

SECOND AMENDMENT TO SERVICES AGREEMENT BETWEEN THE RIALTO UTILITY AUTHORITY AND DOPUDJA AND WELLS

This Second Amendment to the Services Agreement ("Second Amendment") is hereby entered into this 13th day of December 2022 by and between the Dopudja and Wells Consulting, a California Corporation ("Consultant"), and the Rialto Utility Authority, a joint powers authority ("RUA"), on the terms and conditions stated below. RUA and Consultant are hereinafter collectively referred to as the "Parties."

RECITALS

- A. The Parties entered into the Services Agreement for engineering and as-needed support services on the 13th of April 2021 (the "Agreement").
- B. A First Amendment was executed on the 8th of February 2022.
- C. The Parties mutually desire to amend the Agreement to provide additional compensation for an increased level of assistance and as-needed support services to RUA and for providing the Final Design services of Lake Rialto Project.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises set forth herein, the Parties do hereby enter into this Second Amendment which modifies and amends the Agreement as follows:

AMENDMENT. The Agreement is hereby modified and amended as follows:

Exhibit A is hereby amended to include the new scope of work for As-Needed Support and the Final Design of Lake Rialto Project:

Scope of Work

The following tasks comprise the scope of work required for the respective projects outlined above.

Task 1. As-Needed Support

Sub-Task 1.1 Meeting Attendance, Coordination and On-Going Staff Support

Dopudja & Wells will provide as-needed staff support, assistance, and any attendance at the following meetings, when requested:

- Meetings for Facility/Capital Improvement Plans and Operations
- City Staff Meetings
- City Council Meetings
- Water Subcommittee Meetings
- Utility Commission Meetings
- Miscellaneous/Other meetings at the request of the City

This effort will be charged on a time and materials hourly basis, with support to be

utilized at the request of the City. Any non-utilized support will not be billed to the City.

Sub-Task 1.2 Review Reports and Statements

Dopudja & Wells may be requested to provide supplemental assistance with the review of various reports and projected budgets, as needed. Reports may include, but would not be limited to, the following:

- Monthly and Annual Operations & Maintenance and Customer Service Reports
- Electrical Settlement Statements
- Quarterly Asset Management Reports to Verify conformance with the Concession Agreement Schedules A.6.3 and B.6.3
- Annual Wastewater Chemical Settlement Statement to verify conformance with the Concession Agreement Article VIII, Section 8.13, Part a.
- Annual Water Chemical Settlement Statement to verify conformance with the Concession Agreement Article XIV, Section 14.13, Part a.

Sub-Task 1.3 Engineering Studies and Planning Support Services

Upon request of the City Manager, Deputy City Manager or the Utilities Manager, Dopudja & Wells will conduct miscellaneous engineering studies for the City. Potential subjects include, but are not limited to, on-going hydraulic modeling, load analysis of the City's water distribution and wastewater collection systems.

Task 1.1, 1.2 and 1.3 Deliverables: Miscellaneous reports, memoranda and documents, as required.

Sub-Task 1.4 Triennial Inspection Support Services

agreeable to using an alternate consultant for scheduling purposes, but has requested Dopudja & Wells to provide some oversight of the process and findings. Our team will shadow Arup staff and review materials provided to Arup from RWS/Veolia. We will evaluate the draft report for consistency with observations of backup materials and site visits. *Task 1.4 Deliverables: Review of Triennial Inspection.*

Task 2. Lake Rialto Supplemental Survey and Geotechnical Services

During the final design phase of Lake Rialto, it has become necessary to perform additional surveying and geotechnical services. The additional surveying will occur in three areas. The first is to survey the invert and top of the pipe of the effluent discharge pipeline to the Rialto Channel. The City does not have the record plans and this information is necessary to design the diversion structure. The second area is the empty lot north of the wastewater treatment plant and the access road along the Rialto Channel. This second area may become necessary if additional parking and access is necessary. This consideration came from comments from the City's Public Works department, during the project review. If this option does not become necessary, the work will not be performed.

Some additional effort is also required to the Base Geotechnical Engineering. From the preliminary design phase through now, additional field effort was required due to necessary grading modifications to the bottom and south side of Lake Rialto. This additional effort is reflected in the current grading plans.

Task 2 Deliverables: Supplemental survey files and data. Updated Geotechnical Report.

