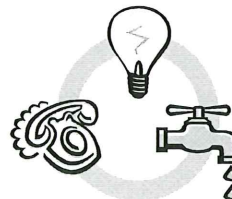


INDUSTRY PUBLIC UTILITIES COMMISSION CITY OF INDUSTRY



SPECIAL MEETING AGENDA
FEBRUARY 22, 2024, 9:00 A.M.

President Cory C. Moss
Commissioner Michael Greubel
Commissioner Cathy Marcucci
Commissioner Mark D. Radecki
Commissioner Newell W. Ruggles



Location: City Council Chambers, 15651 Mayor Dave Way, City of Industry, California

Addressing the Commission:

- < **Agenda Items:** Members of the public may address the Commission on any matter listed on the Agenda. Anyone wishing to speak to the Commission is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the Commission.
- < **Public Comments (Agenda Items Only):** During public comments, if you wish to address the Commission during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Commission concerning any item that has been described in the notice for the Special Meeting.
- <

At the time of publication, no Commissioners intend to take part in the special meeting remotely under the provisions of AB 2449. Should that change between the time of publication and the start of the meeting, a live webcasting of the meeting will be accessible via the link, meeting ID, and meeting passcode listed below. Whenever possible, an announcement will be made at the start of the meeting via the live webcast to confirm whether or not a Commissioner will join remotely. If they will not be joining remotely, then the live webcast will terminate after the announcement.

www.microsoft.com/microsoft-teams/join-a-meeting

Meeting ID: 299 519 016 759

Meeting Passcode: xUWyGs

Or call in (audio only)

+1 657-204-3264,

Phone Conference ID: 239 102 539#

Americans with Disabilities Act:

- <

In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

Agendas and other writings:

- < *In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m., Friday 8:00 a.m. to 4:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*
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1. Call to Order
2. Flag Salute
3. AB 2449 Vote on Emergency Circumstances (if necessary)
4. Roll Call
5. Presentations
6. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the Industry Public Utilities Commission (IPUC) request specific items be removed from the Consent Calendar for separate action.

- 6.1 Consideration of an Amended and Restated Agreement with La Puente Valley County Water District for the Operation and Management of the Industry Public Utilities' Waterworks System

RECOMMENDED ACTION: Approve the amended and restated agreement, and authorize the Public Utilities Director to execute same.

7. **ACTION ITEMS-NONE**
8. **PUBLIC HEARINGS-NONE**
9. **CLOSED SESSION-NONE**
10. **PUBLIC UTILITIES DIRECTOR COMMENTS**
11. **AB 1234 REPORTS**
12. **COMMISSIONER COMMUNICATIONS**
13. Adjournment. The next regular Industry Public Utilities Commission Meeting is Thursday, March 14, 2024, at 8:30 a.m.

INDUSTRY PUBLIC UTILITIES COMMISSION

ITEM NO. 6.1

Backup Material will be distributed prior to Meeting

*INDUSTRY PUBLIC UTILITIES COMMISSION
FEBRUARY 22, 2024*

ITEM NO. 6.1

HANDOUT



INDUSTRY PUBLIC UTILITIES COMMISSION

MEMORANDUM

TO: Honorable President and Commissioners
FROM: Joshua Nelson, Public Utilities Director
STAFF: Mathew Hudson, Engineering Manager
DATE: 02/22/2024
SUBJECT: Consideration of an Amended and Restated Agreement with La Puente Valley County Water District for the Operation and Management of the Industry Public Utilities' Waterworks System

BACKGROUND

The City of Industry ("City") currently owns a potable water distribution system consisting of three (3) wells and other production facilities, thirty thousand (30,000) feet of pipeline, three (3) storage tanks, four (4) booster pump stations and other related water storage and distribution facilities, that provides water to local businesses and residents.

On February 4, 2004, the City and La Puente Valley County Water District ("District") entered into an Agreement for Operation and Management of the City of Industry Waterworks System ("CIWS").

On March 1, 2006, the Agreement was amended to modify the annual management fee paid to the District, and modify the language that defines what operating expenses would be the responsibility of the City to pay through the water system revenues.

On October 14, 2010, the agreement was completely restated by the Amended And Restated Agreement for Operation and Management of CIWS, to extend the original term by ten years and modify/delete certain language.

DISCUSSION

La Puente Valley County Water District currently provides services to the CIWS including but not limited to: daily operations, perform routine and preventive maintenance, manage skilled and certified personnel, repairs to the CIWS facilities as necessary to maintain efficient operation of the CIWS.

A summary of the major revisions is outlined below:

- The Industry Public Utilities was added as a party to the agreement, given that the IPU oversees the CIWS.
- Increasing the District's authority from \$10,000 to \$25,000 to engage an outside service provider, consultant, or contractor to for the operation and management of the CIWS.
- The previous agreement imposed a \$25,000 termination fee on the City/IPU in the event the agreement was terminated prior to the end date. This language was deleted from the proposed agreement.
- Revised the compensation terms to remove the annual management fee paid to the District. Under the proposed agreement, the District is reimbursed for fully burdened labor cost related to 6.5 full time positions, which was determined to be the number of employees needed to operate the CIWS.
- Added language to separate operational expenses and labor costs.

