qualifying information. Staff then decided to
forego the balance of the chemical trials process and immediately initiate negotiations with Polydyne, Inc. Following the negotiations, the Board approved a five-year contract with Polydyne Inc. to supply the chemical. Polydyne, Inc, has been the source for all anti-struvite chemical products purchased and used by the Agency for the last eight years and staff has a high degree of confidence in the effectiveness of their product, Flosperse 30S.

The five-year contract awarded to Polydyne Inc. in 2010 is expiring on June 30, 2015. Contracts and Facilities staff negotiated with Polydyne Inc. to extend the contract for an additional year at the same current price of $0.919/pound including tax and delivery. Staff considers these terms to be favorable and requests the Board’s approval to extend the contract for an additional year. During this one year extension, staff will be researching the current market to determine if any significant changes have occurred or if any new suppliers may be available. If new options have become available, staff will attempt to conduct trials and bid a long term contract. If not, staff will attempt to establish a new long term contract with Polydyne Inc. for the continued supply of Flosperse.

PRIOR BOARD ACTION

On June 16, 2010, the Board of Directors awarded a five-year contract to Polydyne Inc.

IMPACT ON BUDGET

If approved, the anticipated chemical expenditures will be funded from the Fiscal Year 2015/16 Regional Wastewater Operations and Maintenance (RO) Flosperse budget.
Contract Amendment to Polydyne Inc.

May 2015

Matthew Melendrez
Deputy Manager of Operations
Struvite Control

- Flosperse 30S is used to control struvite deposits in dewatering processes.
- Struvite is a phosphate mineral containing several constituents commonly found in wastewater.
Struvite Control

- Struvite deposits restrict and plug flow in pipelines, valves, pumps, etc.

Pump Impeller
Contract Extension

- Staff requests Board approval to extend the Polydyne Inc. contract for one year at the current price
  - $.919/pound including tax and delivery
Questions?
AMENDMENT NUMBER: 4600000676-005
TO
CONTRACT NO. 4600000676
FOR
SUPPLY OF FLOSPERSE 30S

THIS AMENDMENT, Number 4600000676-005, to Contract No. 4600000676, between the Inland Empire Utilities Agency (IEUA) and Polydyne, Inc. (Supplier), for supply and delivery of Flosperse 30S, revises the Contract as follows:

Section E, **TERM OF CONTRACT AND OPTIONS**, is revised to read:

   **TERM OF CONTRACT AND OPTIONS:** The term of this Contract is hereby extended through a revised expiration date of June 30, 2016, or as mutually agreed to between Supplier and Agency in any subsequent written amendment to this Contract.

Section G, **PAYMENT, INVOICING AND COMPENSATION**, is amended to read:

   **PAYMENT, INVOICING AND COMPENSATION:** The Agency shall pay Supplier’s properly prepared invoice(s) within thirty (30) calendar days following receipt of the invoice(s). Payment will be withheld for any product which does not meet the Contract requirements or has proven unacceptable until such time as the non-compliant product is removed and replacement product is accepted by the Agency.

   Supplier’s invoices shall be mailed to: Inland Empire Utilities Agency
   Attn: Accounts Payable Dept.
   P.O. Box 9020
   Chino Hills, CA 91709

   Or alternatively, submitted via e-mail to: APGroup@ieua.org
Effective July 1, 2015 through June 30, 2016, as compensation for product delivered against this Contract, Agency shall pay Supplier in accordance with the following price schedule:

| Description                | Price  
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>PRODUCT PRICE (delivered)</td>
<td>$ .851 / lb.</td>
</tr>
<tr>
<td>SALES TAX @ 8.0%</td>
<td>$ .068 / lb.</td>
</tr>
<tr>
<td>TOTAL NET PRICE (delivered)</td>
<td>$ .919 / lb.</td>
</tr>
</tbody>
</table>

ALL OTHER PROVISIONS OF CONTRACT NUMBER 460000676 REMAIN UNCHANGED.

As evidenced by the signatures below, the Parties hereto mutually agree and covenant as to the above-stated amendment item(s), and in doing so have incorporated this Amendment as an integral part of the Contract documents.

INLAND EMPIRE UTILITIES AGENCY:  

P. Joseph Grindstaff  
General Manager

POLYDYNE, Inc.:

Boyd Stanley  
Business Manager

Date: 4/21/2015
Date: May 20, 2015

To: The Honorable Board of Directors

Through: Engineering, Operations, and Biosolids Management Committee (05/13/15)
         Finance, Legal, and Administration Committee (05/13/15)

From: P. Joseph Grindstaff
       General Manager

Submitted by: Ernest Yeboah
              Executive Manager of Operations/Assistant General Manager

Subject: Agency-Wide Contract Services for the Repair, Rebuild, or Refurbishment of Rotating Machinery

RECOMMENDATION

It is recommended that the Board of Directors:

1. Approve the award of Contract No. 4600001868 to Superior Electric Motor Service, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of $240,000 over a three-year period with a one-year option to extend;

2. Approve the award of Contract No. 4600001864 to Vaughan’s Industrial Repair, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of $240,000 over a three-year period with a one-year option to extend; and

3. Authorize the General Manager to execute the contracts.

BACKGROUND

The Agency has rotating equipment such as pumps, blowers, gearboxes, compressors, mixers, etc. that periodically require major overhaul. Having a three-year contract with a reputable and highly-qualified service provider ensures that the majority of the contract terms (e.g., shop rates, evidence of insurance, indemnification language, warranty provision, etc.) are established up front. In addition, having a contract with multiple vendors allows the Agency to have the
flexibility of acquiring an expedited repair process should one of the vendors experience a limited availability. Staff will issue a task order for any work required.

On March 16, 2015 staff issued a Request for Proposal RFP-RH-15-004 through the BidNet Network online solicitation system. Five proposals were received, with Superior Electric Motor Service, Inc. of Vernon, California and Vaughan’s Industrial Repair, Inc. of Paramount, California as the two lowest responsive bidders. Maintenance staff conducted a tour of both vendors’ facilities and verified they had the proper tools and capabilities to perform the repair and rebuild requirements for the type of machineries the Agency owns.

