

**TRES HERMANOS CONSERVATION AUTHORITY
BOARD OF DIRECTORS REGULAR MEETING**

**JULY 17, 2019 AGENDA
6:00 p.m.**

**CITY OF INDUSTRY
COUNCIL CHAMBER
15651 E. STAFFORD STREET
CITY OF INDUSTRY, CALIFORNIA**

**Cory Moss, Chair
Carol Herrera, Vice-Chair
Catherine Marcucci, Board Member
Ray Marquez, Board Member
Peter Rogers, Board Member
Newell Ruggles, Board Member
Steve Tye, Board Member**

1. CALL TO ORDER

PLEDGE OF ALLEGIANCE

ROLL CALL

- 2. PUBLIC COMMENTS:** At this time, members of the public may address the Authority regarding any items within the subject matter jurisdiction of the Authority provided NO action or discussion may be taken on any item not appearing on the agenda, except the Authority may BRIEFLY respond to statements made or questions posed. Comments are limited to five minutes per speaker.

3. CONSENT CALENDAR:

- 3.1 Consideration of the Minutes of the June 19, 2019 special meeting and the June 19, 2019 regular meeting

Recommended Action: Approve as submitted.

Copies of staff reports or other written documentation relating to agenda items are on file in the Office of the City Clerk at Industry City Hall, and are available for public inspection. If requested, the agenda will be made available in an alternative format to a person with disability as required by Section 202 of the Americans with Disabilities Act of 1990. If you have questions regarding an agenda item, please contact the Authority Secretary at (626) 333-2211 during regular business hours.

In an effort to comply with the requirements of Title II of the Americans with Disabilities Act of 1990, the Tres Hermanos Conservation Authority requires that any person in need of any type of special equipment, assistance or accommodation(s) in order to communicate at a public meeting, must inform the Authority Secretary a minimum of 72 hours prior to the scheduled meeting.

- 3.2 Consideration to approve the Treasurer's Report for the month of June 2019

RECOMMENDED ACTION: Receive and file Report.

- 3.3 Consideration to approve the check register for the month of June 2019

RECOMMENDED ACTION: Receive and file Report.

4. OLD BUSINESS:

There is none.

5. NEW BUSINESS:

- 5.1 Approval of Agreement with Egoscue Law Group, Inc., to provide General Counsel Legal Services to the Authority

RECOMMENDED ACTION: Approve and authorize the Chair to sign, the Agreement with Egoscue Law Group, Inc. (ELG) to provide general counsel legal services and a letter expressly agreeing that ELG may represent the City of Industry on environmental matters related to the City's Fellows Camp property.

- 5.2 Review and Action – Budget for Fiscal Years 2018-19 and 2019-20

RECOMMENDED ACTION: The Authority, following review and discussion, adopt a two-year budget for Fiscal Years 2018-19 and 2019-20.

- 5.3 Consideration of Amendment No. 1 to the Maintenance Services Agreement with the San Gabriel Valley Conservation Corps, increasing compensation under the original amount by \$75,120 from \$14,880 to \$90,000

RECOMMENDED ACTION: Approve Amendment No. 1.

6. AUTHORITY DIRECTOR COMMENTS:

- 7. ADJOURNMENT:** The next regular Tres Hermanos Conservation Authority Meeting will be Wednesday, August 21, 2019 at 6:00 p.m.

TRES HERMANOS CONSERVATION AUTHORITY

ITEM NO. 3.1

TRES HERMANOS CONSERVATION AUTHORITY
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 19, 2019
PAGE 1

1. CALL TO ORDER

The Special Meeting of the Tres Hermanos Conservation Authority, Board of Directors, was called to order by Chair Cory Moss at 3:46 p.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Chair Cory Moss.

PRESENT: Cory Moss, Chair
Carol Herrera, Vice Chair
Catherine Marcucci, Board Member
Mark Radecki, Alternate Board Member
Peter Rogers, Board Member
Steve Tye, Board Member

ABSENT: Newell Ruggles, Board Member

STAFF PRESENT: Troy Helling, Executive Director; Dan Fox, Deputy Executive Director; and Julie Robles, Authority Secretary.

2. PUBLIC COMMENTS

There were none.

3. CLOSED SESSION – Public Employment

Authority Secretary Robles announced there was a need for Closed Session as follows:

Close session pursuant to Government Code Section 54957:
Title: General Counsel

There were no public comments on the Closed Session item.

Chair Moss recessed the meeting into Closed Session at 3:47 p.m.

TRES HERMANOS CONSERVATION AUTHORITY
SPECIAL BOARD OF DIRECTORS MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 19, 2019
PAGE 2

RECONVENE CITY COUNCIL MEETING

Chair Moss reconvened the meeting at 6:00 p.m. All members of the Tres Hermanos Conservation Authority were present.

Chair Moss reported out of Closed Session.

With regard to Closed Session items 3.1, there is no reportable action.

4. ADJOURNMENT

There being no further business, the Tres Hermanos Conservation Authority (THCA) Regular Board of Directors meeting adjourned at 6:01 p.m.

CORY MOSS
CHAIR

JULIE ROBLES
AUTHORITY SECRETARY

TRES HERMANOS CONSERVATION AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 19, 2019
PAGE 1

1. CALL TO ORDER

The Regular Meeting of the Tres Hermanos Conservation Authority, Board of Directors, was called to order by Chair Cory Moss at 6:00 p.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

FLAG SALUTE

The flag salute was led by Board Member Peter Rogers.

PRESENT: Cory C. Moss, Chair
 Carol Herrera, Vice Chair
 Catherine Marcucci, Board Member
 Mark Radecki, Alternate Board Member
 Peter Rogers, Board Member
 Steve Tye, Board Member

ABSENT: Newell Ruggles, Board Member

STAFF PRESENT: Troy Helling, Executive Director; David DeBerry, General Counsel; Dan Fox, Deputy Executive Director; and Julie Robles, Authority Secretary.

2. PUBLIC COMMENTS

There were none.

3. CONSENT CALENDAR

- 3.1 CONSIDERATION OF THE MINUTES OF THE MAY 15, 2019 REGULAR MEETING**
- 3.2 CONSIDERATION TO APPROVE THE TREASURER'S REPORT FOR THE MONTH OF APRIL 2019**
- 3.3 CONSIDERATION TO APPROVE THE CHECK REGISTER FOR THE MONTH OF MAY 2019**

TRES HERMANOS CONSERVATION AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 19, 2019
PAGE 2

MOTION BY VICE CHAIR HERRERA, AND SECOND BY BOARD MEMBER MARCUCCI TO APPROVE THE CONSENT CALENDAR. MOTION CARRIED 7-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	MARCUCCI, MARQUEZ, RADECKI, ROGERS, TYE, V/C HERRERA, C/MOSS
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	RUGGLES
ABSTAIN:	BOARD MEMBERS:	NONE

4. OLD BUSINESS

There is none.

5. NEW BUSINESS

5.1 OFFICIAL BOND FOR FISCAL YEAR 2019-20

City Manager Troy Helling provided a staff report and responded to a question from Board Member Marquez, that we do have Liability Insurance.