- Added language to have District provide additional documentation related to accounting reports and records.
- The previous agreement required the City to prepare an Emergency Response Plan ("ERP") for the CIWS, the proposed agreement requires all three parties to work cooperatively to determine which entity will be responsible for preparing and updating the ERP.
- Updated insurance language so the City or IPU procures and maintains liability and property insurance for the CIWS, including its facilities and components. The District will still maintain its own liability and auto coverage insurance.

The term of this Agreement expires March 31, 2039.

FISCAL IMPACT

The fiscal impact of this Amended and Restated Agreement is \$211,150.00, increasing by three percent (3%) of the amount of the prior year's management fee, to be paid out of the Industry Public Utilities Waterworks Fund.

RECOMMENDATION

Staff recommends the Industry Public Utilities Commission approve the 2024 Amended and Restated Agreement for Operation and Management of City of Industry's Waterworks System.

Attachments

A. 2024 Amended and Restated Agreement for Operation and Management of City of Industry's Waterworks System, dated February 22, 2024

**2024 AMENDED AND RESTATED AGREEMENT FOR
OPERATION AND MANAGEMENT OF
CITY OF INDUSTRY'S WATERWORKS SYSTEM**

THIS 2024 AMENDED AND RESTATED AGREEMENT FOR OPERATION AND MANAGEMENT OF CITY OF INDUSTRY'S WATERWORKS SYSTEM (the "Agreement") is made and entered into this _____ day of _____, 2024 ("Effective Date"), by and between the CITY OF INDUSTRY, a municipal corporation (the "City"), INDUSTRY PUBLIC UTILITIES, a public agency ("IPU"), and LA PUENTE VALLEY COUNTY WATER DISTRICT, a county water district (the "District"). The City, IPU and District are collectively referred to herein as "Parties", and individually as "Party".

RECITALS

A. The City presently owns a potable water distribution system (the "System") that provides water to businesses and residents in the areas set forth on the map attached hereto as Exhibit A, and incorporated herein by reference.

B. The System consists of approximately four (4) wells and other production facilities, one hundred eighty two thousand (182,000) feet of pipeline, three (3) storage tanks, five (5) booster pump stations, and other related water storage and distribution facilities, most of which are identified on Exhibit B, attached hereto and incorporated herein by reference.

C. Pursuant to Section 7.12.010 of the City's Municipal Code ("Code"), the IPU manages and controls the System. Given the provisions of the City's Code, it is necessary for the IPU to be a party to this agreement, and to authorize the District to operate and manage the System.

C. In an effort to provide water at a reasonable cost, and as permitted pursuant to Section 13.01.020 of the City's Municipal Code, the City and District entered into that certain AGREEMENT FOR OPERATION AND MANAGEMENT OF CITY OF INDUSTRY POTABLE WATER SYSTEM (the "2004 Agreement") dated February 12, 2004, whereby the District agreed to operate and manage the City's System and the City agreed to compensate the District for that effort as set forth in the 2004 Agreement.

D. The 2004 Agreement was amended by the FIRST AMENDMENT TO AGREEMENT FOR OPERATION AND MANAGEMENT OF CITY OF INDUSTRY POTABLE WATER SYSTEM effective March 1, 2006 (the "First Amendment"), and then was completely restated by the AMENDED AND RESTATED AGREEMENT FOR OPERATION AND MANAGEMENT OF CITY OF INDUSTRY POTABLE WATER SYSTEM, dated and effective October 14, 2010 (the "Restated Agreement").

E. The Parties desire to further amend and restate the Restated Agreement to, among other things, include the IPU as a party to the agreement, and extend the term of their agreement for fifteen (15) years beyond the current termination date.

F. The Parties, therefore, hereby delete and revoke in their entirety the provisions of the Restated Agreement, and substitute in full the following provisions.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Operation and Management of System.

1.1. During the term of this Agreement (as set forth in Section 2, below) and for the compensation set forth in Section 3, below, and the further considerations set forth in this Agreement, pursuant to Industry Municipal Code Chapter 7.12 Water and Sewer Services, and Title 13 Water and Sewers, the District will operate, maintain and manage the System utilizing skilled and certified personnel experienced in the operation of a water distribution system. In the event the District determines to engage an outside service provider, consultant or contractor to work on the System or to provide services or advice with respect to the System or the District's operation and management of the System, the District shall first obtain prior written approval of such engagement by the Public Utilities Director or City Engineer, if the particular engagement is likely to result in charges against the System revenues in excess of Twenty-Five Thousand Dollars (\$25,000.00) in any calendar year; provided the foregoing approval requirement shall not apply to emergency situations when the District, acting reasonably and in good faith, determines the immediate engagement of such service provider, consultant or contractor is necessary. If an emergency situation occurs, the District shall inform in writing the Public Utilities Director or City Engineer within 24 hours following discovery of the emergency situation.