Exhibit "C" is hereby amended as follows:

Section I is hereby amended to provide additional compensation for an increased level of assistance and as-needed support services to RUA in the amount of **\$200,000** and additional compensation for the Final Design services for Lake Rialto Project in the amount of **\$35,150** as shown in **Table 1** below:

Table 1 - Fees for Services		
Task	Description	Amount (\$)
1	As-Needed Support	\$200,000
2	Lake Rialto Supplemental Survey and Geotechnical Services	\$35,150
	Reimbursables, mileage, travel, etc.	\$2,333
	Total	\$237,483

Section IV is hereby amended and restated in its entirety to read as follows:

"Subject to any limitations set forth in this Agreement, RUA agrees to pay Consultant the amounts specified in the "Schedule of Compensation" attached hereto as Exhibit "C-1" and incorporated herein by this reference. The total compensation, including reimbursement for actual expenses, shall not exceed One Million, Four Hundred and Forty-One Thousand, Three Hundred and Forty-Seven Dollars and Zero Cents (\$1,441,347.00) (the "Contract

Sum”), unless additional compensation is approved pursuant to Section 1.9.”

1. GENERAL PROVISIONS.

1.1 **Remainder Unchanged.** Except as specifically modified and amended in this Second Amendment, the Agreement remains in full force and effect and binding upon the parties.

1.2 **Integration.** This Second Amendment consists of pages 1 through 9 inclusive, which constitute the entire understanding and agreement of the parties and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the transaction discussed in this Second Amendment.

1.3 **Effective Date.** This Second Amendment shall not become effective until the date it has been formally approved and executed by the appropriate authorities of the RUA and Dopudja and Wells.

1.4 **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Second Amendment.

1.5 **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this First Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this Second Amendment.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment to the Agreement on the date and year first written above.

[SIGNATURES ON FOLLOWING PAGE]

**FOR THE RIALTO UTILITY AUTHORITY,
a Municipal Corporation**

Marcus Fuller
Marcus Fuller, Rialto Utility Authority
Executive Director
Date: December 21, 2022

ATTEST:

Barbara A. McGee
Barbara McGee, Rialto Utility Authority
Board Secretary
Date: December 21, 2022

**APPROVED AS TO FORM
Burke, Williams & Sorensen, LLP**

Eric S. Vail
Eric S. Vail, Rialto Utility Authority
General Counsel
Date: December 21, 2022
RIV #4826-2789-2216 v1

FOR Dopudja & Wells

Stephen Dopudja
Name: Stephen Dopudja
Title: Chief Executive Officer
Date: December 20, 2022

Jon Wells
Name: Jon Wells
Title: Chief Financial Officer
Date: December 21, 2022

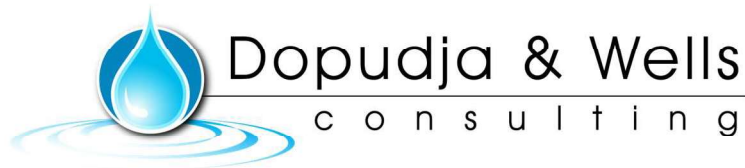
Exhibit “C-1”**Billing Rates Schedule****Proposed Billing Rates Schedule (Calendar Year 2022)**

Staff Description	Hourly Rate (\$)
Principal	\$290
Project Manager	\$270
Senior Advisor	\$310
Senior Project Engineer	\$245
Project Engineer	\$210
Engineer II	\$185
Engineer I	\$158
Senior CAD Designer	\$131
Drafter	\$100
Admin/Office Work	\$90

Notes:

1. Outside services such as reprographics, supplies, shipping, etc. will be billed at cost plus 15%.
2. Mileage will be billed at cost at the current Federal Rate.
3. Subcontractors are billed at cost plus 10%.
4. Invoices that remain unpaid within 45 days of receipt will be subject to a finance charge of 1.5% per month.

 6789 Quail Hill Parkway, #421 • Irvine, California 92603



November 18, 2022

Marcus Fuller, P.L.S., P.E.
City Manager
City of Rialto
150 South Palm Avenue
Rialto, CA. 92376

SUBJECT: Proposal to Provide 2023 As-Needed Consulting Support and Supplemental Effluent Monetization Negotiations Services

Dear Mr. Fuller,

Dopudja & Wells Consulting (Dopudja & Wells) appreciates the opportunity to submit this proposal to the City of Rialto (City) for additional support as-needed consulting support and in further monetizing the City's wastewater effluent.

Presented below is the proposed final design Scope of Work, estimated budget and schedule. We are proposing to proceed with the same team members that have historical knowledge of this monetization concept since its inception. You may recall the City maintains all ownership to its wastewater effluent discharges. Through a multi-year collaborative process, the City of Rialto and the Inland Empire Utilities Agency (IEUA) have executed a term sheet for a fifty-year agreement to purchase the right to divert the City's effluent to IEUA's RP-4 facility, where it will be advanced treated for injection into the local groundwater basin. Under this proposal, additional support is necessary through the completion of IEUA's Preliminary Design Report and execution of the Final Negotiated Contract. Additionally, the preliminary efforts to monetize the remaining winter effluent have yielded some potential opportunities the City would like Dopudja & Wells to explore further. The anticipated effort is expected to be completed in the early summer of 2023.