MOTION BY BOARD MEMBER MARQUEZ, AND SECOND BY BOARD MEMBER MARCUCCI TO APPROVE THE GOVERNMENT CRIME INSURANCE PROPOSAL FROM ALLIANT AS THE OFFICIAL BOND FOR FISCAL YEAR 2019-20 AND AUTHORIZE THE TREASURER TO EXECUTE THE REQUEST TO BIND COVERAGE AND PAY THE ANNUAL PREMIUM OF \$1,500.00. MOTION CARRIED 7-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	MARCUCCI, MARQUEZ, RADECKI, ROGERS, TYE, V/C HERRERA, C/MOSS
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	RUGGLES
ABSTAIN:	BOARD MEMBERS:	NONE

TRES HERMANOS CONSERVATION AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 19, 2019
PAGE 3

5.2 CONSIDERATION OF A CONSULTANT SERVICES AGREEMENT WITH MEAD & HUNT, INC. FOR DAM INUNDATION MAPPING AND EMERGENCY ACTION PLANNING SERVICES AT CHINO RANCH #1 DAM, NO. 2025.000, IN THE AMOUNT OF \$18,000.00

James Cramsie, Senior Project Manager with CNC Engineering made a presentation to the Authority and said effective July 1, 2017, a new state legislation passed in which the City is to abide with the Dam Inundation Mapping and Emergency Action Planning Services. The Chino Ranch #1 Dam is classified as a significant hazard which is equal to the lowest level property. This service and report will be paid by the City of Industry.

MOTION BY BOARD MEMBER ROGERS, AND SECOND BY BOARD MEMBER MARCUCCI TO APPROVE THE AGREEMENT. MOTION CARRIED 7-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	MARCUCCI, MARQUEZ, RADECKI, ROGERS, TYE, V/C HERRERA, C/MOSS
NOES:	BOARD MEMBERS:	NONE
ABSENT:	BOARD MEMBERS:	RUGGLES
ABSTAIN:	BOARD MEMBERS:	NONE

6. AUTHORITY DIRECTOR COMMENTS:

There was none.

7. ADJOURNMENT

There being no further business, the Tres Hermanos Conservation Authority (THCA) Regular Board of Directors meeting adjourned at 6:12 p.m.

CORY MOSS
CHAIR

TRES HERMANOS CONSERVATION AUTHORITY
REGULAR BOARD OF DIRECTORS MEETING MINUTES
CITY OF INDUSTRY, CALIFORNIA
JUNE 19, 2019
PAGE 4

JULIE ROBLES
AUTHORITY SECRETARY

TRES HERMANOS CONSERVATION AUTHORITY

ITEM NO. 3.2

**TRES HERMANOS CONSERVATION AUTHORITY
STAFF REPORT**

AGENDA NO. 3.2

Date: July 17, 2019
To: Chair and Board of Directors
From: Troy Helling, Executive Director
Subject: Treasurer's Report for the Month of June 2019

Recommendation:

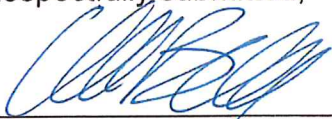
That the Authority receive and file the Treasurer's Report for the month of June 2019.

Background/Analysis:

Pursuant to the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 5.3 Accounts, the Treasurer must verify and report in writing, at least quarterly, the amount of money held for the Authority, the amount of interest earnings, revenues, and expenditures since the last report.

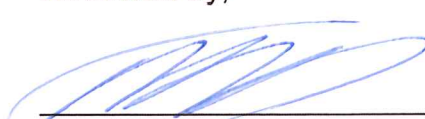
Attached for your information is the Treasurer's Report for the month of June 2019.

Respectfully submitted,



Christina Buhagiar
Treasurer

Reviewed by,



Troy Helling
Executive Director

Attachments

**TRES HERMANOS CONSERVATION AUTHORITY
TREASURER'S REPORT
June 30, 2019**

I. Funds Held by Authority:

	<u>Cost</u>	<u>Market Value</u>	<u>Interest Rate</u>
Cash			
Citizens Business Bank - Premium Money Market	\$ 165,025	\$ 165,025	0.05%
Total Funds Held by Authority	<u>\$ 165,025</u>	<u>\$ 165,025</u>	

II. Cash Flow Transactions:

<u>Fund</u>	<u>Beginning Cash Balance 06/01/19</u>	<u>Cash Receipts</u>	<u>Cash Disbursements</u>	<u>Ending Cash Balance 06/30/19</u>
General Fund	<u>\$ 197,913</u>	<u>\$ 978</u>	<u>\$ (33,866)</u>	<u>\$ 165,025</u>

III. Certifications:

In accordance with the California Government Code, the Treasurer certifies that sufficient liquidity is available to meet the Authority's anticipated expenditure requirements for the six months ending December 31, 2019.

Christina Buhagiar
Treasurer

Tres Hermanos Conservation Authority
Statement of Revenues, Expenditures and Changes in Fund Balances
June 30, 2019

	<u>Fiscal Year 18/19</u>	<u>Fiscal Year 17/18</u>
Revenues:		
Investment interest	\$ 132	\$ 139
Rental income	2,849	-
Contributions from member agencies	209,591	-
Reimbursements	757	-
Total Revenues	<u>213,329</u>	<u>139</u>
Expenditures:		
Audit services	1,970	1,910
Legal services	65,653	-
Security services	39,838	-
Insurance	15,998	-
Pest control	7,845	-
Utilities	9,186	-
Miscellaneous	201	-
Total Expenditures	<u>140,691</u>	<u>1,910</u>
Excess of revenues over (under) expenditures	<u>\$ 72,638</u>	<u>\$ (1,771)</u>
Fund Balances:		
Beginning of fiscal year	\$ 92,387	\$ 94,158
Excess of revenues over (under) expenditures	72,638	(1,771)
End of fiscal year	<u>\$ 165,025</u>	<u>\$ 92,387</u>

TRES HERMANOS CONSERVATION AUTHORITY

ITEM NO. 3.3

**TRES HERMANOS CONSERVATION AUTHORITY
STAFF REPORT**

AGENDA NO. 3.3

Date: July 17, 2019
To: Chair and Board of Directors
From: Troy Helling, Executive Director
Subject: Check Register

Recommendation:

That the Authority receive and file the check register for the month of June 2019.

Background/Analysis:

Pursuant to the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 5.2 Disbursements, the check register of the Authority should be periodically reviewed by the Board. Attached for your review is the check register for the month of June 2019.

Respectfully submitted,



Christina Buhagiar
Treasurer

Reviewed by,



Troy Helling
Executive Director

Attachment

**Tres Hermanos Conservation Authority JPA
Transaction List by Vendor
June 2019**

Date	Check #	Vendor	Memo/Description	Amount
06/04/2019	1043	Industry Security Services, Inc.	Security - week ending 05/23/19 Vehicle Fuel usage - 04/22/19 - 05/17/19	\$ (3,126.12)
06/04/2019	1044	Janus Pest Management, Inc	Squirrel Treatment - 04/04/19 & 04/17/19 Bee Removal Service - 04/04/19	(2,145.00)
06/04/2019	1045	City of Chino Hills - Water	Quick Books - April 2019	(30.00)
06/14/2019	1046	City of Industry - Trash	Trash Services - June 2019	(158.76)
06/14/2019	1047	Industry Security Services, Inc.	Security - week ending 06/06/19	(4,542.56)
06/14/2019	1048	Woodruff, Spradlin & Smart	Legal Services - May 2019	(23,614.18)
06/14/2019	1049	Frontier	Phone - June 2019	(53.46)
06/14/2019	1050	SoCalGas	Gas usage - May 2019	(84.96)
06/14/2019	1051	Southern California Edison	Electricity usage - May 2019	(111.54)
Total				<u>\$ (33,866.58)</u>

TRES HERMANOS CONSERVATION AUTHORITY

ITEM NO. 5.1

**TRES HERMANOS CONSERVATION AUTHORITY
STAFF REPORT**

AGENDA NO. 5.1

Date: July 17, 2019
To: Board of Directors
From: Troy Helling, Executive Director *TH*
Subject: APPROVAL OF AGREEMENT WITH EGOSCUE LAW GROUP, INC. TO PROVIDE GENERAL COUNSEL LEGAL SERVICES TO THE AUTHORITY.