1.2. The District shall perform all routine and preventive maintenance and repair of the System's facilities as necessary for the efficient operation of the System, including appropriate contractual arrangements for the exchange of water supplies between the District's water system and the System, and shall perform all billing, collection, disbursements, accounting and record-keeping functions related to the System; provided that the District shall establish a separate and distinct account or accounts for the deposit of revenues generated by the System and payment of Operating Expenses as defined in Section 4, below, and other payments authorized hereunder. The IPU shall, to the extent not already provided, provide the District with any customer or other information in electronic form which is necessary for the District to perform billing function for the System.

2. Term. The term of this Agreement shall commence on the Effective Date, and shall terminate on March 31, 2039, unless otherwise agreed in writing by the Parties. If any Party, at any time, in the exercise of its reasonable discretion, determines that the Agreement is not workable and within thirty (30) days after giving written notice to the other Parties a suitable revision to this Agreement cannot be agreed upon by the Parties, any Party may request in writing that this Agreement be terminated not less than ninety (90) days after giving of such written notice to terminate the Agreement. This Agreement may be extended beyond its term by the Parties' written agreement. In the event the Agreement is terminated under this provision, the Parties agree to reasonably cooperate during the ninety (90) day notice period in the transition from the District of the operation and management of the System.

3. **Compensation.** The Parties shall be compensated hereunder by the division of the revenues generated by the System, as follows:

3.1. For each calendar year, or portion thereof, during which this Agreement is in effect, the District shall employ and be reimbursed for fully burdened labor cost, as described below, for the following positions to operate and manage the System:

- 1 FT - General Manager (50%)
- 1 FTE– Superintendent
- 1 FTE - Office Manager or Customer Service/Accounting Supervisor
- 2 FTE - Customer Service/Accounting Clerk I or II
- 2 FTE – Water System Operator I or II or Water System Lead

With the exception of the General Manager position, reimbursement to the District for said positions shall include the fully burdened salary, including but not limited to, employer share of employment taxes and costs of employee benefits, including vacation, health and dental insurance premiums, and retirement benefits paid by the District, and workers' compensation insurance premiums paid by the District. During the term of this Agreement, the General Manager position's fully burdened rate may not increase in any District fiscal year by more than ten percent (10%) without the prior written consent of the Public Utilities Director, which consent may not be unreasonably withheld if District provides reasonable economic justification for the increase. A salary schedule setting forth the salary and hourly rates of said employees who will perform services related to operation and management of the System is attached hereto as Exhibit C, and incorporated herein by reference. Exhibit C is subject to revision by the District upon at least sixty (60) days' written notice to IPU to reflect any increase or decrease in such salary or hourly rates, but at no point shall any of the salary or hourly rates set forth in Exhibit C increase more than five percent per fiscal year.

3.2. For each calendar year, or portion thereof, during which this Agreement is in effect, the District shall pay itself on a monthly basis from the revenues generated by the System for utility vehicle and equipment cost to operate and manage the System. A rate sheet setting forth the monthly cost for vehicle and equipment is attached hereto as Exhibit D and incorporated herein by reference. Exhibit D is subject to revision by the District upon at least sixty (60) days' written notice to IPU to reflect any increase or decrease in such monthly rates. Notwithstanding the foregoing, the rates set forth in Exhibit D shall not increase more than five percent per fiscal year.

3.3. During each calendar year while this Agreement is in effect, the District shall pay itself on a monthly basis from the revenues generated by the System all labor costs specified in Section 3.1 and any Operating Expenses (as defined in Section 4, below) as they come due.

3.4. For each calendar year, or portion thereof, during which this Agreement is in effect, from revenues generated by the System which remain after payments required under subsections 3.1 and 3.2, above, if any, unless otherwise directed in writing by the IPU, the District shall pay the IPU the sum of \$100,000.00 concurrently with the submission of the annual accounting under Section 5.

3.5. For each calendar year, or portion thereof, during which this Agreement is in effect, after payment of the sums under subsections 3.1, 3.2 and 3.3, above, if any, unless otherwise directed in writing by the IPU, the District shall pay the IPU any remaining revenues generated by the System during any calendar year, concurrently with the submission of the annual accounting under Section 5.

3.6. In the event of a termination of this Agreement pursuant to Section 2, above, the District shall promptly prepare a final accounting and report through the date of termination, and any remaining net revenues shall be divided between the Parties in accordance with this Section 3.