Scope of Work

The following tasks comprise the scope of work required for the respective projects outlined above.

Task 1. As-Needed Support

Sub-Task 1.1 Meeting Attendance, Coordination and On-Going Staff Support

Dopudja & Wells will provide as-needed staff support, assistance, and any attendance at the following meetings, when requested:

- Meetings for Facility/Capital Improvement Plans and Operations
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- City Council Meetings
- Water Subcommittee Meetings

- Utility Commission Meetings
- Miscellaneous/Other meetings at the request of the City

This effort will be charged on a time and materials hourly basis, with support to be utilized at the request of the City. Any non-utilized support will not be billed to the City.

Sub-Task 1.2 Review Reports and Statements

Dopudja & Wells may be requested to provide supplemental assistance with the review of various reports and projected budgets, as needed. Reports may include, but would not be limited to, the following:

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Sub-Task 1.3 Engineering Studies and Planning Support Services

Upon request of the City Manager, Deputy City Manager or the Utilities Manager, Dopudja & Wells will conduct miscellaneous engineering studies for the City. Potential subjects include, but are not limited to, on-going hydraulic modeling, load analysis of the City's water distribution and wastewater collection systems.

Task 1.1, 1.2 and 1.3 Deliverables: Miscellaneous reports, memoranda and documents, as required.

Sub-Task 1.4 Triennial Inspection Support Services

The most recent 2022 Triennial Inspection is being performed by the consulting firm, Arup. The City of Rialto was agreeable to using an alternate consultant for scheduling purposes, but has requested Dopudja & Wells to provide some oversight of the process and findings. Our team will shadow Arup staff and review materials provided to Arup from RWS/Veolia. We will evaluate the draft report for consistency with observations of backup materials and site visits.

Task 1.4 Deliverables: Review comments to the Draft 2022 Triennial Inspection Report.

Task 2. Lake Rialto Supplemental Survey and Geotechnical Services

During the final design phase of Lake Rialto, it has become necessary to perform additional surveying and geotechnical services. The additional surveying will occur in three areas. The first is to survey the invert and top of the pipe of the effluent discharge pipeline to the Rialto Channel. The City does not have the record plans and this information is necessary to design the diversion structure. The second area is the empty lot north of the wastewater treatment plant and the access road along the Rialto Channel. This second area may become necessary if additional parking and access is necessary. This consideration came from comments from the City's Public Works department, during the project review. If this option does not become necessary, the work will not be performed.

Some additional effort is also required to the Base Geotechnical Engineering. From the preliminary design phase through now, additional field effort was required due to necessary grading modifications to the bottom and south side of Lake Rialto. This additional effort is reflected in the current grading plans.

Task 2 Deliverables: Supplemental survey files and data. Updated Geotechnical Report.

Task 3. Supplemental Effluent Monetization Services

In order to meet the City's desired schedule of an approved Term Sheet by September 2022, the prior scope of work had to be modified and expedited, which required additional effort and some out-of-sequence work. The Term Sheet has been fully executed by the City and IEUA, and the remaining effort is anticipated to continue through July 2023. The following tasks outline the anticipated efforts.

Sub-Task 3.1 Additional Coordination and Oversight of the IEUA Facilities Preliminary Design

After the approval of the Principles of Agreement between the City and IEUA, the IEUA Preliminary Design Report (PDR) is ongoing, with anticipated completion in Spring 2023. The PDR will continue to evaluate and size the proposed diversion pump station at the City's wastewater treatment plant (WWTP) and conveyance pipeline from the pump station to IEUA's RP-4 treatment facility. Per the approved and fully executed Principles of Agreement, IEUA is funding these improvements. However, in exchange for this funding, the City has agreed to a fixed price per acre-foot purchase that also considers this funding. As a result, the City will have ownership or capacity interest in these facilities. As such, the City should continue to provide input into and have oversight within IEUA's preliminary design report process. Dopudja & Wells' team will work with the City and IEUA staff to provide input and oversight on the City's behalf.

Task 1 Deliverables: Review comments to IEUA's Preliminary Design Report. Project update memos and/or emails to the City of Rialto.

Assumptions: This process is anticipated to be completed in Spring 2023. Dopudja & Wells will provide regular updates to the City of Rialto's Water Subcommittee.