Recommendation:

That the Board of Directors approve, and authorize the Chair to sign, the Agreement with Egoscue Law Group, Inc. (ELG) to provide general counsel legal services and a letter expressly agreeing that ELG may represent the City of Industry on environmental matters related to the City's Fellows Camp property.

Fiscal Impact:

The hourly rates, which are the firm's public agency rates, are reflected in the Agreement as follows:

Tracy J. Egoscue	\$350
Tarren A. Torres	\$250
Paralegals	\$150

The FY 2019-2020 includes \$20,000 for general counsel legal services, which are considered a "Maintenance Cost" and split equally between the Member Agencies. The actual costs will vary based on the amount to time needed to provide the required services.

Background:

Section 3.9 of Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement (JPA) provides for the Board to appoint an independent legal counsel within six months of reestablishment of the JPA (February 2019). It further provides that

the independent legal counsel shall not provide or be providing any other legal services to any Member of the Authority without the express written approval by the Board.

Also as provided for in JPA Section 3.9, Diamond Bar City Attorney David DeBerry has been serving as the initial general counsel since February 2019. Once the Board approves the Agreement and it is executed by both parties, ELG would assume general counsel responsibilities.

Discussion:

Following an initial round of research into effective law firms uniquely suited to represent the Authority, five qualified firms were invited to submit resumes. The Board chose to narrow the search to the top three firms, which were subsequently interviewed and where the Board unanimously selected the firm ELG and Tracy Egoscue as the top choice.

Tracy Egoscue is the founder of ELG. She has been practicing law in California for 22 years and has provided outside legal counsel to municipalities, public agencies and water agencies. Ms. Egoscue has also served as a Deputy Attorney General for the California Department of Justice with a focus on the defense for various state agencies including the Department of Parks and Recreation, Fish and Wildlife, Air Resources Board, Regional Water Quality Control Board and Water Resources Board.

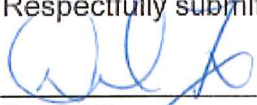
The proposed Agreement (Attachment A) was reviewed by Authority General Counsel David DeBerry and contains all the relevant clauses and protections to ensure the Authority is effectively served. Litigation services are not included within the scope of work. The Board would have the ability to consider a separate proposal from ELG, or any other legal firm, should there be a need for future litigation services.

ELG currently serves as outside counsel to the City of Industry on environmental matters related to the City's Fellows Camp property. Pursuant to JPA Section 3.9, the Board must provide express written approval for ELG to provide independent legal counsel to the Authority and the identified legal services to the City of Industry (Attachment B).

With the search, interview and contract negotiation processes complete, and a qualified law firm/attorney identified, it is recommended that the Board approve the attached General Counsel Agreement with ELG/Tracy Egoscue and the waiver letter.

Tres Hermanos Conservation Authority
General Legal Counsel Agreement
July 17, 2019
Page 3

Respectfully submitted,



Daniel Fox
Deputy Executive Director

Reviewed by,



Troy Helling
Executive Director

Attachments:

- A – Agreement for General Counsel; ELG
- B – Conflict of Interest Waiver

ATTACHMENT A
AGREEMENT FOR GENERAL COUNSEL; ELG

AGREEMENT FOR GENERAL COUNSEL SERVICES

THIS AGREEMENT (the "Agreement") is made and entered into as of this 17th day of July, 2019, by and between the TRES HERMANOS CONSERVATION AUTHORITY (herein after "Authority"), a Joint Powers Authority, and the law firm of EGOSCUE LAW GROUP, INC. (herein after "ELG"), a Professional Corporation.

RECITALS

- A. The Board of Directors, as the governing body of the Tres Hermanos Conservation Authority, pursuant to the provisions under the Joint Powers Act, desires to contract with ELG to provide attorney services for the Authority and to provide legal services required to be performed as General Counsel to the Authority.
- B. The Board of Directors desires, pursuant to Section 3.9 of the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement ("JPA"), to appoint Tracy Egoscue, a Principal with ELG, to serve as General Counsel to the Authority.
- C. ELG desires to provide the foregoing services and to perform legal services as necessary for the proper function of the office of General Counsel for the Authority.
- D. Authority and ELG wish to provide for the terms and conditions of retaining ELG to provide legal services as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

1. **Retention of ELG.** Authority hereby retains ELG to provide all legal services required for General Counsel representation for the Board of Directors and the Authority. In this regard, Tracy Egoscue is designated as General Counsel for the Authority.
2. **Scope of Duties.** Authority retains ELG to provide legal services required in connection with the Authority's operations as a Joint Powers Authority pursuant to Government Code Section 6250 et. seq. The legal services to be performed shall include those generally understood to be within the field of municipal law. ELG shall provide those legal services reasonably required to advise and represent the Authority and shall take all reasonable steps to keep Authority informed of the progress of the representation and to respond in a timely manner to the inquires of the Authority regarding pending matters. The Board of Directors may, in its discretion, assign legal services to attorneys other than ELG. It is understood that the legal services to be performed and the functions of the General Counsel shall include, but are not limited to, the following:

- 2.1 Represent and advise the Board of Directors and all Authority officers in matters of law pertaining to their office. Give advice or opinion on the legality of all matters under consideration by the Board of Directors or by any of the officers of the Authority;
- 2.2 Attend all meetings of the Board of Directors and attend all other meeting when so requested by the Executive Director;
- 2.3 Assist in the preparation and review of meeting agendas, staff reports, resolutions, contracts, deeds, leases and other legal documents;
- 2.4 Upon request, prepare legal opinions for the Board of Directors and officers of the Authority;
- 2.5 Oversee services provided by other legal specialist retained by the Authority for specialized legal issues, as deemed appropriated by the Board of Directors;
- 2.6 Coordinate legal activities with Member Agencies and other outside agencies; and
- 2.7 Perform such other legal duties as may be required by the Authority in the performance of the functions as determined by the Board of Directors.

3. **Independent Contractor.** ELG and any attorneys or other persons employed by ELG, shall at all times be considered an independent contractor and not an employee of the Authority and not entitled to any benefits of the Authority. Except to the extent provided herein, the Authority and its officers shall not have any control over the conduct of ELG.

4. **Fees, Costs and Expenses.**

- 4.1 Authority agrees to pay ELG at the rates set forth in Exhibit "A", which is attached hereto and incorporated herein by reference.
- 4.2 Authority agrees to pay out-of-pocket costs and expenses associated with ELG's work pursuant to Exhibit "A".

5. **Statements/Task-Billing.** ELG shall prepare and present to the Authority detailed monthly statements for professional and other services rendered to the Authority for the month preceding, indicating each task performed by ELG in a form that is reasonably acceptable to the Authority. Authority shall pay the statements within 30 days of approval of the same. ELG shall update Authority, upon request, regarding the status of ELG's billings and respond to any inquiries by Authority to substantiate the monthly statements.

6. **Insurance and Indemnification.**

- 6.1 ELG shall carry Professional Liability/Errors and Omissions and Automotive Liability insurances in an amount not less than \$1 million per occurrence and \$1 million in aggregate. The Authority shall be named as a certificate holder and an additional insured on the Automotive Liability policy. All insurance coverage shall be provided by an insurance company with a rating of A-, VII or greater in the latest edition of Best's Insurance guide and authorized to do business in the State of

California. Such policies shall not be canceled or materially changed absent 30 days' prior written notice to the Authority. With respect to Professional Liability/Errors and Omissions insurance, ELG agrees to maintain such insurance for at least three years after termination of this Agreement as long as such insurance is reasonably available on the market.

- 6.2 ELG agrees to indemnify, defend and hold harmless, the Authority, its Board of Directors, officers, agents and employees from and against any claim, demands, damages, injury or judgement which arises out of the negligent performance or willful misconduct of ELG in performing under this Agreement.