4. Operating Expenses. For purposes of this Agreement, “Operating Expenses” shall mean all the other variable and less predictable expenses the District incurs in operating, managing, maintaining and repairing the System, including but not limited to, all assessments, levies or fines imposed by the Main San Gabriel Basin Watermaster (unless such fines are imposed as a result of the acts or omissions of the District); provided that such Operating Expenses shall not include any labor costs set forth in Section 3.1. Operating Expenses under this Agreement shall also include any attorneys' fees the District incurs in the preparation of this Agreement and in connection with any third party disputes or legal proceedings connected with the operation and management of the System (including concerning any claims of groundwater contamination), all master planning expenses incurred in connection with the preparation of a master plan for future improvements to the System, as more specifically set forth in Section 6, below, all costs incurred in preparation of an Emergency Response Plan, if any, as set forth in Section 6, below, all Rate Studies prepared by or for the District related to the System and any increase in insurance premiums the District incurs which is attributable to its insurance of the System pursuant to Section 7, below. Notwithstanding the foregoing sentence, the City reserves the right, at its cost, to engage its attorney or engineer to provide services related to the operation and management of the System, and, subject to Section 18, below, in no event shall the District be entitled to charge as an Operating Expense of the System any attorneys' fees it incurs in connection with a dispute between the parties arising out of this Agreement. Operating Expenses excludes any expenditures incurred for Capital Improvements, as further defined in Section 6, below. The District shall implement an appropriate cost accounting system to track and appropriately allocate the Operating Expenses it incurs.

5. Annual Budgets, Accounting Reports and Audit Rights.

5.1 Annual Budgets. The District shall provide the IPU and City with a budget on a fiscal year basis, July 1 – June 30, subject to mid-year adjustment by the District, which details the estimated costs and expenses associated with providing the IPU and City with the services and operating and managing the system as contemplated under this Agreement. The Public Utilities Director shall decide whether to approve such budgets and, if applicable, any adjustments thereto, within thirty (30) days after the IPU and City's receipt of the applicable budget or proposed adjustment. Such approval, if any, shall be in writing and shall be binding upon the IPU and City.

5.2 Accounting Reports and Audit Rights. The District shall provide quarterly reports to the Public Utilities Director and City Manager regarding the System's revenues and expenses.

Such reports shall be provided by the 4th Thursday of the month following the end of each calendar quarter (i.e., March 31, June 30, September 30 and December 31) and shall include appropriate supporting documents justifying expenses paid by or allocated to the System, such as copies of bills from outside service providers, consultants or contractors. The District shall provide monthly accounting reports to the IPU and City's Finance Department within thirty (30) days after the end of each month. The IPU and/or City shall have the right upon forty-eight (48) hours written notice to inspect, at the IPU and/or City's cost and expense, the District's accounting records and supporting documentation to verify that all revenues and expenses related to the System are properly accounted. Supporting documents shall include, but are not limited to, bank deposit slips, customer remittances, customer check copies, vendor invoices including service providers, consultants or contractors, time records supporting hours the District's employees worked on the System, salary information for these employees and records to support employee related costs and benefits charge to the City.

6. Capital Improvements; Master Plan; and Emergency Response Plan.

Notwithstanding any other provision of this Agreement to the contrary, the IPU and/or City shall be responsible for funding the cost of any Capital Improvements to the System. For purposes of this Agreement, "Capital Improvement" shall mean any major (i.e., an improvement the cost of which exceeds \$10,000) improvement to a facility or component of the System which adds to, replaces or extends the useful life of that facility or component. The District will periodically undertake an evaluation of the System to determine necessary short-term and long-term capital improvements to the System. That evaluation shall be considered, after consultation with the Public Utilities Director and City Manager, as a component in the updated master plan to subsequently be approved and adopted by the IPU or City, and updated every five years thereafter, with respect to such necessary improvements to the System. The IPU, City and District shall cooperate in determining which entity will be responsible for preparing and updating the Emergency Response Plan relating to the System (the "ERP"), which was updated in 2021 and shall be updated annually thereafter, as required under federal law. Any such preparation or updates to the ERP shall be accomplished using System-generated revenues. The Parties shall also cooperate with respect to preparation and implementation of the work contemplated by the master plan.

7. Insurance. For so long as this Agreement remains in effect, the City or IPU shall procure and maintain appropriate liability and property insurance covering the System and its facilities and components. The District will procure and maintain its own general liability and automobile coverage with coverage limits of \$55,000,000, as well as public officials' liability and employment practices coverage with those same coverage limits. The District shall also maintain workers compensation coverage as required by California law. All coverage provided by the District under this Section 7 shall be subject to the review and approval of the Public Utilities Director and IPU General Counsel, which approval shall not be unreasonably delayed, conditioned or withheld. The IPU and City shall be named as an additional insured on all of such policies which apply to the System, and the District shall provide certificates of such insurance to the IPU and City within ten (10) days after this Agreement is approved by the Parties. The District shall not reduce or cancel any such insurance coverage without providing the City at least thirty (30) days' written notice.

8. **Payment of Taxes.** Notwithstanding any other provision of this Agreement to the contrary, the IPU and/or City shall remain responsible for paying any real property and personal property taxes, if any, attributable to the System.

9. **Rate Setting.** The IPU shall retain ultimate responsibility for setting of all water rates and charges to be charged to the System's customers, but shall consult with the District regarding any adjustment to the rates and charges in place as of November, 2022.