Task 3.2 Evaluation of the need for a supplemental well

As part of the approved and executed Principles of Agreement, IEUA has committed up to \$1 million towards a supplemental well. This well was considered to facilitate the desired summer diversion of effluent, between May and October. Due to the discharge requirements under the Santa Ana River Multi-Species Habitat Conservation Plan (SAR HCP), it was anticipated that the shoulder months of May/June and September/ October could pose challenges to a full diversion. The \$1 million commitment is intended to allow the City to supplement flows to meet SAR HCP requirements. Preliminary analyses have been performed but additional coordination is required with IEUA and San Bernardino Valley Municipal Water District, which is the lead agency for the SAR HCP.

Task 3.2 Deliverables: Project update memos and/or emails to the City of Rialto, as needed.

Task 3.3 Negotiation of Final Contract

In order to achieve the City's desired schedule, the Term Sheet and preliminary negotiations needed to be expedited. The approved Term Sheet will serve as the outline for the Final Contract. Dopudja & Wells will work with IEUA staff and legal counsels for the City and IEUA throughout negotiations and approval of the Final Contract, through approval by both agencies.

Task 3.3 Deliverables: Final negotiated contract for approval by the City Council and IEUA Board of Directors.

Assumptions: This effort is anticipated to be completed by July 2023. We also anticipate the City Attorney will be working in parallel with our team during the negotiations to achieve a final contract that is recommended for approval.

Task 3.4 Exploration of Winter/Other Effluent Flow Monetization

The approved Principles of Agreement is structured to allow IEUA the first opportunity to purchase any additional flows above the base 3,500 acre-feet per year amount set forth in the agreement. Any additional flows have been set for the City to receive a higher compensation over the base amount. However, the Principles of Agreement also contains provisions for the City to externally market those non-utilized flows. IEUA has initially stated they do not anticipate utilizing Rialto flows during the months of November through April but are re-evaluating their position. Dopudja & Wells has explored additional opportunities that warrant further exploration, in the event IEUA does not execute their right to obtain the optional flows. Dopudja & Wells' team will continue to explore other opportunities to monetize any flows that IEUA does not anticipate utilizing during the term of the contract.

Task 3.4 Deliverables: Project update memos and/or emails to the City of Rialto.

Assumptions: Any negotiations of a separate agreement are not anticipated within the budget of this proposal.

Task 3.5 Project Management

Dopudja & Wells' team will provide overall project management to ensure the project remains on budget and schedule.

Assumptions: City will be responsible for preparing, submitting, obtaining and associated cost for the necessary permits

Proposed Fee and Schedule

Table 1 below outlines the proposed fee by tasks. Due to the negotiation nature of this proposal, the fee is based on a time and materials approach. Table 2 provides the anticipated schedule breakdown for the project. The breakdown by task is an estimate of the anticipated distribution of cost. To ensure the time and materials estimate per task protects the City, budget between task may be utilized.

Table 1 - Fees for Services		
Task	Description	Amount (\$)
1	As-Needed Support	\$200,000
2	Lake Rialto Supplemental Survey and Geotechnical Services	\$35,150
3.1	Coordination and Oversight of the IEUA Facilities Preliminary Design	\$178,500
3.2	Evaluation of the need for a supplemental well	\$49,480
3.3	Negotiation of Final Contract	\$154,700
3.4	Exploration of Winter Effluent Flow Monetization	\$59,500
3.5	Project Management	\$51,200
	Reimbursables, mileage, travel, etc. (estimated)	\$3,500
	Total	\$732,030

Table 2 – Anticipated Effluent Monetization Schedule								
Task/Subtask	Dec-2022	Jan-2023	Feb-2023	Mar-2023	Apr-2023	May-2023	Jun-2023	Jul-2023
Coordination and Oversight of the IEUA Preliminary Design		●		●				
Negotiation of Final Contract						●	▲	
Exploration of Winter Effluent Flow Monetization								
Project Management								
City and IEUA Final Contract								★
Notes: Anticipated Notice to Proceed is March 2022 ● = Presentation to the Water Subcommittee ▲ = Presentation to Rialto Water Subcommittee and IEUA Committee(s) ★ = Approval by Rialto City Council and IEUA Board of Directors. Term Sheet is already fully approved.								

Thank you for the opportunity to allow Dopudja & Wells to support the City of Rialto on these Exciting Projects.

Sincerely,

Dopudja & Wells Consulting



Stephen Dopudja, P.E.