RFP-RH-15-004 bid results are as follows:

<table>
<thead>
<tr>
<th>Bidder</th>
<th>Pickup and Delivery Cost ($)</th>
<th>Equipment Failure Report ($)</th>
<th>Machining Labor Rate ($/Hr.)</th>
<th>Repair Labor Rate ($/Hr.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Superior Electric Motor Service, Inc.</td>
<td>No Charge</td>
<td>$25.00</td>
<td>$60.00</td>
<td>$50.00</td>
</tr>
<tr>
<td>Vaughan’s Industrial Repair, Inc.</td>
<td>No Charge</td>
<td>No Charge</td>
<td>$75.00</td>
<td>$75.00</td>
</tr>
<tr>
<td>RLS Industries</td>
<td>$70.00</td>
<td>$80.00 (minimum)</td>
<td>$80.00</td>
<td>$80.00</td>
</tr>
<tr>
<td>Pamco Machine Works</td>
<td>No Charge</td>
<td>No Charge</td>
<td>$90.00</td>
<td>$90.00</td>
</tr>
<tr>
<td>MMC, Inc.</td>
<td>$350.00</td>
<td>$250.00</td>
<td>$90.00</td>
<td>$90.00</td>
</tr>
</tbody>
</table>

**PRIOR BOARD ACTION**

On December 19, 2012, the Board of Directors approved the award of Contract No. 4600001340 to Pamco Machine Works, Inc. to provide repair, rebuild, or refurbishment services of rotating machinery for a total aggregate not-to-exceed amount of $300,000 over a two-year period, which expired on December 30, 2014.

**IMPACT ON BUDGET**

If approved, sufficient funds are available in Fiscal Year 2015/16 through Fiscal Year 2017/18 Regional Operations and Maintenance (RO), Recycled Water (WC), and Non-Reclaimable Wastewater (NC) Funds, Professional Fees and Services Budget, to support the contract services related to the repair, rebuild, and refurbishments of rotating machinery.
CONTRACT No. 4600001864

For
Mechanical Equipment Repair and/or Rebuild Projects

THIS CONTRACT (the "Contract") is made and entered into this ____ day of ________, 2015, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and Vaughan's Industrial Repair Company, Inc., (hereinafter referred to as "Contractor") in order to establish the terms and conditions which will govern various "as needed / as requested" mechanical equipment repair and/or rebuild projects that may arise during the term of this contract.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   Project Manager: Albert Van Breukelen
   Address: 2662 E. Walnut Street
             Ontario, CA 91761
   Telephone: (909) 993-1628
   E-mail: avanbreukelen@ieua.org

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   Contractor's Project Manager: Jack Wilber
   Address: 16224 Garfield Ave., Paramount, CA 90723
             Paramount, CA 90723
   Telephone: (562) 822-2387
   Facsimile: (562) 633-1504
   E-mail: jack@vircl.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents; each of which is hereby incorporated as an integral part of this Contract. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

   1. Amendments to Contract No. 4600001864
   2. Contract No. 4600001864 including Exhibit A - Statement of Work
4. **SCOPE OF WORK AND ORDERING PROTOCOL**: Contractor services and responsibilities shall include and be in accordance with the descriptions and content listed within Exhibit A - Statement of Work which appears at the end of this Contract.

On an "as needed / as requested" basis, the Agency's assigned Project Manager may contact the Contractor, discuss the particulars of a given equipment repair project and (once agreement is reached as to the appropriate level-of-effort, not-to-exceed price involved and the associated repair schedule) request via e-mail (not verbally) the Contractor to travel to the appropriate IEUA location, pick-up the designated equipment in need of repair, and proceed with the agreed-upon repair or rebuild task(s). IEUA will be responsible for disconnecting, removing and palletizing (if feasible) the designated equipment prior to the Contractor's arrival on-site for equipment pick-up, as well as for re-installation of the repaired equipment subsequent to the Contractor's return delivery. The IEUA Project Manager's e-mail authorization shall/must convey a separate and discrete billing purchase order number which is to be referenced on the Contractor's associated invoice.

5. **TERM**: The term of this Contract shall extend from the date of its bi-lateral execution and terminate June 30, 2018, unless an extension is agreed to by both parties, reduced to writing and incorporated as a formal amendment to this Contract.

6. **PAYMENT, INVOICING AND COMPENSATION**: Contractor may invoice subsequent to completion of each equipment repair/rebuild job authorized under this Contract. The Contractor's monthly invoices shall be formulated consistent with the Schedule of Rates shown below.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Invoiceable Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pick-up/Delivery R/T Chrg</td>
<td>No Charge</td>
</tr>
<tr>
<td>Failure Analysis Reports</td>
<td>No Charge</td>
</tr>
<tr>
<td>Hourly Machining Rate</td>
<td>$75.00</td>
</tr>
<tr>
<td>Hourly In-Shop Labor Rate</td>
<td>$75.00</td>
</tr>
<tr>
<td>Replacement Parts</td>
<td>(@ actual costs plus Contractor mark-up)</td>
</tr>
<tr>
<td>Subcontracted Services</td>
<td>(@ actual costs plus Contractor mark-up)</td>
</tr>
<tr>
<td>Contractor Mark-Up %</td>
<td>15.0 %</td>
</tr>
</tbody>
</table>

Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

Contractor's invoices shall be submitted as follows: Inland Empire Utilities Agency
Attention: Accounts Payable Department
P.O. Box 9020
Chino Hills, CA 91709

OR e-mail invoice submittal via: APGroup@ieua.org

Concurrent with submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall e-mail a copy of said invoice to the Agency's designated Project Manager identified on page 1 of this Contract.

As compensation for the work performed under this Contract, Agency shall pay Contractor, on a fixed price level-of-effort basis, a total aggregate price not-to-exceed $240,000.00 for all work/services satisfactorily provided hereunder.
7. **LIQUIDATED DAMAGES:** Liquidated damages are not applicable to this contract.

8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule established by the Agency's Project Manager. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. **FITNESS FOR DUTY:**

   A. **Fitness:** Contractor and its Subcontractor personnel on the Jobsite:
      
      1. shall report for work in a manner fit to do their job;
      
      2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
      
      3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

   B. **Compliance:** Contractor shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

10. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at Contractor's sole expense, the following insurance.

    A. **Minimum Scope of Insurance:**

    1. **General Liability:** $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 00 01 10 01 covering Commercial General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice.

    2. **Automobile Liability:** $300,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."
3. **Workers’ Compensation and Employers Liability**: Workers’ compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.

**B. Deductibles and Self-Insured Retention**: Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

**C. Other Insurance Provisions**: The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**

   a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements CG2010 1185 as respects liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85 form, then it is necessary to issue Form CG 2037 10 01 in addition to the 10 93 or 03 97 Forms.

   b. The Consultant’s insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant’s insurance and shall not contribute with it.

   c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.

   d. The Consultant’s insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer’s liability.

   e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any Such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. **Workers’ Compensation and Employers Liability Coverage**

   The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Consultant for the Agency.
3. All Coverages

Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, 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 Agency.

D. Acceptability of Insurers: With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A minus:VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B:VII, and who are admitted insurers in the State of California.

