

FIRST AMENDMENT TO AGREEMENT NUMBER 4600000401
FOR
REIMBURSEMENT OF OPERATIONS AND MAINTENANCE COST OF THE
PRESERVE SEWER LIFT STATION
BETWEEN
INLAND EMPIRE UTILITIES AGENCY
AND
CITY OF CHINO

THIS FIRST AMENDMENT TO AGREEMENT NUMBER 4600000401 FOR REIMBURSEMENT OF OPERATIONS AND MAINTENANCE COST OF THE PRESERVE SEWER LIFT STATION is made and effective as of [DATE], by and between Inland Empire Utilities Agency, a California municipal water district organized and existing in the County of San Bernardino under the Municipal Water District Law of 1911 (Water Code § 71000, *et seq*) (hereinafter referred to as “Agency”), and the City of Chino (hereinafter referred to as “CITY”). Agency and CITY may be referred to herein individually as “Party” or collectively as “Parties”.

RECITALS

WHEREAS, The Parties previously entered into Agreement number 4600000401 (“Agreement”) regarding the reimbursement of contracted services to operate and maintain the Preserve Sewer Lift Station (“Facility”) near the Prado Dechlorination Station inside the Prado Regional Park;

WHEREAS, the Agreement was approved by the CITY at its July 17, 2018, Council Meeting, approved by the Agency’s General Manager, and fully executed on July 18, 2018;

WHEREAS, the Agency and the CITY wish to amend the Agreement to adjust the term limit in order to transfer operations and maintenance of the Preserve Lift Station back to the CITY;

NOW, THEREFORE, in consideration of the covenants herein contained and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to amend the Agreement as follows:

THE FOLLOWING PROVISIONS ARE REVISED AS FOLLOWS:

A. Paragraphs 1 through 9 (RECITALS) shall be replaced with the following:

WHEREAS, CITY has constructed a sewer lift station near the Prado Dechlorination Station inside the Prado Park;

WHEREAS, the Facility serves as a local facility;

WHEREAS, Agency agreed to be responsible for the operation and maintenance of the Facility, provided that CITY reimburse Agency for the costs thereof;

WHEREAS, CITY has authorized Agency to contract, when necessary, for services in order to operate and maintain the Facility;

WHEREAS, CITY currently reimburses Agency, in full, for Agency's cost(s) for the contracted services to operate and maintain the Facility;

WHEREAS, Agency provides its own insurance and workers' compensation for Agency employees assigned to the Facility, and ensures that all contractors and subcontractors have adequate insurance coverage;

WHEREAS, Agency and CITY intend to transfer the operation and maintenance responsibilities of the Facility from Agency to CITY at the termination of the Agreement; and

WHEREAS, Agency and CITY agree to collaborate in facilitating the transfer of the Facility operation and maintenance responsibilities to CITY by the end of the Term as set forth herein.

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

REVISE THE FOLLOWING UNDER THE COVENANTS:

B. Section 1 shall be revised to read:

1. AGENCY ASSIGNMENT: All technical direction related to this Agreement shall come from the designated Agency Project Manager. Details of the Agency's Assignment are listed below:

Project Manager: Michael Dias
Address: 6075 Kimball Avenue,
Building B
Chino, California 91708

Telephone: (909) 993-1849
Email: mdias@ieua.org

C. Section 2 shall be revised to read:

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

Primary Contact: Hye Jin Lee
Director of Public Works
Address: 13220 Central Avenue,
Chino, California 91710

Telephone: (909) 334-3535
Email: hjlee@cityofchino.org

D. Section 3.A. shall be replaced with the following:

A. Scope of Services: The Agency shall furnish services to operate and maintain the day-to-day operation and maintenance of the Facility during the term of this Agreement (hereinafter referred to as the "Services") in accordance with standard industry protocols for operating a sewer lift station. The Agency shall maintain the Facility in a good and safe operating condition and in a manner consistent with good practices for such a facility. The Services shall include all labor, materials, equipment and/or services to be furnished by the Agency or others for the operation and maintenance of the Facility. The costs for the Services shall be a fixed amount, based on a comprehensive cost analysis considering necessary expenses and overhead, with an approximate five percent escalation per year as described in Section 3.B. Budget.

E. Section 3.B. shall be replaced with the following:

B. Budget: The Agency and CITY hereby agree on a five-year budget which has been calculated using a comprehensive cost analysis resulting from the operation and maintenance of the Facility. Year two through five each include approximately five percent increases to account for increases in labor, material, and equipment to perform the Services. The five-year budget and reimbursement schedule is identified in the Table No. 1 below. Payment shall be made annually on August 15th of each year for the Services rendered for the previous fiscal year.

Time Period	Budget	Payment Date
Year 1: July 2024 – June 2025	\$163,000	August 15, 2025
Year 2: July 2025 – June 2026	\$171,000	August 15, 2026
Year 3: July 2026 – June 2027	\$179,000	August 15, 2027
Year 4: July 2027 – June 2028	\$188,000	August 15, 2028
Year 5: July 2028 – June 2029	\$197,000	August 15, 2029

Table No. 1 – Budget and Reimbursement Schedule

At the Parties' discretion, the budget for future years can be reviewed and revised as necessary using a comprehensive cost analysis considering necessary expenses and overhead. Any such budget review shall take place between October and February with all necessary changes to the budget to take effect the following fiscal year. Agency and CITY shall collaborate in the review of the future year's budget, make adjustments to

the budget as necessary to keep the budget consistent with such comprehensive cost analysis, and conduct workshops and meetings as necessary to reach agreement.