President/CEO

RCE #65187



CITY OF RIALTO

DISCLOSURES REQUIRED BY PERSONS OR ENTITIES CONTRACTING WITH THE CITY OF RIALTO*

Pursuant to City of Rialto Municipal Code Section 2.48.510, all persons or business entities supplying any goods or services to the city, or seeking a loan or grant awarded by the city, whether through an application or proposal, shall disclose in such application or proposal whether any city officer, employee, or consultant may have a financial or non-financial interest in the person or business entity, or in any member, employee, owner, or officer of the business entity.

- A financial interest shall mean any interest that is prohibited under state law, including California Government Code Sections 1090 and 87100, and California Code of Regulation Section 18700 *et seq.*
- A non-financial interest shall mean any interest that is prohibited by City of Rialto Municipal Code Section 2.48.450.

For the purpose of helping the City understand whether City personnel might have a conflict of interest in you or your organization, please disclose below whether you or any of your members, employees, paid or unpaid officers, paid or unpaid directors, or owners are (or are related to) a City elected or appointed official, a City officer, or a City employee or consultant.

Name of Your Organization's Affected Member, Employee, Paid or Unpaid Officer, Paid or Unpaid Director, or Owner	Name of City Elected or Appointed Official, City Officer, a City Employee or Consultant	Relationship Between the Two
None	None	None

By submitting this [application/proposal], or supplying any goods or services to the City, the [applicant/vendor/contractor/consultant] hereby attests under penalty of perjury, personally and/or on behalf of the entity [submitting this application/proposal or supplying any goods or services to the City] that no City of Rialto elected or appointed official, employee or consultant has a financial or non-financial interest, as such terms are defined in California Government Code Sections 1090 and 87100 and in City of Rialto Code of Ordinances Section 2.48.145, in the [applicant/vendor/contractor/consultant], except as specifically disclosed herein.

Name of Person/Entity: Dopudja & Wells, Consulting, Inc.

Title: Stephen Dopudja, President

Signature:  Date: 11/28/22

2.48.450 Employee conflict of interest.

- (1) No covered person shall participate in the making of a grant or contract by the city in which the covered person has a conflicting interest.
- (2) For purposes of this section, the following definitions shall apply:
 - (a) A “covered person” includes any person who holds an elected or appointed City office, a City officer, a City employee, and any person who is a consultant to the City.
 - (b) A “conflicting interest” includes, but is not limited to, those decisions where:
 - (i) A covered person holds or has held within the previous twelve months a position with a potential grant or contract recipient;
 - (ii) A close relative of a covered person holds or has held within the previous twelve months a position with a grant or contract recipient;
 - (iii) A close relative of the spouse or domestic partner of a covered person holds or has held within the previous twelve months a position with a grant or contract recipient.
 - (c) “Position” includes the status of a member, employee, owner, paid or unpaid officer of, paid or unpaid leadership position in, or had an ownership interest in, a grant or contract recipient.
 - (d) A “close relative” includes a spouse, parent, grandparent, child, grandchild, aunt, uncle, or cousin.
 - (e) “Participate in the making of a grant or contract” includes participation in: drafting a solicitation or contract; negotiating, voting on, approving, or executing a grant or contract; discussion of same with any city officer or employee; or attempts in any way to influence the making of a grant or contract.
- (3) This prohibition shall not apply to a contract let by written competitive bid where the contract will be awarded to the person or entity who submits the lowest responsible and responsive bid.
- (4) Except for the Mayor or a member of the City Council, a covered person may request a waiver of any potential conflict of interest in writing from the City Manager. Any request for such a waiver must include full disclosure of the potential conflict of interest and a statement detailing any mitigating factors. The request and the City Manager’s response shall be provided to the City Council prior to any vote to approve the contract or grant, or if City Council approval is not required, at least five days before the contract or grant is approved. The request and the City Manager’s response shall be considered a public record.
- (5) The prohibitions in this section are in addition to any applicable federal or state conflict of interest laws, including but not limited to Government Code section 1090, and Government Code section 87100 *et seq.*

(6) Any person who violates this section is subject to the following:

(a) Public censure;

(b) If the conflict of interest was in the making of a contract, a prohibition from participation in the making of a contract by the city for a period of time up to twelve (12) months from the date of the imposition of the discipline;

(c) If the conflict of interest was in the making of a grant, a prohibition from participation in the making of a grant by the city for a period of time of up to twenty-four (24) months from the date of the imposition of the discipline;

(d) An administrative fine pursuant to Chapter 1.10 of this code.

(7) The discipline specified herein may be imposed:

(a) By the City Manager in the case of any employee or consultant who violates this section.

(b) By the City Council in the case of any person who holds an elected or appointed City office, or any City officer who violates this section.