7. **Arbitration.** Any dispute, claim or controversy arising out of or relating to this Agreement or the breach, termination, enforcement, interpretation or validity thereof, including the determination of the scope or applicability of the agreement to arbitrate, shall be determined by binding arbitration in the County of Los Angeles, before one arbitrator. In the event the parties are unable to agree upon an arbitrator, an arbitrator shall be selected through the rules of the American Arbitration Association. The Arbitrator shall have the authority to set procedures and discovery in the arbitration. In any such matter, the prevailing party shall be entitled to recover its reasonable costs and attorney's fees. Judgement on the arbitrator's remedial power shall be the same as the remedial power a court would have over the dispute. This clause shall not preclude the parties from seeking provisional remedies in aid of arbitration from a court of appropriate jurisdiction. The parties shall be jointly responsible for the arbitration fees and the arbitrator's compensation and expenses. The arbitrator shall award costs to the prevailing party which shall include reasonable attorney's fees and any other costs not jointly agreed to be shared between the parties. In the event one party has paid more than its share of the arbitration fees and expenses, the arbitrator may award fees and expenses to such party. This section shall survive the expiration of this Agreement.

8. **Term and Termination.** The term of this Agreement shall commence on July 18, 2019 and shall continue until terminated by either party. ELG shall serve under the terms of this Agreement at the pleasure of the Authority by a majority vote of the Board of Directors as provided in Section 6 of the JPA. The Authority hereby reserves the right to terminate this Agreement for its convenience upon 10 days written notice to ELG or immediately for any breach of this Agreement or to require substitute attorney personnel. When ELG's services are terminated, all unpaid charges shall be due and payable to ELG for work actually performed up to the time of termination and for any other work it completes at the direction of the Authority. ELG may terminate this Agreement with or without cause upon 90-day written notice to the Authority.

9. **Notice.** Any notices required by this Agreement shall be given by personal service or by delivery of such notice by first-class mail, postage prepaid, addressed to each party at the addresses listed below. The addresses below may be changed upon thirty (30) day written notice to each party.

To Authority:

Tres Hermanos Conservation Authority
c/o City of Industry
15652 East Stafford Street
Industry, CA 91744
Attn: Executive Director

To ELG:

Egoscue Law Group, Inc.
3834 Pine Avenue
Long Beach, CA 90807
Attn: Tracy Egoscue, Esq.

10. **Non-Discrimination.** ELG shall not discriminate against any employee, applicant, vendor, contractor, Board of Directors, officers or any other agent of the Authority because of race, religion, color, sex, sexual orientation, disability or national origin.

11. **Conflicts of Interest.** ELG represents that it presently has no interest and shall not acquire any interest, director or indirect, in any legal representation which is in conflict with the legal services to be provided to the Authority under this Agreement. ELG represents that no Authority Board of Director or officer other than members of ELG has a material financial interest in ELG. During the term of this Agreement and/or as a result of being awarded this contract, ELG shall not offer, encourage or accept any financial interest financial interest in ELG's business from any Authority Board of Director or officer.

12. **Files.** All legal files of ELG pertaining to the Authority shall be and remain the property of the Authority. ELG shall control the physical location of such legal files in a secure and accessible location during the term of this Agreement and be entitled to retain copies of such files, at ELG's expense, upon termination of this Agreement.

13. **Modifications to the Agreement.** Unless otherwise provided for in this Agreement, modifications relating to the nature, extent and duration of ELG's professional services to be rendered hereunder or the compensation to be paid to ELG hereunder, shall require the written approval of the Authority Board of Directors. Any such written approval shall be deemed to be a supplement to this Agreement and shall specify any changes in the Scope of Services and the agreed upon billing rate to be charged by ELG and paid by the Authority.

14. **Assignment and Delegation.** This Agreement contemplates the personal professional services of ELG and it shall not be assigned or delegated without the prior written consent of the Authority. ELG shall supervise delegated work, except where precluded from doing so by virtue of a conflict of interest and where otherwise agreed to by the parties hereto.

15. **Legal Construction.**

15.1 This Agreement is made and entered into in the State of California and shall, in all respects, be interpreted, enforced and governed under the laws of the State of California.

- 15.2 This Agreement shall be construed without regard to the identity of the persons who drafted its various provisions. Each and every provision of this Agreement shall be construed as though each of the parties participated equally in the drafting of the same, and any rule of construction that a document is to be construed against the drafting party shall not be applicable to this Agreement.
- 15.3 The article and section, captions and headings herein have been inserted for convenience only, and shall not be considered or referred to in resolving questions of interpretation or construction.
- 15.4 Whenever in this Agreement the context may so require, the masculine gender shall be deemed to refer to and include the feminine and neuter, and the singular shall refer to and include the plural.

16. **Entire Agreement.** This Agreement contains the entire agreement and understanding of the parties with respect to the subject matter hereof, and contains all covenants and agreements between the parties with respect to such matter.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above and represents that they are authorized to bind their respective parties.

TRES HERMANOS CONSERVATION AUTHORITY

Cory Moss
Chair

EGOSCUE LAW GROUP, INC.

Tracy J. Egoscue, Esq.
President

ATTEST:

Julie Gutierrez-Robles
Authority Secretary
Tres Hermanos Conservation Authority

EXHIBIT A

Fee Proposal



Egoscue Law Group, Inc.

Rate Sheet Submitted for Tres Hermanos Proposal

Attorney Fees, Hourly Rates

Tracy J. Egoscue \$350

Tarren A. Torres \$250

Support Staff, Hourly Rates

Paralegal \$150

Office costs may be billed separately. There are certain costs and expenses (in addition to the fees for our legal services) that the Authority will be obligated to pay, if incurred, such as sheriffs', marshals' or process servers' fees, filing fees and other court costs, court reporter fees, jury fees, messenger charges, telecopier charges, computerized search fees, word processing charges, printing and photocopying costs, travel costs, transcript fees, parking charges, recording fees, telephone toll charges, fees for experts and other consultants retained on the Authority's behalf, and other similar costs and expenses. ELG will consult with the Authority prior to incurring costs that individually exceed \$500.

ATTACHMENT B

CONFLICT OF INTEREST WAIVER LETTER; ELG



Egoscue Law Group, Inc.

July 17, 2019

Board of Directors
Tres Hermanos Conservation Authority
c/o Troy Helling
Executive Director
thelling@cityofindustry.org
c/o Dan Fox
Deputy Executive Director
DFox@DiamondBarCA.Gov

Re: Approval of Egoscue Law Group, Inc. to Service as General Counsel for the Tres Hermanos Conservation Authority and Waiver of Potential Conflicts of Interest

Background Facts

The Tres Hermanos Conservation Authority (Authority) was created by a Joint Powers Agreement between the Cities of Industry, Chino Hills, and Diamond Bar to coordinate the overall conservation, use and potential improvement of the Tres Hermanos Ranch through collaboration by its members. The Authority has selected Egoscue Law Group, Inc. (ELG) for appointment as independent General Counsel for the Authority. ELG President, Tracy J. Egoscue will be primarily responsible for ELG's role as independent General Counsel as described in the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement effective February 6, 2019 (JPA) section 3.9.

ELG also currently serves as outside counsel for the City of Industry on environmental matters related to the City's Follows Camp property. None of the matters in which ELG is currently providing legal services to the City of Industry is related to or anticipated to be related to the legal services that ELG is expected to provide to the Authority.

JPA section 3.9 states, "independent legal counsel shall not provide or be providing any other legal services to any Member without the express written approval by the Board."

Therefore, and pursuant to JPA section 3.9, this letter and the contents below serve as express written approval by the Authority Board of Directors for ELG to serve as the Authority's independent general counsel in addition to the above-identified legal services provided to the City of Industry. ELG agrees that other than those legal services approved herein, ELG shall not provide any additional legal services to the Cities of Industry, Chino Hills and Diamond Bar without the express written approval of the Authority Board of Directors.