F. Add Section 3.G. to read:

- G. Operations and Maintenance Transition Period: The Agency and the CITY agree to transfer all of the duties and responsibilities with respect to the Facility and as listed in Section 3.E.i through Section 3.E.xi, to the CITY. The transition period to transfer the duties and responsibilities of the Facility to the CITY shall be over the remaining term of this Agreement as stipulated in Section 4.

During the transition period, the Agency and the CITY agree, in good faith, to work closely towards a full transition by the end of the Agreement term. The Agency shall transfer all data, records, plans, historical knowledge, and any other necessary items to the CITY. The CITY shall provide the necessary labor, materials, equipment, software, training, services, and any other necessary items during the transition period and in an incremental manner consistent with the transition timing and needs to ultimately perform the full duties and responsibilities listed in Section 3.E.i through Section 3.E.xi.

The CITY is responsible for determining the necessary resources, and when the resources are needed, to fulfill the operation and maintenance duties with respect to the Facility. The Agency shall assist the CITY to facilitate a smooth transition with any necessary training or knowledge transfer.

G. Add Section 3.H. to read:

- H. Transfer of Responsibility Plan and Transition Procedures: Both Parties agree to collaborate in the development of a comprehensive Transfer of Responsibility Plan (“Transition Plan”) prior to the termination of this Agreement. A meeting to initiate the Transition Plan process shall be convened no later than twenty-four (24) months prior to this Agreement’s termination date. The Parties shall endeavor to finalize and mutually approve the Transition Plan no later than twelve (12) months before the termination of this Agreement.

The Transition Plan shall include, but not be limited to, the following components:

- i) Process Control Narratives: Detailed descriptions of all control processes to ensure continuity of operations.
- ii) Operator Rounds Standard Operating Procedures (“SOPs”) and Templates: Documentation of daily, weekly, and monthly operator rounds, including standardized procedures and templates.
- iii) Operation and Maintenance Records: Comprehensive records detailing the historical and current operations and maintenance activities, including equipment logs and incident reports.

- iv) Preventative Maintenance Plans: Detailed preventative maintenance schedules, including task descriptions, estimated task durations, required crafts or personnel, and any specialized tools or equipment necessary to perform the tasks.
- v) Supervisory Control and Data Acquisition (“SCADA”) Controls Training: Training materials and field training sessions covering the operation of SCADA systems, to be provided by Agency operators to CITY staff.
- vi) Vendor and Contractor Information: A list of vendors and contractors supporting the facility, including contract details, service agreements, and any ongoing contracts.

During the transition period, Agency shall allow CITY staff to shadow the current operators in order to acquire the necessary knowledge and skills related to the operation and maintenance of the facility. This shadowing period shall be conducted in a manner ensuring a smooth and seamless transition of responsibilities without disruption to the Facility’s operations.

The Parties agree to cooperate fully in the implementation of the Transition Plan, with the goal of ensuring the orderly and efficient transfer of all operational responsibilities upon termination of this Agreement.

I. Section 4 shall be replaced with the following:

- 4. TERM: This Agreement shall terminate on June 30, 2029, with a final payment to the Agency for rendered Services in year five due August 15, 2029. The CITY shall take complete control and responsibility of the Facility on the termination date unless prior termination occurs in accordance with Section 17 through written notice provided to a Party.

J. Section 5 shall be replaced with the following:

- 5. REIMBURSEMENT/COMPENSATION: CITY shall pay Agency’s properly executed annual invoice, approved by the CITY, within thirty (30) days following receipt of the invoice. Payment received after thirty (30) days may be subject to interest at the current Local Agency Investment Fund (LAIF) rate.

The Agency shall be reimbursed for the Services pursuant to Table No. 1 herein. Reimbursement for each year shall be a one-time annual payment due the following fiscal year on August 15th of each year of this Agreement for the Services rendered for the previous fiscal year.

The CITY and Agency may, at any time, make changes to this Agreement, including additions, reductions, and changes to any or all the Services. Such changes shall be made by a written amendment to this Agreement, signed by both Parties.

K. Section 11 shall be replaced with the following:

11. 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 paid, and addressed to the Party at the address set forth below:

Agency: Warren Green
Manager of Contracts and Procurement
Inland Empire Utilities Agency
P.O. Box 9020
Chino Hills, California 91709

CITY: Hye Jin Lee
Director of Public Works
City of Chino
13220 Central Avenue
Chino, California 91710

Any notice, payment, or instrument required or permitted to be given hereunder shall be deemed received upon signed receipt personal delivery or seventy-two (72) hours after deposit in any United States Post Office, registered or certified, postage prepaid and addressed to the party for whom intended.

IN WITNESS WHEREOF, the Parties have executed this First Amendment to Agreement No. 4600000401 effective as of the date set forth below:

For Inland Empire Utilities Agency Date

For City of Chino
Approved as to Form:

Approved as to Content:

Fred Galante, City Attorney Date _____
Hye Jin Lee, Director of Public Works Date

Attest:

Natalie Gonzaga, City Clerk Date _____
Linda Reich, City Manager Date