E. Verification of Coverage: Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. Submittal of Certificates: Consultant shall submit all required certificates and endorsements to the following:

Roger Hughbanks, Contracts Administrator
Inland Empire Utilities Agency (via)
E-mail address: rhughbanks@ieua.org

11. LEGAL RELATIONS AND RESPONSIBILITIES

A. Professional Responsibility: The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. Status of Contractor: The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. Observing Laws and Ordinances: The Contractor shall keep itself fully informed of all existing state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

D. Subcontract Services: Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Agency’s Project Manager.
E. **Hours of Labor:** The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.

F. **Travel and Subsistence Pay:** The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

G. **Liens:** Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

H. **Conflict of Interest:** No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

I. **Equal Opportunity and Unlawful Discrimination:** During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency’s Harassment Prohibition and Equal Employment Opportunity commitments. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency’s Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency’s Human Resources Administrator. Please be assured that any possible infraction will be thoroughly investigated by the Agency.

J. **Non-Conforming Work and Warranty:** Contractor represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcomings is brought to the attention of Contractor by Agency, or any other person or entity. Contractor shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation unusable and shall correct other errors within thirty (30) calendar days after Contractor’s receipt of notice of the error. Upon request of Agency, Contractor shall correct any such error deemed important by Agency in its sole discretion to Agency’s continued use of the Work or Documentation within seven (7) calendar days after Contractor’s receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without
modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for the Contractor's position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.

K. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq., or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency's decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor's written protests to the General Manager, together with a copy of the Agency Project Manager's written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.

b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil
Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys’ fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also include court costs associated with such appeals, including but not limited to reasonable attorneys’ fees which shall be recoverable by the prevailing party.

4. **Joinder in Mediation/Arbitration:** The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency’s representative to the Contractor.

L. **Workers’ Legal Status:** For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

12. **INDEMNIFICATION:** Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:

A. Any and all claims, demands, causes of action, damages, costs, expenses, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or Contractor, or any directors, officers, employees, or authorized volunteers of Agency or Contractor, and damages to or destruction of property of any person, including but not limited to, Agency and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;

B. Any and all actions, proceedings, damages, costs, expenses, penalties or liabilities, in law or equity, or every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;

C. Any and all losses, expenses, damages (including damages to the work itself), attorneys’ fees, and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal or Contractor to faithfully perform the work and all of the Contractor’s obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys’ fees, incurred by the indemnified parties in any lawsuit to which they are a party.

13. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor’s subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.
14. **TITLE AND RISK OF LOSS:**

A. **Documentation:** Title to any/all Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such documentation in a controlled access file, and shall not reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Project.

B. **Material:** Title to all Material, equipment, procured or fabricated under the Contract shall pass to Agency when delivered to the Agency’s job-site and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

C. **Disposition:** Contractor shall dispose of items to which Agency has title as directed in writing by the Agency.

15. **proprietary rights:**

A. **Rights and Ownership:** Agency’s rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.

2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. **No Additional Compensation:** Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.
16. **INFRINGEMENT:** Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.

Contractor shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

17. **NOTICES:** Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

**Agency:**
Warren T. Green  
Manager of Contracts/Procurement & Facilities Services  
Inland Empire Utilities Agency  
P.O. Box 9020  
Chino Hills, California 91709

**Contractor:**
Keven Vaughan  
Vice President  
Vaughn's Industrial Repair Co., Inc.  
P.O. Box 1898  
Paramount, CA 90723

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. **SUCCESSORS AND ASSIGNS:** All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

19. **PUBLIC RECORDS POLICY:** Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.). The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor. In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency
is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked "Confidential," "Proprietary," or "Trade Secret." Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.

20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

22. **GOVERNING LAW:** This Contract is to be governed by and interpreted in accordance with the laws of the State of California.

23. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-involved services up to the date of such termination.

24. **FORCE MAJEUERE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

25. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

26. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a separate billing purchase order number has been relayed to the Contractor for each job/project authorized under this contract.

**AS WITNESS HEREOF,** the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**

<table>
<thead>
<tr>
<th>P. Joseph Grindstaff</th>
<th>(Date)</th>
<th>Vaughan’s INDUSTRIAL REPAIR Co., Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Manager</td>
<td></td>
<td>Keven Vaughan</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Vice President</td>
</tr>
</tbody>
</table>

Contract No. 4600001864

Page 11
EXHIBIT A

STATEMENT OF WORK

SUMMARY:

On an "as needed / as requested" basis, the Agency's assigned Project Manager may contact the Contractor, discuss the particulars of a given equipment repair project and (once agreement is reached as to the appropriate level-of-effort, not-to-exceed price involved and the associated repair schedule) request via e-mail (not verbally) the Contractor to travel to the appropriate IEUA location, pick-up the designated equipment in need of repair, and proceed with the agreed-upon repair or rebuild task(s). IEUA will be responsible for disconnecting, removing and palletizing (if feasible) the designated equipment prior to the Contractor's arrival on-site for equipment pick-up, as well as for re-installation of the repaired equipment subsequent to the Contractor's return delivery. The IEUA Project Manager's e-mail authorization shall/must convey a separate and discrete billing purchase order number which is to be referenced on the Contractor's associated invoice. Note: The Agency reserves the right to send staff to Contractor's facility in order to witness final inspection/test of the repaired equipment prior to return shipment to the Agency. Contractor services and responsibilities shall include and be in accordance with the below-detailed descriptions, information, scope of work statements and specifications.

<table>
<thead>
<tr>
<th>PROJECT DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>This Statement of Work is intended to support the solicitation of proposals for a three (3) year master agreement covering repair and service of IEUA pumps, mixers, blowers and/or compressors.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT LOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Potentially, any/all Agency water and waste water equipment locations.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>SCOPE OF WORK</th>
</tr>
</thead>
<tbody>
<tr>
<td>The selected contractor shall provide service and repairs on an &quot;as needed / as requested basis&quot; for the Agency's pumps, mixers, blowers and/or compressors. Contractor must be able to provide on-site pick-up service and subsequent return delivery service of repaired equipment to any of the Agency's waste water treatment facilities and/or other equipment locations (e.g. lift stations, well sites, etc.).</td>
</tr>
</tbody>
</table>

Optimally, the selected contractor can provide the following:

1. Must be capable of machining parts if required.

2. Following are the different types of equipment the Agency uses and what the selected contractor may be asked to provide service to.
   a) Centrifugal pumps
   b) Vertical Turbine pumps
   c) Horizontal split case pumps
   d) Trash pumps
   e) Multi-stage pumps
   f) Well pumps
   g) Positive displacement pumps
   h) Lobe pumps
   i) Gear pumps
   j) Progressive cavity pumps
   k) Piston pumps
l) Blowers
m) Compressors
n) Gearboxes
c) Mixers
p) Conveyor systems (Screw & Belt types)
q) Grinders (i.e. Muffin Monstere)
r) Submersible pumps

3. Below is a list of manufacturers that are commonly used but it may not be all inclusive. Contractor may be asked to provide service, support and OEM parts.
   a) Fairbanks Morse
   b) Flo-way
   c) Moyno
   d) Allweiler
e) ABS
   f) Peabody
   g) Vaughn
   h) Leeson
   i) Wemco
   j) Gorman-Rupp
   k) Aurora
   l) Peerless
   m) Paco
   n) Myers
   o) Netzch
   p) Monoflo
   q) Seepex
   r) Gould
   s) Aerzen
t) SEW Eurodrive
u) Clearstream

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**PROJECT SCHEDULE**

All services to be provided on an "as needed / as requested basis" as required by the Agency throughout the duration of the anticipated three year master agreement.

