



FOURTH AMENDMENT TO THE SERVICES AGREEMENT

BETWEEN THE RIALTO UTILITY AUTHORITY AND ROD LEMON, CPA

1. PARTIES AND DATE.

This Fourth Amendment to the Services Agreement (“Fourth Amendment”) is made and entered into this 19th day of March, by and between the Rialto Utility Authority (“RUA”) and Rod Lemond, CPA, a Sole Proprietor (“Consultant”). RUA and Consultant are sometimes individually referred to as “Party” and collectively as “Parties” in this Fourth Amendment.

2. RECITALS.

2.1 Agreement. RUA and Consultant entered into that certain Services Agreement dated February 4, 2025, (“Agreement”), whereby Consultant agreed to provide services to the RUA related to assisting with a review of the terms and arrangements associated with the Authority’s agreements with Rialto Water Systems (“RWS” for the provision of the contract water and wastewater services to the City of Rialto/Authority. These services include the operations and maintenance of the water and wastewater systems.

2.2 Amendment. RUA and Consultant desire to amend the Agreement by this Fourth Amendment to include additional tasks for the project as set forth in “Exhibit A”, to extend the term of the Agreement, and to increase the total amount of compensation for the Agreement.

3. AMENDMENT.

3.1 Scope of Services. In addition to the Scope of Services set forth in the Agreement, Consultant shall perform the additional services included in this Fourth Amendment to the Agreement and described in “Exhibit A,” attached hereto and incorporated herein by this reference.

3.2 Payment Terms. Consultant shall be compensated for the additional services included in this Fourth Amendment in an amount not to exceed One Hundred Twenty Thousand Dollars and Zero Cents (\$120,000.00). The total compensation, including reimbursement for actual expenses, the RUA will pay Consultant pursuant to the Agreement as amended by the Fourth Amendment shall not exceed Two Hundred Twenty Thousand Dollars and Zero Cents (\$220,000.00).

3.3 Time for Performance. The time to complete the additional services included in the Fourth Amendment shall begin immediately upon the RUA Council's approval of the Fourth Amendment. The term of this Agreement shall be extended through March 31, 2027.

4. MISCELLANEOUS TERMS.

4.1 Continuing Effect of Agreement. Except as amended by this Fourth Amendment, all provisions of the Agreement shall remain unchanged and in full force and effect. From and after the date of this Fourth Amendment, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Fourth Amendment.

4.2 Adequate Consideration. The Parties hereto irrevocably stipulate and agree that they have each received adequate and independent consideration for the performance of the obligations they have undertaken pursuant to this Fourth Amendment.

4.3 Counterparts. This Fourth Amendment may be executed in duplicate originals, each of which is deemed to be an original, but when taken together shall constitute but one and the same instrument.

4.4 Conflict of Interest. Pursuant to Rialto Municipal Code section 2.48.145, Consultant represents that it has disclosed whether it or its officers or employees is related to any officer or employee of the RUA or City of Rialto by blood or marriage within the third degree which would subject such officer or employee to the prohibition of California Government Sections 87100 et. seq., Fair Political Practices Commission Regulation Section 18702, or Government Code Section 1090. To this end, by approving this Agreement, Consultant attests under penalty of perjury, personally and on behalf of Consultant, as well its officers, representatives, that it/they have no relationship, as described above, or financial interests, as such term is defined in California Government Section 87100 et. seq., Fair Political Practices Commission Regulation Section 18702, or Government Code Section 1090, with any RUA or City of Rialto elected or appointed official or employee, except as specifically disclosed to the RUA and the City of Rialto in writing.

4.5 Corporate Authority. The persons executing this Fourth Amendment on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Fourth Amendment on behalf of said party, (iii) by so executing this Fourth Amendment, such party is formally bound to the provisions of this Fourth Amendment and (iv) the entering into this Fourth Amendment does not violate any provision of any other agreement to which said party is bound.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS THEREOF, the parties have caused their authorized representative to execute this agreement the day and year first above written.

RIALTO UTILITY AUTHORITY

ROD LEMOND, CPA

By: _____
Tanya Williams
Executive Director

By: _____
Signature
Rod Lemond, CPA
Printed Name

Attest:

Owner
Title

By: _____
Barbara A. McGee
Secretary

By: _____
Signature

Approved as to Form:

Printed Name

Burke, Williams & Sorensen, LLP

Title

By: _____
Eric S. Vail
General Counsel

****Two signatures are required if a corporation****

EXHIBIT “A”

SCOPE OF SERVICES

Rod LeMond
Financial Consultant

II. SCOPE OF SERVICES

1. Implementation of Accounting Function Improvements

Continued refinement and implementation of previously identified accounting process improvements and reporting routines, including supporting staff as redesigned workflows are translated into operational practice.

2. Financial Reporting and Oversight Development

Ongoing refinement of structured reporting routines, including:

- Quarterly budget-to-actual reporting.
- 680 Fund financial reporting.
- Monthly trustee cash balance and transfer review.
- Standardized report-out formats for management review.

3. Combined Remedy and Complex Arrangement Support

Advisory support related to Combined Remedy billing, payables, and budgeting matters, including participation in discussions regarding invoicing practices and financial compliance.

4. Concession Agreement and Trust Accounting Advisory

As-needed advisory support related to financial management and compliance matters arising under the Concession Agreement and related trust accounting activity.

5. Annual Budget Process Direction and Support

Direction and assistance with Concession-level budget development and integration of Concession financial requirements into the City’s annual budget process.

6. Capital Financing Advisory Support

Provide analytical support to the Utility Department in its evaluation of capital financing alternatives for water and wastewater infrastructure projects. Support may include review of financing options, analysis of financial implications, preparation of supporting financial information, and coordination of information required for financing evaluations

7. Additional Financial Management Matters

Advisory support for related financial management matters identified during the engagement term, including ad hoc assignments and emerging issues as directed by the Utility Director or designated management. Such matters are expected to be consistent with the general advisory scope described above.

III. CONTINUITY AND INSTITUTIONALIZATION

Over the past year, I have provided advisory support to the Utility across multiple areas of financial management, including accounting process review, reporting refinement, interpretation of Concession and Trust Agreement financial provisions, coordination related to Combined Remedy matters, and budget integration at both the Concession and City levels. Some of this work has involved structured assessment and process refinement, while other efforts have arisen in response to evolving operational and contractual circumstances.

Many of these matters remain ongoing. Certain initiatives require continued refinement and implementation of improved practices, while others benefit from consistent interpretation of governing agreements and familiarity with established financial structures and reporting routines.

Continuation of advisory support during this period promotes stability, informed decision-making, and efficient progression of work already underway. This engagement is intended to provide that continuity as the Utility advances its financial management responsibilities during the proposed term.

IV. ENGAGEMENT STRUCTURE AND COMPENSATION

Hourly Rate: \$210 per hour.

Anticipated Effort: Approximately 45–50 hours per month during the engagement term of April 1, 2026 through March 31, 2027.

Total fees shall not exceed \$120,000 during the engagement term without prior Board authorization.

The anticipated level of effort and fee estimate are based on the scope of services described above and the reasonably expected continuation of related advisory matters. Should the nature or volume of services materially expand beyond what is presently contemplated, any adjustment to the not-to-exceed amount would require prior Board authorization.