

**THIRD AMENDMENT TO SERVICES AGREEMENT
BETWEEN THE CITY OF RIALTO/THE RIALTO UTILITY
AUTHORITY AND
SOTO RESOURCES**

This Third Amendment to the Services Agreement (“Second Amendment”) is hereby entered into this 28th day of May 2024 by and between Soto Resources a California Sole Proprietorship (“Consultant”) and the Rialto Utility Authority, a joint powers authority (“RUA”), on the terms and conditions stated below. RUA and Consultant are sometimes individually referred to as “Party” or collectively as “Parties”.

RECITALS

- A. The Parties entered into the Services Agreement for grant funding research and completion of funding applications on July 13, 2021, for \$50,250 (the “Agreement”), with a First Amendment to the Service Agreement executed on October 26, 2021, for \$150,250, and a Second Amendment to the Service Agreement executed on December 13, 2022, for \$100,000.
- B. The Parties mutually desire to amend the Agreement to provide additional compensation for an increased level of assistance on funding research and completion of funding applications on behalf of the RUA.

OPERATIVE PROVISIONS

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

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

1.1 In addition to the services detailed in Exhibit A of the Agreement, Consultant shall provide funding research and funding application assistance, and grant management support for the following grant opportunities:

1.1.1 Monthly Funding Opportunity Reporting for the City of Rialto Priority Water and Wastewater Projects.

1.1.2 State Earmark grant management for the Rialto Habitat Nature Center (RHNC) Project. The **RHNC Project** was awarded \$1,050,000 for construction. The agreement is in place, and preparation of a Final Budget Approval package is needed.

1.1.3 Federal Earmark grant application and management for the Rialto Habitat Nature Center Project The EPA awarded the **RHNC Project** \$2,000,000 for construction of the Rialto Habitat Nature Center Project through the U.S. EPA STAG Grant Program. Post award, EPA grant application and environmental review are required. Application materials have been drafted and will be submitted to EPA once the CEQA Plus documentation is complete. The grant agreement will need to be coordinated, and the grant will require routine reporting.

1.1.4 One Water One Watershed Proposition 1 Round 2 Integrated Regional

Water Management –The **RHNC Project** was selected by Santa Ana Watershed Project Authority (SAWPA) for a grant award of \$2,149,748 under the General Implementation funding category. The grant agreement for this funding is currently being finalized. The grant agreement is currently being finalized, and ongoing reporting is required throughout the grant term.

1.1.5 United States Bureau of Reclamation's WaterSMART Grants: Aquatic Ecosystem Restoration Projects (AERP) – Project funded are aquatic ecosystem restoration projects that are collaboratively developed, have widespread regional benefits, and result in the improvement of the health of fisheries, wildlife, and aquatic habitat through restoration. The City submitted an application to the USBR AERP Program on January 23, 2024, requesting \$5,000,000 for the **RHNC Project**. Applications are under review and awards are anticipated on October 1, 2024.

1.1.6 Coastal Conservancy (Santa Ana River Conservancy) – Ongoing Funding Program – Projects funded will increase the availability of beaches, parks, and trails for the public, protect and restore natural lands and wildlife habitat, preserve working lands, and increase community resilience to the impacts of climate change. The City submitted a pre-application for the **RHNC Project** and was invited to prepare a full application. If additional funding is available, the City may prepare an application package for the Lake Rialto Project in 2024 if additional project funding is required.

1.1.7 United States Bureau of Reclamation's WaterSMART Grants: Water and Energy Efficiency Grants (WEEG) – Projects funded will conserve and use water more efficiently; increase the production of hydropower; mitigate conflict risk in areas at a high risk of future water conflict; and accomplish other benefits that contribute to water supply reliability in the western United States. The City applied for funding under this program for the **Advanced Metering Infrastructure (AMI) Project** and was selected for a \$2,000,000 award. The grant agreement is final and ongoing reporting is required throughout the grant term.

1.1.8 California Department of Water Resources 2022 Urban Community Drought Relief Grant Program – Projects funded will provide urban community drought relief, replace turf, or implement other projects that provide water conservation benefits. The City applied for funding under this program for the **AMI Project**. The Project was awarded \$6,000,000 and DWR has issued the grant Agreement. Ongoing progress reporting is required throughout the grant term.

1.1.9 USBR WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2023 – Projects funded will build long-term resilience to drought and reduce the need for emergency response actions. The City applied for funding under this program for the **City 3A Groundwater Well Treatment Facility Project**. The Project was awarded \$2,000,000 and USBR has issued the grant Agreement. Ongoing progress reporting is required throughout the grant term.

1.1.10 SCAG - REAP 2.0 Regional Utilities Supporting Housing (RUSH) Pilot Program – Projects funded are capital improvements that will support a jurisdiction to meet housing production goals defined in the 6th cycle RHNA and housing elements that meet REAP 2.0 Program goals and objectives. The

City applied for funding under this program for the **City 3A Groundwater Well Treatment Facility Project**. The Project was awarded \$2,500,000; however, SCAG has paused the process for the grant Agreement due to reductions in State funding.

1.1.11 State Water Resources Control Board Clean Water State Revolving Fund (CWSRF) – Planning – Projects funded will restore and maintain water quality in the state, and may reduce the effects of climate change and promote sustainable water resources for future generations. The City submitted an application package for the planning phase of the **Disadvantaged Community Septic-to-Sewer Project** in December 2023. Support will be required to answer questions during the application review process in 2024.

1.2 **Article 2 / Section 2.1** 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 to the Agreement dated March 11, 2024, as Exhibit “C” and incorporated herein by this reference. Consultant shall be compensated for the additional services included in this Third Amendment in an amount not to exceed **ONE HUNDRED THOUSAND DOLLARS AND NO CENTS** (\$100,000.00).