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**ASSUMPTIONS & APPLICABLE SPECIFICATIONS**

1. For each piece of equipment repaired, contractor must provide a repair completion report with analysis of equipment failure as found.
   a) Documentation shall include pictures and a description of repairs performed.
   b) Report shall include "as-found" conditions and corrective actions performed.
   c) Contractor must have the capability to provide functionality report related to:
      I. Pressure testing
      II. Head Flow profile verification.

2. Contractor shall provide pick-up and return delivery as part of its service.
3. Contractor shall provide the following services: pick-up of designated equipment at Agency location, perform failure analysis and associated report generation & submittal, repair/rebuild the designated equipment, return delivery of repaired equipment to Agency location. Contractor shall provide all equipment and tools to accomplish the above tasks.
4. Contractor shall provide a one year warranty on all parts and labor.
5. Contractor must be able to provide emergency response within 24hrs notice.
6. Contractor must be able to prove capability in terms of:
a) A local facility available for tour with Agency's representatives prior to award.
b) Must be able to provide minimum of five (5) references, including company or agency information.

7. All repairs shall receive OEM parts only unless otherwise approved by authorized maintenance representatives.
MASTER CONTRACT No. 4600001868

For

Mechanical Equipment Repair and/or Rebuild Projects

THIS CONTRACT (the "Contract") is made and entered into this 15 day of April, 2015, by and between the Inland Empire Utilities Agency, a Municipal Water District, organized and existing in the County of San Bernardino under and by virtue of the laws of the State of California (hereinafter referred to as "Agency") and Superior Electric Motor Service, Inc., of Los Angeles, California (hereinafter referred to as "Contractor") in order to establish the terms and conditions which will govern various "as needed / as requested" mechanical equipment repair and/or rebuild projects that may arise during the term of this contract.

NOW, THEREFORE, in consideration of the mutual promises and obligations set forth herein, the parties agree as follows:

1. PROJECT MANAGER ASSIGNMENT: All technical direction related to this Contract shall come from the designated Project Manager. Details of the Agency's assignment are listed below.

   Project Manager:  Albert Van Breukelen
   Address:  2662 E. Walnut Street
              Ontario, CA  91761
   Telephone:  (909) 993-1628
   E-mail:  avanbreukelen@ieua.org

2. CONTRACTOR ASSIGNMENT: Special inquiries related to this Contract and the effects of this Contract shall be referred to the following:

   Contractor's Project Manager:  Chris Marachelian
   Address:  4623 Hampton Street
              Los Angeles, CA  90058
   Telephone:  (323) 583-1040
   Facsimile:  (323) 583-9266
   E-mail:  ChrisM@superiorelectricmotors.com

3. ORDER OF PRECEDENCE: The documents referenced below represent the Contract Documents; each of which is hereby incorporated as an integral part of this Contract. Where any conflicts exist between the General Terms and Conditions, or addenda attached, then the governing order of precedence shall be as follows:

   1. Amendments to Contract No. 4600001868
   2. Contract No. 4600001868 including Exhibit A - Statement of Work
4. **SCOPE OF WORK AND ORDERING PROTOCOL:** Contractor services and responsibilities shall include and be in accordance with the descriptions and content listed within Exhibit A - Statement of Work which appears at the end of this Contract.

On an "as needed / as requested" basis, the Agency's assigned Project Manager may contact the Contractor, discuss the particulars of a given equipment repair project and (once agreement is reached as to the appropriate level-of-effort, not-to-exceed price involved and the associated repair schedule) request via e-mail (not verbally) the Contractor to travel to the appropriate IEUA location, pick-up the designated equipment in need of repair, and proceed with the agreed-upon repair or rebuild task(s). IEUA will be responsible for disconnecting, removing and palletizing (if feasible) the designated equipment prior to the Contractor's arrival on-site for equipment pick-up, as well as for re-installation of the repaired equipment subsequent to the Contractor's return delivery. The IEUA Project Manager's e-mail authorization shall/must convey a separate and discrete billing purchase order number which is to be referenced on the Contractor's associated invoice.

5. **TERM:** The term of this Contract shall extend from the date of its bi-lateral execution and terminate June 30, 2018, unless an extension is agreed to by both parties, reduced to writing and incorporated as a formal amendment to this Contract.

6. **PAYMENT, INVOICING AND COMPENSATION:** Contractor may invoice subsequent to completion and return delivery of each equipment repair/rebuild job authorized under this Contract. The Contractor's invoices shall be formulated consistent with the Schedule of Rates shown below.

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Invoiceable Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pick-up/Delivery R/T Charge</td>
<td>No Charge</td>
</tr>
<tr>
<td>Failure Analysis Reports</td>
<td>$ 25.00</td>
</tr>
<tr>
<td>Hourly Machining Rate</td>
<td>$ 60.00</td>
</tr>
<tr>
<td>Hourly In-Shop Labor Rate</td>
<td>$ 50.00</td>
</tr>
<tr>
<td>Replacement Parts</td>
<td>(@ actual costs plus Contractor mark-up)</td>
</tr>
<tr>
<td>Subcontracted Services</td>
<td>(@ actual costs plus Contractor mark-up)</td>
</tr>
<tr>
<td>Contractor Mark-Up %</td>
<td>25.0 %</td>
</tr>
</tbody>
</table>

Agency shall pay Contractor's properly executed invoice, approved by the Project Manager, within thirty (30) days following receipt of the invoice. Payment will be withheld for any service which does not meet the requirements of this Contract, until such service is revised, the invoice resubmitted and accepted by the Project Manager.

Contractor's invoices shall be submitted as follows:

Inland Empire Utilities Agency  
Attention: Accounts Payable Department  
P.O. Box 9020  
Chino Hills, CA 91709

OR e-mail invoice submittal via: APGroup@ieua.org

Concurrent with submittal of the original invoice to the Agency's Accounts Payable Department, the Contractor shall e-mail a copy of said invoice to the Agency's designated Project Manager identified on page 1 of this Contract.