10. **Additions to Water System.** In the event any additions or modifications to the System are required to accommodate new service connections or new development, such modifications or additions shall be paid for by the party requesting such modifications or additions, or by the City, as the City shall determine in its discretion.

11. **Assignment of Water Rights and Designation of Watermaster Representation.** For so long as this Agreement remains in effect, the City shall assign to the District, as necessary to continue to provide water service to the System's customers and at no cost to the District, water production rights in the Main San Gabriel Basin which the City possesses and which are not otherwise encumbered. In addition, for so long as this Agreement remains in effect, the District's General Manager shall be designated as the City's representative to the Main San Gabriel Watermaster.

12. **Baldwin Park Operable Unit Settlement.** In the event the City receives any revenue arising from or connected with the contamination of its wells or reimbursing the City for costs incurred to obtain replacement water or from a third party for Operating Expenses or other System costs, such funds shall be provided to the District and considered as revenue of the System. Notwithstanding the foregoing, in the event that the City incurred costs associated with obtaining replacement water or other costs associated with the contamination of its wells, said reimbursement shall be the sole property of the City, and shall not be paid to the District, and shall not be considered as revenue of the System.

13. **Indemnification.** The IPU and City shall indemnify the District and its employees, agents, contractors, directors and officers, against, and hold the District and its employees, agents, contractors, directors and officers, harmless from any liabilities, costs (including reasonable attorneys' fees and litigation costs), claims, actions and damages resulting from: (i) claims related to the System that arose before March 1, 2004; and (ii) fire flow deficiencies in the System. The District shall indemnify, defend and hold harmless the IPU and City and any and all of each respective entity's employees, officials, agents, and volunteers from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by the District or by any individual or agency for which the District is legally liable, including but not limited to officers, agents, employees or subcontractors of the District; provided, however, that the District's indemnification obligation shall not apply to the extent such claims, suits, actions, arbitration proceedings,

administrative proceedings, regulatory proceedings, losses, expenses or costs result from the City's or IPU's sole negligence or relate to groundwater contamination not caused by the District.

In the event the IPU and/or City's respective officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the District's performance of the services encompassed by this Agreement, and upon demand by IPU and/or City, the District shall have an immediate duty to defend the IPU and City at the District's cost or at IPU and/or City's option, to reimburse the IPU and/or City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by IPU and/or City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between the District and IPU and/or City, as to whether liability arises from the sole negligence of the IPU or City or their respective officers, employees, or agents, the District will be obligated to pay for IPU and/or City's defense until such time as a final judgment has been entered adjudicating the IPU or City as solely negligent. The District will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

14. Representation and Warranties. The City represents and warrants that it owns the System and its facilities and components; that the revenues derived from the System are unencumbered and not pledged to any third party and that, to the best of its knowledge, entering into this Agreement does not violate any agreement to which the IPU or City is a party; and that each entity has the power and authority to enter into this Agreement.

15. No Promises. The Parties acknowledge that they have entered into this Agreement without relying on any promise or representation from the other party with respect to the expected revenue to be generated through the Agreement or any expected distributions hereunder.

16. Prohibition Against Assignment. This Agreement may not be assigned by any Party without the written consent of the non-assigning parties.

17. Successors and Assigns. Subject to Section 16, above, the Parties' respective rights under this Agreement will inure to the benefit of, and be binding upon, their respective successors and assigns.

18. Attorneys' Fees. In the event of any action, proceeding or arbitration arising out of or related to this Agreement, the prevailing party in such action, proceeding or arbitration shall recover from the other Party its reasonable attorneys' fees, costs and expenses incurred in such action, proceeding or arbitration.

19. Dispute Resolution. In the event of any dispute between the Parties arising from or connected with this Agreement, the Parties shall take the following steps to resolve such dispute:

19.1. Upon such a dispute arising, an aggrieved Party shall provide written notice of the dispute to the other parties and within ten (10) days of that notice, the Parties shall meet and confer in a good faith attempt to resolve that dispute.

19.2. If the Parties do not resolve the dispute through the meet and confer process under subsection 19.1, within seven (7) days after that conference, the Parties shall engage a neutral third party experienced in water system operations to act as a mediator in an attempt to resolve the dispute; provided, that if the Parties cannot agree upon a mediator within that seven (7) day period, the matter shall be submitted to JAMS/Endispute for assignment to an appropriate mediator. The mediation of the dispute shall occur promptly, but in no event more than thirty (30) days after the mediator is selected. The Parties shall equally divide the cost of such mediation.

19.4. A Party's right to terminate this Agreement under Section 2, above, shall not be considered a dispute subject to the notice, and meet and confer procedure specified in this Section 19; however, any dispute arising from or connected with implementation of the termination shall be subject to the procedures set forth in this Section 19.