Egoscue Law Group, Inc.

Conflict of Interest Disclosures

As you know, a lawyer's concurrent representation of multiple clients in the same matter or related matters raises the possibility or potential for conflicts of interest as defined in Rule 1.7 of the California Rules of Professional Conduct, and although there are no known current conflicts of interest between the City of Industry and the Authority, it is always possible that a future conflict of interest could arise between these two entities. I am therefore required to provide you with written disclosure of the possibility of the conflicts and obtain your written consent before undertaking representation, in addition to obtaining the written authorization required by JPA section 3.9.

At the present time, I am not aware of any facts or circumstances making it reasonably likely that an actual conflict of interest might arise in this matter. Likewise, you have not brought to my attention any factual disagreements between the City of Industry and the Authority, or other circumstances that either agency believes might suggest the existence of any actually divergent interests, disagreements, or conflicts among them. Nevertheless, the risk is always present that presently unforeseen conflicts of interest could potentially arise in the future based on new issues that could arise or unanticipated developments in the pending matters.

You should consider the potential conflict of interest issues that can arise from the attorney's duties of loyalty and confidentiality in a joint representation. The duty of loyalty requires lawyers to act in each of their client's best interests. ELG cannot give legal advice to one of you that might be detrimental or harmful to another, as that would result in divided loyalty. Nor will ELG be able to represent one client against the other in a disagreement while ELG concurrently represents the multiple clients. A potential conflict of interest could also arise if ELG were to be called upon to give legal advice to one client that could have an adverse impact on the other. Consequently, by signing this agreement, the Board of the Authority agrees that ELG will not be called upon or requested to represent or advise either agency against the other.

The duty of confidentiality requires lawyers to protect the client's privileged and confidential information. Here, since ELG is not representing the City of Industry and the Authority in the same or any current related matters, by signing this agreement, the Board of the Authority expressly agrees and consents to the maintenance of strict confidentiality between itself and ELG, and also agrees to forgo any request or demand that privileged or



Egoscue Law Group, Inc.

confidential information communicated between ELG by one client (the City of Industry or the Authority), be shared with, produced to or communicated to the other client.

Cory Moss
Chair
Tres Hermanos Conservation
Authority


Tracy J. Egoscue, Esquire
President
Egoscue Law Group, Inc.

TRES HERMANOS CONSERVATION AUTHORITY

ITEM NO. 5.2

**TRES HERMANOS CONSERVATION AUTHORITY
STAFF REPORT**

AGENDA NO. 5.2

Date: July 17, 2019
To: Chair and Board of Directors
From: Troy Helling, Executive Director 
Subject: Review and Action – Budget for Fiscal Years 2018-19 and 2019-20

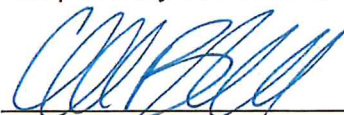
Recommendation:

That the Authority, following review and discussion, adopt a two-year budget for Fiscal Years 2018-19 and 2019-20.

Background/Analysis:

Per the Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement Section 5.1 Annual Budget, the Board shall adopt an annual budget. The proposed budget for Fiscal Year (FY) 2018-19 is \$183,672 with no additional contribution needed. The proposed budget for FY 2019-20 is \$185,293 with an additional contribution of \$20,109 needed from the City of Chino Hills and an additional contribution of \$37,869 needed from the City of Industry. The proposed ending fund balance for each city will then be zero. Attached to the staff report is a consolidated proposed budget for each fiscal year. The budget will be reviewed regularly and any adjustments will be brought back to the Board for approval.

Respectfully submitted,



Christina Buhagiar
Treasurer/Auditor

Reviewed by,



Troy Helling
Executive Director

Attachments

**TRES HERMANOS CONSERVATION AUTHORITY
OPERATING BUDGET
FISCAL YEAR 2018/19 & 2019/20**

	<u>Proposed Budget for FY 18/19</u>	<u>Proposed Budget for FY 19/20</u>
ESTIMATED BEGINNING FUND BALANCE	\$ 90,408	\$ 119,815
REVENUES		
Membership Contribution	209,592	57,978
Rental Income	2,850	7,500
Interest Income	36	-
Reimbursements	601	-
TOTAL REVENUES	<u>\$ 213,079</u>	<u>\$ 65,478</u>
EXPENDITURES		
Professional Services	\$ 19,527	\$ 19,593
Legal Services	6,900	20,001
Legal Services - Extraordinary	80,400	40,000
Contractual Services	26,136	64,203
Security Services	46,700	30,786
Office Supplies & Software	282	870
Utilities	3,727	9,840
TOTAL EXPENDITURES	<u>\$ 183,672</u>	<u>\$ 185,293</u>
PROJECTED ENDING FUND BALANCE	<u>\$ 119,815</u>	<u>\$ -</u>

**TRES HERMANOS CONSERVATION AUTHORITY
OPERATING BUDGET
FISCAL YEAR 2018-19 & 2019-20**

	Proposed Budget for FY 18/19				Proposed Budget for FY 19/20			
	Proposed Budget for FY 18/19	Chino Hills	Diamond Bar	Industry	Proposed Budget for FY 19/20	Chino Hills	Diamond Bar	Industry
ESTIMATED BEGINNING FUND BALANCE	\$ 90,408	\$ 45,204	\$ 45,204	-	\$ 119,815	38,772	54,231	26,812
REVENUES								
Membership Contribution	209,592	54,796	54,796	100,000	57,978	20,109	-	37,869
Rental Income	2,850	1,425	-	1,425	7,500	3,750	-	3,750
Interest Income	36	12	12	12	-	-	-	-
Reimbursements	601	-	-	601	-	-	-	-
TOTAL REVENUES	\$ 213,079	\$ 56,233	\$ 54,808	\$ 102,038	\$ 65,478	\$ 23,859	\$ -	\$ 41,619
EXPENDITURES								
Professional Services	\$ 19,527	\$ 6,509	\$ 6,509	\$ 6,509	\$ 19,593	\$ 6,531	\$ 6,531	\$ 6,531
Legal Services	6,900	2,300	2,300	2,300	20,001	6,667	6,667	6,667
Legal Services - Extraordinary	80,400	28,542	11,658	40,200	40,000	14,200	5,800	20,000
Contractual Services	26,136	8,712	8,712	8,712	64,203	21,401	21,401	21,401
Security Services	46,700	15,371	15,371	15,958	30,786	10,262	10,262	10,262
Office Supplies & Software	282	94	94	94	870	290	290	290
Utilities	3,727	1,137	1,137	1,453	9,840	3,280	3,280	3,280
TOTAL EXPENDITURES	\$ 183,672	\$ 62,665	\$ 45,781	\$ 75,226	\$ 185,293	\$ 62,631	\$ 54,231	\$ 68,431
PROJECTED ENDING FUND BALANCE	\$ 119,815	\$ 38,772	\$ 54,231	\$ 26,812	\$ -	\$ -	\$ -	\$ -

TRES HERMANOS CONSERVATION AUTHORITY

ITEM NO. 5.3

TRES HERMANOS CONSERVATION AUTHORITY AGENDA NO. 5.3
STAFF REPORT

Date: July 17, 2019

To: Chair and Board of Directors

From: Troy Helling, Executive Director *TH*

Subject: Consideration of Amendment No. 1 to the Maintenance Services Agreement with the San Gabriel Valley Conservation Corps, increasing compensation under the original amount by \$75,120 from \$14,880 to \$90,000

Recommendation:

It is recommended that the Authority authorize the execution of Amendment No. 1 with San Gabriel Valley Conservation Corps increasing the total not-to-exceed amount from \$14,880 to \$90,000.