As compensation for the work performed under this Contract, Agency shall pay Contractor, on a fixed price level-of-effort basis, a total aggregate price not-to-exceed $240,000.00 for all work/services satisfactorily provided hereunder.
7. **LIQUIDATED DAMAGES:** Liquidated damages are not applicable to this contract.

8. **CONTROL OF THE WORK:** Contractor shall perform the Work in compliance with the Work Schedule established by the Agency’s Project Manager. If performance of the Work falls behind schedule, the Contractor shall accelerate the performance of the Work to comply with the Work Schedule as directed by the Project Manager. If the nature of the Work is such that Contractor is unable to accelerate the Work, Contractor shall promptly notify the Project Manager of the delay, the causes of the delay, and submit a proposed revised Work Schedule.

9. **FITNESS FOR DUTY:**
   
   A. **Fitness:** Contractor and its Subcontractor personnel on the Jobsite:
      
      1. shall report for work in a manner fit to do their job;
      
      2. shall not be under the influence of or in possession of any alcoholic beverages or of any controlled substance (except a controlled substance as prescribed by a physician so long as the performance or safety of the Work is not affected thereby); and
      
      3. shall not have been convicted of any serious criminal offense which, by its nature, may have a discernible adverse impact on the business or reputation of Agency.

   B. **Compliance:** Contractor shall advise all contractor and subcontractor personnel and associated third parties of the requirements of this Contract ("Fitness for Duty Requirements") before they enter on the Jobsite and shall immediately remove from the Jobsite any employee determined to be in violation of these requirements. Contractor shall impose these requirements on its Subcontractors. Agency may cancel the Contract if Contractor violates these Fitness for Duty Requirements.

10. **INSURANCE:** During the term of this Contract, the Contractor shall maintain at Contractor’s sole expense, the following insurance.

    A. **Minimum Scope of Insurance:**
    
    1. **General Liability:** $1,000,000 combined single limit per occurrence for bodily injury, personal injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number GL 00 01 10 01 covering Commercial General Liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location, or the general aggregate limit shall be twice.

    2. **Automobile Liability:** $300,000 combined single limit per accident for bodily injury and property damage. Coverage shall be at least as broad as Insurance Services Office form number CA 00 01 10 01, covering Automobile Liability, including "any auto."

    3. **Workers’ Compensation and Employers Liability:** Workers’ compensation limits as required by the Labor Code of the State of California and employers Liability limits of $1,000,000 per accident.
B. **Deductibles and Self-Insured Retention:** Any deductibles or self-insured retention must be declared to and approved by the Agency. At the option of the Agency, either: the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the Agency, its officers, officials, employees and volunteers; or the Consultant shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

C. **Other Insurance Provisions:** The policies are to contain, or be endorsed to contain, the following provisions:

1. **General Liability and Automobile Liability Coverage**

   a. The Agency, its officers, officials, employees, volunteers, property owners and any engineers under contract to the Agency are to be covered as insureds, endorsements CG2010 1185 as respects: liability arising out of activities performed by or on behalf of the Consultant, products and completed operations of the Consultant, premises owned, occupied or used by the Consultant, or automobiles owned, leased, hired or borrowed by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the Agency, its officers, officials, employees or volunteers. If Form CG 2010 10 93 or CG 2010 03 97 are issued in place of the CG 2010 11 85 form, then it is necessary to issue Form CG 2037 10 01 in addition to the 10 93 or 03 97 Forms.

   b. The Consultant's insurance coverage shall be primary insurance as respects the Agency, its officer, officials, employees and volunteers. Any insurance or self-insurance maintained by the Agency, its officers, officials, employees, or volunteers shall be excess of the Consultant's insurance and shall not contribute with it.

   c. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Agency, its officers, officials, employees or volunteers.

   d. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

   e. The Consultant may satisfy the limit requirements in a single policy or multiple policies. Any such additional policies written as excess insurance shall not provide any less coverage than that provided by the first or primary policy.

2. **Workers' Compensation and Employers Liability Coverage**

   The insurer shall agree to waive all rights of subrogation against the Agency, its officers, officials, employees and volunteers for losses arising from work performed by the Consultant for the Agency.

3. **All Coverages**

   Each insurance policy required by this contract shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, 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 Agency.

D. **Acceptability of Insurers:** With the exception of Professional Liability Insurance, all insurance is to be placed with insurers with a Best's rating of no less than A minus: VII, and who are admitted insurers in the State of California. Professional Liability Insurance is to be placed with insurers with a Best's rating of no less than B: VII, and who are admitted insurers in the State of California.

E. **Verification of Coverage:** Consultant shall furnish the Agency with certificates of insurance and with original endorsements effecting coverage required by the Agency for themselves and all subcontractors prior to commencing work or allowing any subcontractor to commence work under any subcontract. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements are to be approved by the Agency before work commences. The Agency reserves the right to require complete, certified copies of all required insurance policies, at any time.

F. **Submittal of Certificates:** Consultant shall submit all required certificates and endorsements to the following:

Roger Hughbanks, Contracts Administrator  
Inland Empire Utilities Agency (via)  
E-mail address: r Hughbanks@ieuA.org

11. **LEGAL RELATIONS AND RESPONSIBILITIES**

A. **Professional Responsibility:** The Contractor shall be responsible, to the level of competency presently maintained by other practicing professionals performing the same or similar type of work.

B. **Status of Contractor:** The Contractor is retained as an independent Contractor only, for the sole purpose of rendering the services described herein, and is not an employee of the Agency.

C. **Observing Laws and Ordinances:** The Contractor shall keep itself fully informed of all existing state and federal laws and all county and city ordinances and regulations which in any manner affect the conduct of any services or tasks performed under this Contract, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. The Contractor shall at all times observe and comply with all such existing and future laws, ordinances, regulations, orders and decrees, and shall protect and indemnify, as required herein, the Agency, its officers, employees and agents against any claim or liability arising from or based on the violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or its employees.

D. **Subcontract Services:** Any subcontracts for the performance of any services under this Contract shall be subject to the written approval of the Agency's Project Manager.

E. **Hours of Labor:** The Contractor shall comply with all applicable provisions of California Labor Code Sections 1810 to 1817 relating to working hours. The Contractor shall, as a penalty to the Agency, forfeit $25.00 for each worker employed in the execution of the Contract by the Contractor or by any subcontractor for each calendar day during which such worker is required or permitted to work more than eight hours in any one calendar day and forty (40) hours in any one calendar week in violation of the provisions of the Labor Code.
F. **Travel and Subsistence Pay**: The Contractor shall make payment to each worker for travel and subsistence payments which are needed to execute the work and/or service, as such travel and subsistence payments are defined in the applicable collective bargaining agreements with the worker.