The total compensation, including reimbursement for actual expenses, the RUA will pay Consultant pursuant to the Agreement as amended by the First, Second, and Third Amendments shall not exceed **FOUR HUNDRED THOUSAND FIVE HUNDRED DOLLARS AND ZERO CENTS** (\$400,500.00) (the “Contract Sum”), unless additional compensation is approved pursuant to Section 1.9 of the Agreement dated July 13, 2021.”

2. GENERAL PROVISIONS.

- 2.1 **Remainder Unchanged.** Except as specifically modified and amended in this Third Amendment, the Agreement remains in full force and effect and binding upon the parties.
- 2.2 **Integration.** This Third Amendment consists of pages 1 through 3 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 Third Amendment.
- 2.3 **Effective Date.** This Third Amendment shall not become effective until the date it has been formally approved and executed by the appropriate authorities of the RUA and Soto Resources.
- 2.4 **Applicable Law.** The laws of the State of California shall govern the interpretation and enforcement of this Third Amendment.
- 2.5 **References.** All references to the Agreement include all their respective terms and provisions. All defined terms utilized in this Third Amendment have the same meaning as provided in the Agreement, unless expressly stated to the contrary in this Third Amendment.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed and entered into this Agreement on the date first written above.

**FOR RIALTO UTILITY AUTHORITY,
a joint powers authority:**

**FOR CONSULTANT: SOTO
RESOURCES**

By: Michael Milhiser
Michael Milhiser, Interim
Executive Director

By: Joey Soto
Signature

ATTEST:

By: Barbara A. McGee
Barbara A. McGee, Board
Secretary

Joey Soto, M.S.
Name

Principal

Title

APPROVED AS TO FORM:

Burke, Williams & Sorensen, LLP

By: _____
Signature

By: Eric S. Vail
Eric S. Vail, Rialto Utility Authority
General Counsel

Name

Title

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

EXHIBIT "C"
SCHEDULE OF COMPENSATION

- I. Consultant shall invoice for work done through this agreement at the following rates:**
 - A. Principal/Project Manager/Senior Grant Researcher/Writer at \$205/hour
 - B. Engineer/Grant Researcher/Writer at \$185/hour
 - C. Senior Grant researcher/Writer at \$205/hour

- II. Within the budgeted amounts for each Task, and with the approval of the Contract Officer, funds may be shifted from one Task sub-budget to another so long as the Contract Sum is not exceeded per Section 2.1, unless Additional Services are approved per Section 1.9.**

- III. RUA will compensate Consultant for the Services performed upon submission of a valid invoice. Each invoice is to include:**
 - A. Line items for all personnel describing the work performed, the number of hours worked, and the hourly rate.
 - B. Line items for all materials and equipment properly charged to the Services.
 - C. Line items for all other approved reimbursable expenses claimed, with supporting documentation.
 - D. Line items for all approved subcontractor labor, supplies, equipment, materials, and travel properly charged to the Services.

- IV. The total compensation for the Services shall not exceed \$100,000.00 as provided in Section 2.1 of this Agreement.**

- V. The Consultant's billing rates for all personnel are included in the proposal as attached as Exhibit C-1.**



Soto Resources
Professional Funding Services
(949) 370-6079
Joey@sotoresources.com

March 11, 2024

Toyasha Sebbag
Assistant to the City Manager
Utilities
City of Rialto
150 S. Palm Avenue
Rialto, CA 92376
tsebbag@rialtoca.gov

Subject: Soto Resources Team New Rates, effective June 1, 2024

Dear Ms. Sebbag:

It has been a pleasure providing grant assistance services to the City of Rialto (City) since 2021. Together, we have secured \$17.7 million in grant funding for the City's Projects including: the Rialto Habitat Nature Center (Lake Rialto), Advanced Metering Infrastructure Project, and the Well City 3A Groundwater Treatment System. We are also actively pursuing funding with City staff for the Disadvantaged Communities Septic to Sewer Planning Project and the Microgrid Project. We look forward to securing more funding for the City's important projects.

Since 2011, Soto Resources has secured \$800 million in competitive state and federal funding and low interest loans for water resources projects throughout Southern California. We take great pride in the level of expertise we offer, based on over 20 years of experience. To continue to provide you with the high-quality specialized services of grant funding research, application preparation and management, and the positive results that you've come to expect from Soto Resources, we will be increasing our rates *effective June 1, 2024*. We feel it is prudent to increase our rates as a result of the cost of doing business and to meet business operation requirements to continue to provide a quality level of service.

A fee schedule is attached that establishes the new rates. Please don't hesitate to contact me with any questions. We value you as a client and are grateful for the opportunity to continue providing grant funding for the District's important projects. Thank you for your business and we look forward to a long and prosperous relationship.

Sincerely,

A handwritten signature in black ink that reads "Joey Soto". The signature is written in a cursive, flowing style.

Ms. Joey Soto, M.S.



Soto Resources
 Professional Funding Services
 (949) 370-6079
 Joey@sotoresources.com

Fee Schedule
Effective June 1, 2024

| Name | Title/Position | Hourly Bill Rate |
|----------------------------------|--|-------------------------|
| Joey Soto, M.S. | Principal/Project Manager/ Senior Grant Researched/Writer | \$205/hr. |
| Jennifer Nevius, P.E. | Engineer/Grant Researcher/Writer* | \$185/hr. |
| Denise Landstedt | Senior Grant researcher/Writer* | \$205/hr. |

*Notes: *Subconsultant rate shown includes markup. Other direct costs such as copying, reproduction, delivery, postage, mileage (rates allowed by current IRS guidelines), are not included in the fee estimate and will be billed separately if incurred. Soto Resources reserves the right to adjust its hourly rates at the beginning of the calendar year for all ongoing contracts.*