Background/Discussion:

The San Gabriel Valley Conservation Corps ("SGVCC") approached the Authority about providing landscape and maintenance services at Tres Hermanos. The SGVCC is a non-profit corporation that develops and transforms disadvantaged youth in the San Gabriel Valley by providing academic, vocational, leadership development and employment in the local community. Currently, thirty-one cities in the San Gabriel Valley employ the SGVCC members for projects. SGVCC members gain hands-on work experience by participating in work crews of approximately 5-10 corps members to perform projects on an as-need, as-requested basis.

On July 3, 2019, the Executive Director approved a Maintenance Services Agreement in the amount of \$14,880 with the SGVCC to provide weed clearing as requested at Tres Hermanos so that they could get started with weed clearing in the critical areas up against homes within Diamond Bar in a stretch of the property that is not accessible by the cows and that is physically located within Chino Hills.

THCA staff is requesting that the Board consider approving Amendment No. 1 to the Maintenance Services Agreement to allow them to continue further along the westerly property line to the south where the homes in Diamond Bar again get close to the westerly property line. This amendment will also provide a budget for the remainder of the three year term of the agreement. Due to the rainfall this year, a larger effort may be required this year and it's yet to be seen how much we will need next year but we can revisit this contract next March or April after the rainy season to see if this budget will suffice. Please note that the current need is the westerly property line south of Grand

Avenue in the Chino Hills/San Bernardino portion of the property that has to be done by hand. The portions north of Grand Avenue have been cleared by the County of Los Angeles Department of Agriculture Commissioner/Weights and Measures using large mowers at a cost of \$16,237.

Table 1 - Summary of Maintenance Costs

Maintenance Services Agreement with San Gabriel Valley Conservation Corps	\$14,880
Amendment No. 1 to the Maintenance Services Agreement	\$75,120
Total:	\$90,000

Fiscal Impact:

There is sufficient funding in the Tres Hermanos budget to cover the Fiscal Year 2019-20 cost of the San Gabriel Valley Conservation Corps contract. Future contract costs will be budgeted for in the appropriate fiscal year.

Exhibit:

- A. Amendment No. 1 to the Maintenance Services Agreement with San Gabriel Valley Conservation Corps dated July 17, 2019

TH:jv

EXHIBIT A

Amendment No. 1 to the Maintenance Services Agreement with San Gabriel
Valley Conservation Corps dated July 17, 2019

[Attached]

**AMENDMENT NO. 1
TO AGREEMENT FOR MAINTENANCE SERVICES WITH SAN GABRIEL VALLEY
CONSERVATION CORPS**

This Amendment No. 1 to the Agreement for Maintenance Services (“Amendment No. 1”), is made and entered into this 17th day of July 2019 (“Effective Date”), by and between the Tres Hermanos Conservation Authority, a joint powers authority (“THCA”) and San Gabriel Valley Conservation Corps (“Contractor”). THCA and Contractor are hereinafter collectively referred to as the “Parties.”

RECITALS

WHEREAS, on or about July 3, 2019, the THCA and Contractor entered into that certain Agreement for Maintenance Services (“Agreement”) for weed clearing services as requested at Tres Hermanos; and

WHEREAS, for the reasons set forth herein, the THCA and Contractor desire to enter into this Amendment No. 1 to amend the Agreement as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement is incorporated herein by reference and shall remain in full force and effect except as otherwise hereinafter provided:

1. Defined Terms. Except as otherwise defined herein, all capitalized terms used herein shall have the meanings set forth for such terms in the Agreement.

3. Compensation. The total not to exceed compensation set forth in Section 3 of the Agreement was the sum of Fourteen Thousand Eight Hundred Eighty Eight Dollars (\$14,880) Section 3 of the Agreement is hereby amended to provide for an increase of Seventy-Five Thousand One Hundred Twenty Dollars (\$75,120), so that the total not to exceed compensation, as amended by this Amendment No. 1 shall not exceed Ninety Thousand Dollars (\$90,000).

5. Integration. This Amendment No. 1 and all attachments hereto (if any) integrate all of the terms and conditions mentioned herein, and supersede all negotiations with respect hereto. This Amendment No. 1 amends, as set forth herein, the Agreement and except as specifically amended hereby, the Original Agreement shall remain in full force and effect. To the extent that there is any conflict or inconsistency between the terms and provisions of this Amendment No. 1 and the terms and provisions of the Agreement, the terms and provisions of this First Amendment shall control.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

“THCA”
TRES HERMANOS CONSERVATION
AUTHORITY

By: _____
Troy Helling, Executive Director

“CONTRACTOR”
SAN GABRIEL VALLEY
CONSERVATION CORPS

By: _____
Danny Oaxaca, Executive Director

Attest:

By: _____
Julie Gutierrez-Robles, Board Secretary

APPROVED AS TO FORM

By: _____
David Deberry, General Counsel

EXHIBIT A TO AMENDMENT NO. 1

**AGREEMENT FOR MAINTENANCE SERVICES WITH SAN GABRIEL VALLEY
CONSERVATION CORPS (DATED JULY 3, 2019)**

MAINTENANCE SERVICES AGREEMENT

THIS AGREEMENT (the "Agreement") is made as of **July 3, 2019** by and between the Tres Hermanos Conservation Authority, a joint powers agency ("THCA"), and San Gabriel Valley Conservation and Services Corps, a California domestic nonprofit corporation ("Contractor").

1. Contractor's Services.

Subject to the terms and conditions set forth in this Agreement Contractor shall provide to the reasonable satisfaction of the THCA the weed clearing as requested at Tres Hermanos services set forth in the attached Exhibit "A", which is incorporated herein by this reference. As a material inducement to the THCA to enter into this Agreement, Contractor represents and warrants that it has thoroughly investigated the work and fully understands the difficulties and restrictions in performing the work. Contractor represents that it is fully qualified to perform such consulting services by virtue of its experience and the training, education and expertise of its principals and employees.

Troy Helling, Executive Director (herein referred to as the "THCA's Project Manager"), shall be the person to whom the Contractor will report for the performance of services hereunder. It is understood that Contractor shall coordinate its services hereunder with the THCA's Project Manager to the extent required by the THCA's Project Manager, and that all performances required hereunder by Contractor shall be performed to the satisfaction of the THCA's Project Manager and the THCA Manager

2. Term of Agreement.

This Agreement shall take effect **July 3, 2019**, and shall continue until ("June 30, 2022"), unless earlier terminated pursuant to the provisions herein.

The THCA shall have the option to extend this Agreement for two (2) additional two (2) year terms, subject to the same terms and conditions contained herein, by giving Contractor written notice of the exercise of this option at least thirty (30) days prior to the expiration of the initial Term. In the event the THCA exercises its option to extend the Term, Contractor's compensation shall be subject to an adjustment upon the effective date of extension as follows:

Any increase in compensation will be negotiated between the THCA and the Contractor, but in no event shall the increase exceed the amount that the Consumer Price Index ("CPI") for the Los Angeles-Anaheim-Riverside metropolitan area for the month immediately preceding the Adjustment Date (the "Index Month") as reported by the Bureau of Labor Statistics of the United States Department of Labor, has increased over the CPI for the month one year prior to the Index Month. Any exercise of an option to extend the Term and/or increase in compensation, negotiated or based upon CPI, shall be subject to approval of the THCA Board.

3. Compensation.

THCA agrees to compensate Contractor for each service which Contractor performs to the satisfaction of THCA in compliance with the scope of services set forth in Exhibit "A". Payment will be made only after submission of proper invoices in the form specified by THCA. Total payment to Contractor pursuant to this Agreement shall not exceed Fourteen Thousand Eight Hundred Eighty dollars (\$14,880.00) without the prior written consent of the THCA. The above not to exceed amount shall include all costs, including, but not limited to, all clerical, administrative, overhead, telephone, travel and all related expenses.