G. **Liens**: Contractor shall pay all sums of money that become due from any labor, services, materials or equipment furnished to Contractor on account of said services to be rendered or said materials to be furnished under this Contract and that may be secured by any lien against the Agency. Contractor shall fully discharge each such lien at the time performance of the obligation secured matures and becomes due.

H. **Conflict of Interest**: No official of the Agency who is authorized in such capacity and on behalf of the Agency to negotiate, make, accept or approve, or to take part in negotiating, making, accepting or approving this Contract, or any subcontract relating to services or tasks to be performed pursuant to this Contract, shall become directly or indirectly personally interested in this Contract.

I. **Equal Opportunity and Unlawful Discrimination**: During the performance of this Contract, the Contractor shall not unlawfully discriminate against any employee or employment applicant because of race, color, religion, sex, age, marital status, ancestry, physical or mental disability, sexual orientation, veteran status or national origin. The Agency is committed to creating and maintaining an environment free from harassment and discrimination. To accomplish these goals the Agency has established procedures regarding the implementation and enforcement of the Agency’s Harassment Prohibition and Equal Employment Opportunity. Please refer to Agency Policies A-29 (Equal Employment Opportunity) and A-30 Harassment Prohibition for detailed information or contact the Agency’s Human Resources Administrator. A copy of either of these Policies can be obtained by contacting the Project Manager for your respective Contract. Please advise any of your staff that believes they might have been harassed or discriminated against while on Agency property, to report said possible incident to either the Project Manager, or the Agency’s Human Resources Administrator. Please be assured that any possible infraction will be thoroughly investigated by the Agency.

J. **Non-Conforming Work and Warranty**: Contractor represents and warrants that the Work and Documentation shall be adequate to serve the purposes described in the Contract. For a period of not less than one (1) year after acceptance of the completed Work, Contractor shall, at no additional cost to Agency, correct any and all errors in and shortcomings of the Work or Documentation, regardless of whether any such errors or shortcoming is brought to the attention of Contractor by Agency, or any other person or entity. Contractor shall within three (3) calendar days, correct any error or shortcoming that renders the Work or Documentation unusable and shall correct other errors within thirty (30) calendar days after Contractor’s receipt of notice of the error. Upon request of Agency, Contractor shall correct any such error deemed important by Agency in its sole discretion to Agency’s continued use of the Work or Documentation within seven (7) calendar days after Contractor’s receipt of notice of the error. If the Project Manager rejects all or any part of the Work or Documentation as unacceptable and agreement to correct such Work or Documentation cannot be reached without modification to the Contract, Contractor shall notify the Project Manager, in writing, detailing the dispute and reason for the Contractor’s position. Any dispute that cannot be resolved between the Project Manager and Contractor shall be resolved in accordance with the provisions of this Contract.
K. Disputes:

1. All disputes arising out of or in relation to this Contract shall be determined in accordance with this section. The Contractor shall pursue the work to completion in accordance with the instruction of the Agency's Project Manager notwithstanding the existence of dispute. By entering into this Contract, both parties are obligated, and hereby agree, to submit all disputes arising under or relating to the Contract, which remain unresolved after the exhaustion of the procedures provided herein, to independent arbitration. Except as otherwise provided herein, arbitration shall be conducted under California Code of Civil Procedure Sections 1280, et. seq, or their successor.

2. Any and all disputes during the pendency of the work shall be subject to resolution by the Agency Project Manager and the Contractor shall comply, pursuant to the Agency Project Manager instructions. If the Contractor is not satisfied with any such resolution by the Agency Project Manager, they may file a written protest with the Agency Project Manager within seven (7) calendar days after receiving written notice of the Agency’s decision. Failure by Contractor to file a written protest within seven (7) calendar days shall constitute waiver of protest, and acceptance of the Agency Project Manager's resolution. The Agency's Project Manager shall submit the Contractor’s written protests to the General Manager, together with a copy of the Agency Project Manager’s written decision, for his or her consideration within seven (7) calendar days after receipt of said protest(s). The General Manager shall make his or her determination with respect to each protest filed with the Agency Project Manager within ten (10) calendar days after receipt of said protest(s). If Contractor is not satisfied with any such resolution by the General Manager, they may file a written request for arbitration with the Project Manager within seven (7) calendar days after receiving written notice of the General Manager's decision.

3. In the event of arbitration, the parties hereto agree that there shall be a single neutral Arbitrator who shall be selected in the following manner:

a. The Demand for Arbitration shall include a list of five names of persons acceptable to the Contractor to be appointed as Arbitrator. The Agency shall determine if any of the names submitted by Contractor are acceptable and, if so, such person will be designated as Arbitrator.

b. In the event that none of the names submitted by Contractor are acceptable to Agency, or if for any reason the Arbitrator selected in Step (a) is unable to serve, the Agency shall submit to Contractor a list of five names of persons acceptable to Agency for appointment as Arbitrator. The Contractor shall, in turn, have seven (7) calendar days in which to determine if one such person is acceptable.

c. If after Steps (a) and (b), the parties are unable to mutually agree upon a neutral Arbitrator, the matter of selection of an Arbitrator shall be submitted to the San Bernardino County Superior Court pursuant to Code of Civil Procedure Section 1281.6, or its successor. The costs of arbitration, including but not limited to reasonable attorneys' fees, shall be recoverable by the party prevailing in the arbitration. If this arbitration is appealed to a court pursuant to the procedure under California Code of Civil Procedure Section 1294, et. seq., or their successor, the costs of arbitration shall also
include court costs associated with such appeals, including but not limited to reasonable attorneys’ fees which shall be recoverable by the prevailing party.

4. **Joinder in Mediation/Arbitration:** The Agency may join the Contractor in mediation or arbitration commenced by a contractor on the Project pursuant to Public Contracts Code Sections 20104 et seq. Such joinder shall be initiated by written notice from the Agency’s representative to the Contractor.

L. **Workers’ Legal Status:** For performance against this Contract, Contractor shall only utilize employees and/or subcontractors that are authorized to work in the United States pursuant to the Immigration Reform and Control Act of 1986.