20. Notices. Any notice required or desired to be given hereunder by either party to the other must be in writing and may be effected by personal delivery, facsimile transmission, overnight delivery or registered or certified mail at the addresses listed below or at such other address as either party may notify the other:

If to District: General Manager
La Puente Valley County Water District
P. O. Box 3136
112 North First Street
La Puente, CA 91744
Telephone: (626) 330-2126
Facsimile: (626) 330-2679

If to City: Public Utilities Director/City Manager
City of Industry Public Utilities
15625 Mayor Dave Way
City of Industry, CA 91744-0366
Telephone: (626) 333-2211
Facsimile: (626) 961-6795

21. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, and venue for any cause of action is Los Angeles County, California.

22. Severability. Each provision of this Agreement is intended to be severable. If any provision is for any reason held to be invalid, illegal or unenforceable in any respect, such holding will not affect the validity or enforceability of any other provision, and the Agreement will be construed as if the invalid, illegal or unenforceable provisions were never a part thereof.

23. Amendments. This Agreement may be amended or modified at any time by a writing executed and agreed upon by the Parties.

24. **Waiver.** Waiver by either Party of any term or condition of this Agreement or any breach hereof will not operate or be construed as a waiver of any other term or condition or subsequent breach.

25. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties and supersedes all prior agreements, arrangements and communications between the Parties, whether oral or written, regarding the matters set forth herein.

26. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which will be considered an original, and all of which together will constitute on and the same instrument.

27. **Authority.** Each person executing this Agreement represents that he/she has full power and authority to do so and that the respective governing body of each Party has approved this Agreement and authorized its execution.

28. **Status of The District.**

28.1 In performing services under this Agreement, the District is and will at all times remain a wholly independent contractor.

28.2 The personnel performing the services under this Agreement on behalf of the District will at all times be under the District's direction and control. The District agrees that it will not at any time or in any manner represent that District or any of the District's officers, employees or agents are in any manner officials, officers, or employees of City. Neither the IPU nor City nor any of their respective officers, employees, or agents shall have control over the conduct of the District or any of District's officers, employees, or agents, except as set forth in this Agreement. District shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the IPU or City. Except as set forth in this Agreement, the District shall not incur or have the power to incur any debt, obligation, or liability whatever against the IPU or City, or bind the IPU or City in any manner.

28.3 Neither the District, nor any of the District's officers, employees or agents, will obtain any rights to retirement, health care or any other benefits which may otherwise accrue to the IPU or City's employees. The District expressly waives any claim to any such rights or benefits.

28.4 The District shall indemnify, defend and hold harmless, the IPU and City's respective elected officials, officers, employees, volunteers and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including contributions to any retirement and/or pension plan, legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the classification of the District's, or by any individual or agency for which the District is legally liable, including but not limited to officers, agents, employees

or subconsultants of the District, service as anything other than as an independent contractor. The indemnity provisions set forth in this Section 28.4 are effective as of January 1, 2020, and shall survive the termination of this Agreement, and are in addition to any other rights or remedies the IPU and City may have under the law.

29. Subcontractors

Before retaining or contracting with any subconsultant for any services under this Agreement, District ensure that any contract with said subconsultant includes an indemnity provision similar to the one provided herein and identifying IPU and City as indemnified parties, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from IPU and City for such insurance.

Notwithstanding District's use of any subconsultant, District is responsible to IPU and City for the performance of its subconsultant as it would be if District had performed the services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between IPU and/or City and any subconsultant contracted by the District. District is solely responsible for payments to any subconsultants. District shall indemnify, defend and hold harmless the IPU and City's respective elected officials, officers, employees and agents for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed and delivered as of the Effective Date.

CITY OF INDUSTRY

**LA PUENTE VALLEY
COUNTY WATER DISTRICT**

By: _____
Cory C. Moss, Mayor

By: _____
Henry P. Hernandez, President

ATTEST:

Julie Gutierrez-Robles, City Clerk

APPROVED AS TO FORM:

By: _____
James M. Casso
City Attorney

APPROVED AS TO FORM:

By: _____
James D. Ciampa
District General Counsel

INDUSTRY PUBLIC UTILITIES

By: _____
Cory C. Moss
President

ATTEST:

Julie Gutierrez-Robles, Secretary

APPROVED AS TO FORM:

By: _____
James M. Casso, General Counsel

G:\LAPUENTE\Water System Mgmt Agmt\Restated CIWS Agmt 08-03-10.doc


EXHIBIT A

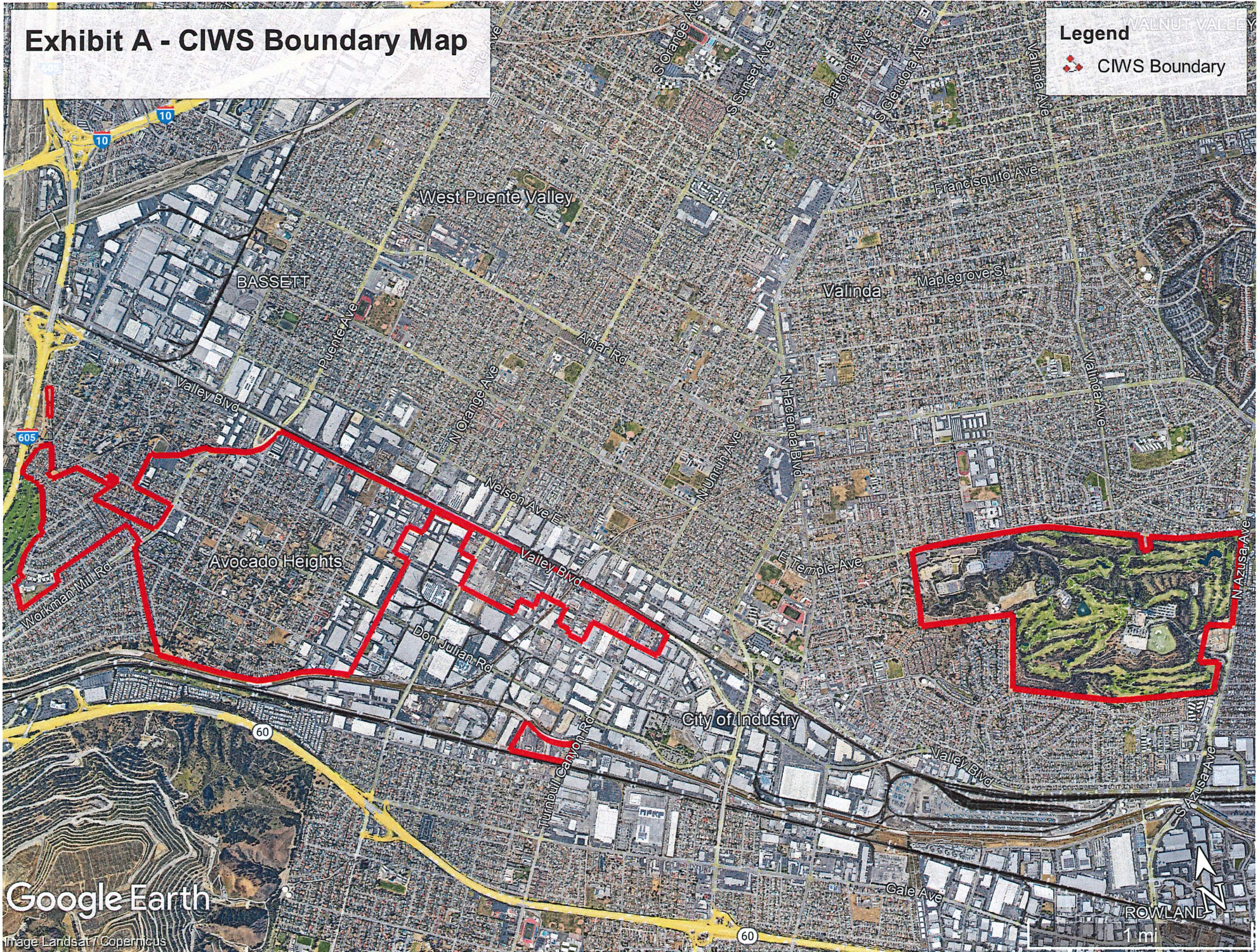
**City of Industry Waterworks
Boundary Map**

[Attached]

Exhibit A - CIWS Boundary Map

Legend

 CIWS Boundary



Google Earth

Image Landsat / Copernicus



ROWLAND

1 mi

EXHIBIT B

**City of Industry Waterworks
Inventory of Wells**

[Attached]

EXHIBIT B
(Page 1 of 4)

City of Industry Waterworks System – Inventory of Wells

Well Number	Year of Installation	Well Capacity (gpm)	Depth of Well (ft)	Depth to Highest Perforation (ft)	Casing Diameter (in)	Energy Source	Well Location (DWR)	Recordation Number	Well Status
1	1912		200				1S / 11W-26	1902581	Abandoned
2	1976 ¹		281			Electric	1S / 11W-26	1902582	Inactive
3	1989 ²	3300	800	378	20	Gas	1S / 11W-26	8000078	Inactive
4	1984	4000	1000	310	20	Electric	1S / 11W-26	8000096	Inactive
5	1984	1200	980	380	20	Electric	1S / 11W-26	8000097	Active

¹ Well No. 2 was originally drilled in 1926 and re-drilled in 1976

² Well No. 3 was originally drilled in 1962 and re-drilled in 1989

EXHIBIT B
(Page 2 of 4)

City of Industry Waterworks System - Pipe Inventory

Pipe Material & Length (feet)	Diameter (inches)
Asbestos-Cement Pipe (AC)	
82	1
1,456	2
175	2.5
10,015	4
25,185	6
21,069	8
7,884	10
19,353	12
3,979	14
42,958	16
500	18
78	20
Ductile Iron Pipe (DIP)	
181	6
3,083	8
886	10
1,409	12
7,275	14
1,849	16
537	18
Polyvinyl Chloride Pipe (PVC)	
280	1
69	2
1,589	4
660	6
1,329	8
Steel Pipe	
276	1
11,050	2
886	2.5
1,829	3
1,647	4
6,323	6
660	8
515	10
5,211	12
1,136	16
216	20
TOTAL PIPE	
181,630	LF
34.4	Miles