4. Payment.

A. As scheduled services are completed, Contractor shall submit to THCA an invoice for the services completed, authorized expenses and authorized extra work actually performed or incurred.

B. All such invoices shall state the basis for the amount invoiced, including services completed, the number of hours spent and any extra work performed.

C. THCA will pay Contractor the amount invoiced the THCA will pay Contractor the amount properly invoiced within 35 days of receipt.

D. Payment shall constitute payment in full for all services, authorized costs and authorized extra work covered by that invoice.

5. Change Orders.

No payment for extra services caused by a change in the scope or complexity of work, or for any other reason, shall be made unless and until such extra services and a price therefore have been previously authorized in writing and approved by the THCA Manager or his designee as an amendment to this Agreement. The amendment shall set forth the changes of work, extension of time, if any, and adjustment of the fee to be paid by THCA to Contractor.

6. Priority of Documents.

In the event of any inconsistency between the provisions of this Agreement and any attached exhibits, the provisions of this Agreement shall control.

7. Status as Independent Contractor.

A. Contractor is, and shall at all times remain as to THCA, a wholly independent contractor. Contractor shall have no power to incur any debt, obligation, or liability on behalf of THCA or otherwise act on behalf of THCA as an agent, except as specifically provided herein. Neither THCA nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner employees of THCA.

B. Contractor agrees to pay all required taxes on amounts paid to Contractor under this Agreement, and to indemnify and hold THCA harmless from any and all taxes, assessments, penalties, and interest asserted against THCA by reason of the independent contractor relationship created by this Agreement. In the event that THCA is audited by any Federal or State agency regarding the independent contractor status of Contractor and the audit in any way fails to sustain the validity of a wholly independent contractor relationship between THCA and Contractor, then Contractor agrees to reimburse THCA for all costs, including accounting and attorney's fees, arising out of such audit and any appeals relating thereto.

C. Contractor shall fully comply with Workers' Compensation laws regarding Contractor and Contractor's employees. Contractor further agrees to indemnify and hold THCA harmless from any failure of Contractor to comply with applicable Worker's Compensation laws.

D. Contractor shall, at Contractor's sole cost and expense fully secure and comply with all federal, state and local governmental permit or licensing requirements, including but not limited to the THCA of Diamond Bar, South Coast Air Quality Management District, and California Air Resources Board.

E. In addition to any other remedies it may have, THCA shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to THCA from Contractor as a result of Contractor's failure to promptly pay to THCA any reimbursement or indemnification required by this Agreement or for any amount or penalty levied against the THCA for Contractor's failure to comply with this Section.

8. Standard of Performance.

Contractor shall perform all work at the standard of care and skill ordinarily exercised by members of the profession under similar conditions and represents that it and any subcontractors it may engage, possess any and all licenses which are required to perform the work contemplated by this Agreement and shall maintain all appropriate licenses during the performance of the work.

9. Indemnification.

Contractor shall indemnify, defend with counsel approved by THCA, and hold harmless THCA, its officers, officials, employees and volunteers ("Indemnitees") from and against all liability, loss, damage, expense, cost (including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation) of every nature arising out of or in connection with:

(1) Any and all claims under Worker's Compensation acts and other employee benefit acts with respect to Contractor's employees or Contractor's contractor's employees arising out of Contractor's work under this Agreement; and

(2) Any and all claims arising out of Contractor's performance of work hereunder or its failure to comply with any of its obligations contained in this Agreement, regardless of THCA's passive negligence, but excepting such loss or damage which is caused by the sole active negligence or willful misconduct of the THCA. Should THCA

in its sole discretion find Contractor's legal counsel unacceptable, then Contractor shall reimburse the THCA its costs of defense, including without limitation reasonable attorneys' fees, expert fees and all other costs and fees of litigation. The Contractor shall promptly pay any final judgment rendered against the Indemnitees. It is expressly understood and agreed that the foregoing provisions are intended to be as broad and inclusive as is permitted by the law of the State of California and will survive termination of this Agreement. Except for the Indemnitees, this Agreement shall not be construed to extend to any third party indemnification rights of any kind.

10. Insurance.

A. Contractor shall at all times during the term of this Agreement carry, maintain, and keep in full force and effect, with an insurance company authorized to do business in the State of California and approved by the THCA the following insurance:

(1) a policy or policies of broad-form comprehensive general liability insurance written on an occurrence basis with minimum limits of \$1,000,000.00 combined single limit coverage against any injury, death, loss or damage as a result of wrongful or negligent acts by Contractor, its officers, employees, agents, and independent contractors in performance of services under this Agreement;

(2) property damage insurance with a minimum limit of \$500,000.00 per occurrence;

(3) automotive liability insurance written on an occurrence basis covering all owned, non-owned and hired automobiles, with minimum combined single limits coverage of \$1,000,000.00; and

(4) Worker's Compensation insurance when required by law, with a minimum limit of \$500,000.00 or the amount required by law, whichever is greater.

B. The THCA, its officers, employees, agents, and volunteers shall be named as additional insureds on the policies as to comprehensive general liability, property damage, and automotive liability. The policies as to comprehensive general liability, property damage, and automobile liability shall provide that they are primary, and that any insurance maintained by the THCA shall be excess insurance only.

C. All insurance policies shall provide that the insurance coverage shall not be non-renewed, canceled, reduced, or otherwise modified (except through the addition of additional insureds to the policy) by the insurance carrier without the insurance carrier giving THCA at least ten (10) day's prior written notice thereof. Contractor agrees that it will not cancel, reduce or otherwise modify the insurance coverage and in the event of any of the same by the insurer to immediately notify the THCA.

D. All policies of insurance shall cover the obligations of Contractor pursuant to the terms of this Agreement and shall be issued by an insurance company which is authorized to do business in the State of California or which is approved in writing by the THCA; and shall be placed have a current A.M. Best's rating of no less than A-, VII.

E. Contractor shall submit to THCA (1) insurance certificates indicating compliance with the minimum insurance requirements above, and (2) insurance policy endorsements or a copy of the insurance policy evidencing the additional insured requirements in this Agreement, in a form acceptable to the THCA.

F. Self-Insured Retention/Deductibles. All policies required by this Agreement shall allow THCA, as additional insured, to satisfy the self-insured retention ("SIR") and/or deductible of the policy in lieu of the Contractor (as the named insured) should Contractor fail to pay the SIR or deductible requirements. The amount of the SIR or deductible shall be subject to the approval of the THCA. Contractor understands and agrees that satisfaction of this requirement is an express condition precedent to the effectiveness of this Agreement. Failure by Contractor as primary insured to pay its SIR or deductible constitutes a material breach of this Agreement. Should THCA pay the SIR or deductible on Contractor's due to such failure in order to secure defense and indemnification as an additional insured under the policy, THCA may include such amounts as damages in any action against Contractor for breach of this Agreement in addition to any other damages incurred by THCA due to the breach.

G. Subrogation. With respect to any Workers' Compensation Insurance or Employer's Liability Insurance, the insurer shall waive all rights of subrogation and contribution it may have against the Indemnitees.

H. Failure to Maintain Insurance. If Contractor fails to keep the insurance required under this Agreement in full force and effect, THCA may take out the necessary insurance and any premiums paid, plus 10% administrative overhead, shall be paid by Contractor, which amounts may be deducted from any payments due Contractor.

I. Contractor shall include all subcontractors, if any, as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the THCA for review and approval. All insurance for subcontractors shall be subject to all of the requirements stated herein.

