

**FIRST AMENDMENT TO THE
SERVICES AGREEMENT**

**BETWEEN THE RIALTO UTILITY AUTHORITY
AND
ROD LEMON, CPA**

1. PARTIES AND DATE.

This First Amendment to the Services Agreement (“First Amendment”) is made and entered into this 22nd day of May 2025, 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 First Amendment.

2. RECITALS.

2.1 Agreement. RUA and Consultant entered into that certain Services Agreement dated *February 4th, 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 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 First Amendment to provide additional efforts in connection with review and documentation of Concessionaire Agreement and Trust Agreement for flow of funds. In addition, the amendment will cover process reviews of departmental internal financial and budgetary reporting, grants and contracts reporting and accounting matters specific to Combined Remedy, 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 First 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 First Amendment in an amount not to exceed *\$25,000.00 (Twenty-Five Thousand Dollars and Zero Cents)*. The total compensation, including reimbursement for actual expenses, the RUA will pay Consultant pursuant to the Agreement as amended by the First Amendment shall not exceed *\$50,000.00 (Fifty Thousand Dollars and Zero Cents)*.

3.3 Time for Performance. The time to complete the additional services included in the First Amendment shall begin immediately upon the RUA Council’s approval of the First Amendment.

4. MISCELLANEOUS TERMS.

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

4.3 Counterparts. This First 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 First 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 First Amendment on behalf of said party, (iii) by so executing this First Amendment, such party is formally bound to the provisions of this First Amendment and (iv) the entering into this First 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: Tim Sullivan
Tim Sullivan,
Executive Assistant Director

By: Rod Lemond
Signature

Rod Lemond, CPA
Printed Name

Attest:

Owner
Title

By: Barbara A. McGee
Barbara A. McGee
Secretary

By: _____
Signature

Approved as to Form:

Printed Name

Burke, Williams & Sorensen, LLP

Title

By: Eric S. Vail
Eric S. Vail
General Counsel

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

Exhibit "A"

Rod LeMond, CPA, MBA

Engagement Letter for Consulting Services

December 2024

Rialto Utilities Authority

Dear John Rossi

This letter outlines the terms and understanding under which Rod LeMond, CPA ("Consultant") will provide consulting services to the Rialto Utilities Authority ("Authority").

Scope of Engagement

The Authority engages the Consultant to assist with a review of the terms and arrangements associated with the Authority's agreements with Rialto Water Systems ("RWS") for the provision of contract water and wastewater services to the City of Rialto. These services include the operations and maintenance of the water and wastewater systems.

The Consultant's review will focus on the following agreements:

- The Concession Agreement
- The Trust Agreement, including the flow of funds required by the agreements

The review is limited to analyzing the business arrangements and financial rights and obligations between the Authority and RWS. Desired operating outcomes, performance criteria, and regulatory compliance are outside the scope of this engagement.

Direction and Reporting

The Interim Utilities Director of the Authority will direct this review. The Consultant will report all observations and findings to the Interim Utilities Director.

Responsibilities and Limitations

The effectiveness of this engagement depends on the accuracy and completeness of the information and input provided by the Authority. The Consultant is not responsible for verifying the accuracy of the information received.

Fees and Expenses

- **Hourly Rate:** \$200 per hour
 - **Travel Time:** Not billed
 - **Mileage Reimbursement:** Billed at the IRS mileage reimbursement rate (currently \$0.67 per mile) for travel from the Consultant's home office.
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