12. **INDEMNIFICATION:** Contractor shall indemnify and hold harmless and defend as permitted by law, the Agency, its directors, officers, employees, or authorized volunteers, each of them from and against:

   A. Any and all claims, damages, losses or liabilities, in law or in equity, of every kind or nature whatsoever for, but not limited to, injury to or death of any person including Agency and/or Contractor, or any directors, officers, employees, or authorized volunteers of Agency or Contractor, and damages to or destruction of property of any person, including but not limited to, Agency and/or Contractor or their directors, officers, employees, or authorized volunteers, arising out of or in any manner directly or indirectly connected with the work to be performed under this agreement, however caused, except for the sole negligence or willful misconduct or active negligence of the Agency or its directors, officers, employees, or authorized volunteers;

   B. Any and all actions, proceedings, damages, losses or liabilities, in law or in equity, of every kind or nature whatsoever, arising out of, resulting from, or on account of the violation of any governmental law or regulation, compliance with which is the responsibility of the Contractor;

   C. Any and all losses, expenses, damages (including damages to the work itself), attorneys’ fees, and other costs, including all costs of defense, which any of them may incur with respect to the failure, neglect, or refusal of Contractor to faithfully perform the work and all of the Contractor’s obligations under the agreement. Such costs, expenses, and damages shall include all costs, including attorneys’ fees, incurred by the indemnified parties in any lawsuit to which they are a party.

13. **OWNERSHIP OF MATERIALS AND DOCUMENTS/CONFIDENTIALITY:** The Agency retains ownership of any and all partial or complete reports, drawings, plans, notes, computations, lists, and/or other materials, documents, information, or data prepared by the Contractor and/or the Contractor’s subcontractor(s) pertaining to this Contract. Said materials and documents are confidential and shall be available to the Agency from the moment of their preparation, and the Contractor shall deliver same to the Agency whenever requested to do so by the Project Manager and/or Agency. The Contractor agrees that same shall not be made available to any individual or organization, private or public, without the prior written consent of the Agency.

14. **TITLE AND RISK OF LOSS:**

   A. **Documentation:** Title to any/all Documentation shall pass to Agency when prepared; however, a copy may be retained by Contractor for its records and internal use. Contractor shall retain such Documentation in a controlled access file, and shall not
reveal, display or disclose the contents of the Documentation to others without the prior written authorization of Agency or for the performance of Work related to the Project.

B. **Material:** Title to all Material, equipment, procured or fabricated under the Contract shall pass to Agency when delivered to the Agency's job-site and such title shall be free and clear of any and all encumbrances. Contractor shall have risk of loss of any Material or Agency-owned equipment of which it has custody.

C. **Disposition:** Contractor shall dispose of items to which Agency has title as directed in writing by the Agency.

15. **PROPRIETARY RIGHTS:**

A. **Rights and Ownership:** Agency's rights to inventions, discoveries, trade secrets, patents, copyrights, and other intellectual property, including the Information and Documentation, and revisions thereto (hereinafter collectively referred to as "Proprietary Rights"), used or developed by Contractor in the performance of the Work, shall be governed by the following provisions:

1. Proprietary Rights conceived, developed, or reduced to practice by Contractor in the performance of the Work shall be the property of Agency, and Contractor shall cooperate with all appropriate requests to assign and transfer same to Agency.

2. If Proprietary Rights conceived, developed, or reduced to practice by Contractor prior to the performance of the Work are used in and become integral with the Work or Documentation, or are necessary for Agency to have complete enjoyment of the Work or Documentation, Contractor shall grant to Agency a non-exclusive, irrevocable, royalty-free license, as may be required by Agency for the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation.

3. If the Work or Documentation includes the Proprietary Rights of others, Contractor shall procure, at no additional cost to Agency, all necessary licenses regarding such Proprietary Rights so as to allow Agency the complete enjoyment of the Work and Documentation, including the right to reproduce, correct, repair, replace, maintain, translate, publish, use, modify, copy or dispose of any or all of the Work and Documentation and grant sublicenses to others with respect to the Work and Documentation. All such licenses shall be in writing and shall be irrevocable and royalty-free to Agency.

B. **No Additional Compensation:** Nothing set forth in this Contract shall be deemed to require payment by Agency to Contractor of any compensation specifically for the assignments and assurances required hereby, other than the payment of expenses as may be actually incurred by Contractor in complying with this Contract.

16. **INFRINGEMENT:** Contractor represents and warrants that the Work and Documentation shall be free of any claim of trade secret, trade mark, trade name, copyright, or patent infringement or other violations of any Proprietary Rights of any person.
Contractor shall defend, indemnify and hold harmless, Agency, its officers, directors, agents, employees, successors, assigns, servants, and volunteers free and harmless from any and all liability, damages, losses, claims, demands, actions, causes of action, and costs including reasonable attorney's fees and expenses arising out of any claim that use of the Work or Documentation infringes upon any trade secret, trade mark, trade name, copyright, patent, or other Proprietary Rights.

Contractor shall, at its expense and at Agency's option, refund any amount paid by Agency under the Contract, or exert its best efforts to procure for Agency the right to use the Work and Documentation, to replace or modify the Work and Documentation as approved by Agency so as to obviate any such claim of infringement, or to put up a satisfactory bond to permit Agency's continued use of the Work and Documentation.

17. NOTICES: Any notice may be served upon either party by delivering it in person, or by depositing it in a United States Mail deposit box with the postage thereon fully prepaid, and addressed to the party at the address set forth below:

Agency: Warren T. Green  
Manager of Contracts/Procurement & Facilities Services  
Inland Empire Utilities Agency  
P.O. Box 9020  
Chino Hills, California 91709

Contractor: Chris Marachelian  
Vice President  
Superior Electric Motor Service, Inc.  
4623 Hampton Street  
Los Angeles, CA 90058

Any notice given hereunder shall be deemed effective in the case of personal delivery, upon receipt thereof, or, in the case of mailing, at the moment of deposit in the course of transmission with the United States Postal Service.

18. SUCCESSORS AND ASSIGNS: All of the terms, conditions and provisions of this Contract shall inure to the benefit of and be binding upon the Agency, the Contractor, and their respective successors and assigns. Notwithstanding the foregoing, no assignment of the duties or benefits of the Contractor under this Contract may be assigned, transferred or otherwise disposed of without the prior written consent of the Agency; and any such purported or attempted assignment, transfer or disposal without the prior written consent of the Agency shall be null, void and of no legal effect whatsoever.

19. PUBLIC RECORDS POLICY: Information made available to the Agency may be subject to the California Public Records Act (Government Code Section 6250 et seq.) The Agency's use and disclosure of its records are governed by this Act. The Agency shall use its best efforts to notify Contractor of any requests for disclosure of any documents pertaining to Contractor.