11. Confidentiality.

Contractor in the course of its duties may have access to confidential data of THCA, private individuals, or employees of the THCA. Contractor covenants that all data, documents, discussion, or other information developed or received by Contractor or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Contractor without written authorization by THCA. THCA shall grant such authorization if disclosure is required by law. All THCA data shall be returned to THCA upon the termination of this Agreement. Contractor's covenant under this section shall survive the termination of this Agreement. Notwithstanding the foregoing, to the extent Contractor prepares reports of a proprietary nature specifically for and in connection with certain projects, the THCA shall not, except with Contractor's prior written consent, use the same for other unrelated projects.

12. Maintenance and Inspection of Records.

In accordance with generally accepted accounting principles, Contractor and its subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, and other information (collectively, the "records") pertaining to the costs of

and completion of services performed under this Agreement. The THCA and any of their authorized representatives shall have access to and the right to audit and reproduce any of Contractor's records regarding the services provided under this Agreement. Contractor shall maintain all such records for a period of at least three (3) years after termination or completion of this Agreement. Contractor agrees to make available all such records for inspection or audit at its offices during normal business hours and upon three (3) days' notice from the THCA, and copies thereof shall be furnished if requested.

13. Conflict of Interest.

A. Contractor covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Contractor under this Agreement, or which would conflict in any manner with the performance of its services hereunder. Contractor further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, Contractor shall avoid the appearance of having any interest which would conflict in any manner with the performance of its services pursuant to this Agreement.

B. Contractor covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of hardware or software to THCA as a result of the performance of this Agreement. Contractor's covenant under this section shall survive the termination of this Agreement.

14. Termination.

The THCA may terminate this Agreement with or without cause upon thirty (30) days' written notice to Contractor. The effective date of termination shall be upon the date specified in the notice of termination, or, in the event no date is specified, upon the thirtieth (30th) day following delivery of the notice. In the event of such termination, THCA agrees to pay Contractor for services satisfactorily rendered prior to the effective date of termination. Immediately upon receiving written notice of termination, Contractor shall discontinue performing services, unless the notice provides otherwise, except those services reasonably necessary to effectuate the termination. The THCA shall be not liable for any claim of lost profits.

15. Personnel.

Contractor represents that it has, or will secure at its own expense, all personnel required to perform the services under this Agreement. All of the services required under this Agreement will be performed by Contractor or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Contractor reserves the right to determine the assignment of its own employees to the performance of Contractor's services under this Agreement, but THCA reserves the right, for good cause, to require Contractor to exclude any employee from performing services on THCA's premises.

16. Prevailing Wage.

Notice is hereby given that in accordance with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, Articles 1 and 2, the Contractor is required to pay not less than the general prevailing rate of per diem wages for work of a similar character in the locality in

which the public works is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. In that regard, the Director of the Department of Industrial Relations of the State of California is required to and has determined such general prevailing rates of per diem wages. Copies of such prevailing rates of per diem wages are on file in the Office of the THCA Clerk of the THCA of Diamond Bar, 21810 Copley Drive, Diamond Bar, California, and are available to any interested party on request. THCA also shall cause a copy of such determinations to be posted at the job site.

The Contractor shall forfeit, as penalty to THCA, not more than twenty-five dollars (\$25.00) for each laborer, workman or mechanic employed for each calendar day or portion thereof, if such laborer, workman or mechanic is paid less than the general prevailing rate of wages hereinbefore stipulated for any work done under this Agreement, by him or by any subcontractor under him.

The CONTRACTOR and any of its subcontractors must be registered with the Department of Industrial Relations pursuant to Labor Code section 1725.5, which precludes the award of a contract for a public work on any public works project awarded after April 1, 2015. This Agreement is subject to compliance monitoring and enforcement by the Department of Industrial Relations.

17. Non-Discrimination and Equal Employment Opportunity.

A. Contractor shall not discriminate as to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation, in the performance of its services and duties pursuant to this Agreement, and will comply with all rules and regulations of THCA relating thereto. Such nondiscrimination shall include but not be limited to the following: employment, upgrading, demotion, transfers, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

B. Contractor will, in all solicitations or advertisements for employees placed by or on behalf of Contractor state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition, or sexual orientation.

C. Contractor will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement except contracts or subcontracts for standard commercial supplies or raw materials.

18. Time Is of the Essence.

Time is of the essence in this Agreement. Contractor shall do all things necessary and incidental to the prosecution of Contractor's work.

19 Delays and Extensions of Time.

Contractor's sole remedy for delays outside its control shall be an extension of time. No matter what the cause of the delay, Contractor must document any delay and request an extension of time in writing at the time of the delay to the satisfaction of THCA. Any extensions

in writing, why the delay has caused additional costs to be incurred and the exact amount of such cost within 10 days of the time the delay occurs. No additional costs can be paid that exceed the not to exceed amount absent a written amendment to this Agreement. In no event shall the Contractor be entitled to any claim for lost profits due to any delay, whether caused by the THCA or due to some other cause.

20. Assignment.

Contractor shall not assign or transfer any interest in this Agreement nor the performance of any of Contractor's obligations hereunder, without the prior written consent of THCA, and any attempt by Contractor to so assign this Agreement or any rights, duties, or obligations arising hereunder shall be void and of no effect.

21. Compliance with Laws.

Contractor shall comply with all applicable laws, ordinances, codes and regulations of the federal, state, and local governments.

22. Non-Waiver of Terms, Rights and Remedies.

Waiver by either party of any one or more of the conditions of performance under this Agreement shall not be a waiver of any other condition of performance under this Agreement. In no event shall the making by THCA of any payment to Contractor constitute or be construed as a waiver by THCA of any breach of covenant, or any default which may then exist on the part of Contractor, and the making of any such payment by THCA shall in no way impair or prejudice any right or remedy available to THCA with regard to such breach or default.

23. Notices.

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on (a) the day of delivery if delivered by hand during regular business hours or by facsimile before or during regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore set forth in the Agreement, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section.

"CONTRACTOR"

San Gabriel Valley Conservation Corps
10900 Mulhall Street
El Monte, CA 91731
Attn.: Daniel Oaxaca
Phone: (626) 579-2484
E-Mail: doaxaca@sgvcorps.org

"THCA"

Tres Hermanos Conservation Authority
15651 E. Stafford Street
City of Industry, CA 91744
Attn.: Troy Helling
Phone: (626) 333-2211
E-mail: theelling@cityofindustry.org

24. Governing Law.

This Agreement shall be interpreted, construed and enforced in accordance with the laws of the State of California.

25. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original, and all of which together shall constitute one and the same instrument.

26. Entire Agreement.

This Agreement, and any other documents incorporated herein by reference, represent the entire and integrated agreement between Contractor and THCA. This Agreement supersedes all prior oral or written negotiations, representations or agreements. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by the parties which expressly refers to this Agreement. Amendments on behalf of the THCA will only be valid if signed by a person duly authorized to do so under the THCA's Purchasing Ordinance.


IN WITNESS of this Agreement, the parties have executed this Agreement as of the date first written above.

"Contractor"

"THCA"

San Gabriel Valley Conservation and Services Corps

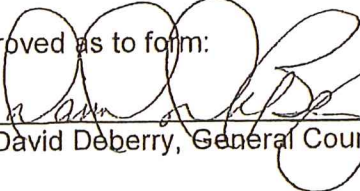
TRES HERMANOS CONSERVATION AUTHORITY

By: 
Printed Name: DANIEL OAXACA
Title: Executive Director

By: 
Printed Name: Troy Helling
Title: Executive Director

By: _____
Printed Name: _____
Title: _____

ATTEST: 
Julie Gutierrez-Robles, Board Secretary

Approved as to form:
By: 
David Deberry, General Counsel

State of California "CONTRACTOR'S" License No. _____.

CONTRACTOR'S Business Phone _____.

Emergency Phone _____
at which CONTRACTOR can be reached at any time.