EXHIBIT B
(Page 3 of 4)

City of Industry Waterworks System – Reservoir Inventory

Name	Capacity (gallons)	Base Elevation (feet)	Full Elevation (feet)	Tank Material	Year Completed
Lomas	2,500,000	392	424	Steel	1986
Industry Hills East	2,500,000	743	775	Steel	1978
Industry Hills West	2,500,000	743	775	Steel	1978

EXHIBIT B
(Page 4 of 4)

City of Industry Waterworks System – Booster Pump Inventory

Location	Power Source	Horsepower	Total Head (ft)
<u>Well Site</u>			
Well 2	Electric		
Well 3*	Gas	275	
Well 4	Electric	200	235
Well 5	Electric	200	430
<u>Lomas Booster Station**</u>			
Booster 1	Electric	50	100
Booster 2	Electric	100	210
Booster 3	Electric	100	100
<u>Industry Hills Booster Station 1</u>			
Booster 1	Electric	75	195
Booster 2	Electric	75	195
Booster 3*	Gas	150	195
<u>Industry Hills Booster Station 2</u>			
Booster 1	Electric	75	175
Booster 2	Electric	75	175
Booster 3*	Gas	150	175
<u>Industry Hills Booster Station 3 (Inactive)</u>			
Booster 1	Electric	60	120
Booster 2	Electric	40	120
Booster 3*	Gas	150	120
<u>Lake Loop Booster Station</u>			
Booster 1	Electric	10	80
Booster 2	Electric	10	80
Booster 3	Electric	10	80
*Natural gas supply engine driven pump - used as a backup in the event of power outage			
** Emergency generator available			

EXHIBIT C

**La Puente Valley County Water District
Salary & Benefits Billing Summary**

[Attached]

EXHIBIT C

**LPVCWD
Salary & Benefits Billing Summary**

Jan-24

Employee	No.	Fully Burden Wages, Benefits, & CalPERS Hourly Range	
		Min	Max
General Manager	40	\$ 138.41	\$ 173.85
Operations & Maintenance Superintendent	46	\$ 117.23	\$ 147.16
Customer Service & Accounting Supervisor	11	\$ 91.61	\$ 116.05
Customer Service & Accounting Clerk II	33	\$ 58.90	\$ 72.19
Customer Service & Accounting Clerk I	50	\$ 54.61	\$ 66.64
Distribution Supervisor	7	\$ 93.70	\$ 118.27
Water Treatment & Supply Superintendent	12	\$ 117.24	\$ 147.17
Lead Water System Operator	15	\$ 85.10	\$ 106.40
Water System Operator I	22	\$ 68.70	\$ 83.18
Water System Operator II	48	\$ 75.96	\$ 93.92
Water System Maintenance Worker	57	\$ 55.21	\$ 66.73
HR Coordinator/Admin Assistant	54	\$ 74.68	\$ 93.83

EXHIBIT D

**La Puente Valley County Water District
Vehicle and Equipment Cost Per Month**

[Attached]

EXHIBIT D

Vehicle and Equipment Cost Per Month

<u>Assigned To</u>	<u>Vehicle #</u>	<u>Year</u>	<u>Make</u>	<u>Model</u>	<u>Vehicle/Equipment Cost/Month</u>
Superintendent	29	2012	CHEVY	EQUINOX	\$ 175.00
Distribution Supervisor	30	2016	FORD	150	\$ 175.00
Distribution	14	2000	FORD	450	\$ 175.00
Distribution	17	2004	FORD	350.0	\$ 175.00
Distribution	26	2009	FORD	350	\$ 175.00
Distribution	28	2010	FORD	150	\$ 175.00
Production	32	2017	FORD	250	\$ 175.00
Production	33	2019	CHEVY	C-1500	\$ 175.00
Distribution	34	2019	CHEVY	C-1500	\$ 175.00
Superintendent	36	2023	CHEVY	C-1500	\$ 175.00
Distribution	37	2022	CHEVY	C1500	\$ 175.00
Distribution	38	2023	FORD	F-550	\$ 175.00
GM					\$ 175.00
<u>Equipment</u>					
Dump Truck	22	2007	FORD	450	\$ 175.00
Dump Truck	35	2023	FORD	F650	\$ 175.00
Bobcat	23	2007	Bobcat		\$ 175.00
TM-7 Valve Machine		2004			\$ 175.00
Backhoe	18	1991	CASE		\$ 175.00
Backhoe	31	2016	580N EP		\$ 175.00
Compressor #1	19		Ingersol Rand		\$ 175.00
Compressor #2	21		Ingersol Rand		\$ 175.00
TOTAL					\$ 3,675.00