In the event of litigation concerning disclosure of information Contractor considers exempt from disclosure; (e.g., Trade Secret, Confidential, or Proprietary) Agency shall act as a stakeholder only, holding the information until otherwise ordered by a court or other legal process. If Agency is required to defend an action arising out of a Public Records Act request for any of the information Contractor has marked “Confidential,” "Proprietary," or "Trade Secret, " Contractor shall defend and indemnify Agency from all liability, damages, costs, and expenses, including attorneys' fees, in any action or proceeding arising under the Public Records Act.
20. **RIGHT TO AUDIT:** The Agency reserves the right to review and/or audit all Contractor's records related to the Work. The option to review and/or audit may be exercised during the term of the Contract, upon termination, upon completion of the Contract, or at any time thereafter up to twelve (12) months after final payment has been made to Contractor. The Contractor shall make all records and related documentation available within three (3) working days after said records are requested by the Agency.

21. **INTEGRATION:** The Contract Documents represent the entire Contract of the Agency and the Contractor as to those matters contained herein. No prior oral or written understanding shall be of any force or effect with respect to those matters covered by the Contract Documents. This Contract may not be modified, altered or amended except by written mutual agreement by the Agency and the Contractor.

22. **GOVERNING LAW:** This Contract is to be governed by and interpreted in accordance with the laws of the State of California.

23. **TERMINATION FOR CONVENIENCE:** The Agency reserves and has the right to immediately suspend, cancel or terminate this Contract at any time upon written notice to the Contractor. In the event of such termination, the Agency shall pay Contractor for all authorized and Contractor-invoked services up to the date of such termination.

24. **FORCE MAJEURE:** Neither party shall hold the other responsible for the effects of acts occurring beyond their control; e.g., war, riots, strikes, natural disasters, etcetera.

25. **CHANGES:** The Agency may, at any time, make changes to this Contract's Scope of Work; including additions, reductions and other alterations to any or all of the work. However, such changes shall only be made via written amendment to this Contract. The Contract Price and Work Schedule shall be equitably adjusted, if required, to account for such changes and shall be set forth within the Contract Amendment.

26. **NOTICE TO PROCEED:** No services shall be performed or furnished under this Contract unless and until this document has been properly signed by all responsible parties and a separate billing purchase order number has been relayed to the Contractor for each job/project authorized under this contract.

AS WITNESS HEREOF, the parties hereto have caused the Contract to be entered as of the day and year written above.

**INLAND EMPIRE UTILITIES AGENCY:**

P. Joseph Grindstaff  
General Manager

(Date)

**SUPERIOR ELECTRIC MOTOR SERVICE, INC.:**

Chris Marachellian  
Vice President

(Date)

Contract No. 4600001868

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EXHIBIT A

STATEMENT OF WORK

SUMMARY:

On an "as needed / as requested" basis, the Agency's assigned Project Manager may contact the Contractor, discuss the particulars of a given equipment repair project and (once agreement is reached as to the appropriate level-of-effort, not-to-exceed price involved and the associated repair schedule) request via e-mail (not verbally) the Contractor to travel to the appropriate IEUA location, pick-up the designated equipment in need of repair, and proceed with the agreed-upon repair or rebuild task(s). IEUA will be responsible for disconnecting, removing and palletizing (if feasible) the designated equipment prior to the Contractor's arrival on-site for equipment pick-up, as well as for re-installation of the repaired equipment subsequent to the Contractor's return delivery. The IEUA Project Manager's e-mail authorization shall/must convey a separate and discrete billing purchase order number which is to be referenced on the Contractor's associated invoice. Note: The Agency reserves the right to send staff to Contractor's facility in order to witness final inspection/test of the repaired equipment prior to return shipment to the Agency. Contractor services and responsibilities shall include and be in accordance with the below-detailed descriptions, information, scope of work statements and specifications.

PROJECT DESCRIPTION

This Statement of Work is intended to support the solicitation of proposals for a three (3) year master agreement covering repair and service of IEUA pumps, mixers, blowers and/or compressors.

PROJECT LOCATIONS

Potentially, any/all Agency water and waste water equipment locations.

SCOPE OF WORK

The selected contractor shall provide service and repairs on an "as needed / as requested basis" for the Agency's pumps, mixers, blowers and/or compressors. Contractor must be able to provide on-site pick-up service and subsequent return delivery service of repaired equipment to any of the Agency's waste water treatment facilities and/or other equipment locations (e.g. lift stations, well sites, etc.).

Optimally, the selected contractor can provide the following:

1. Must be capable of machining parts if required.

2. Following are the different types of equipment the Agency uses and what the selected contractor may be asked to provide service to.
   a) Centrifugal pumps
   b) Vertical Turbine pumps
   c) Horizontal split case pumps
   d) Trash pumps
   e) Multi-stage pumps
   f) Well pumps
   g) Positive displacement pumps
   h) Lobe pumps
   i) Gear pumps
   j) Progressive cavity pumps
   k) Piston pumps
1) Blowers
m) Compressors
n) Gearboxes
o) Mixers
p) Conveyor systems (Screw & Belt types)
q) Grinders (i.e. Muffin Monsters)
r) Submersible pumps

3. Below is a list of manufacturers that are commonly used but it may not be all inclusive. Contractor may be asked to provide service, support and OEM parts.
a) Fairbanks Morse
b) Flo-way
c) Moyno
d) Allweiler
e) ABS
f) Peabody
g) Vaughn
h) Leeson
i) Wemco
j) Gorman-Rupp
k) Aurora
l) Peerless
m) Paco
n) Myers
o) Netzsch
p) Monoflo
q) Seepex
r) Gould
e) Aerzen
t) SEW Eurodrive
u) Clearstream

PROJECT SCHEDULE
All services to be provided on an “as needed / as requested basis” as required by the Agency throughout the duration of the anticipated three year master agreement.

ASSUMPTIONS & APPLICABLE SPECIFICATIONS
1. For each piece of equipment repaired, contractor must provide a repair completion report with analysis of equipment failure as found.
a) Documentation shall include pictures and a description of repairs performed.
b) Report shall include “as-found” conditions and corrective actions performed.
c) Contractor must have the capability to provide functionality report related to:
   I. Pressure testing
   II. Head Flow profile verification.
   III. Laser alignments after installation.
2. Contractor shall provide pick-up and return delivery as part of its service.
3. Contractor shall provide the following services: pick-up of designated equipment at Agency location, perform failure analysis and associated report generation & submittal, repair/rebuild the designated equipment, return delivery of repaired equipment to Agency location. Contractor shall provide all equipment and tools to accomplish the above tasks.
4. Contractor shall provide a one year warranty on all parts and labor.
5. Contractor must be able to provide emergency response within 24hrs notice.
6. Contractor must be able to prove capability in terms of:
a) A local facility available for tour with Agency's representatives prior to award.
b) Must be able to provide minimum of five (5) references, including company or agency information.

7. All repairs shall receive OEM parts only unless otherwise approved by authorized maintenance representatives.