OPERATIONS AND MAINTENANCE AGREEMENT FOR

INLAND EMPIRE BRINE LINE REACHES IV, IV-A, IV-B, IV-D, IV-E AND V

THIS AGREEMENT is made this 6th day of August 2013 by and between the SANTA ANA WATERSHED PROJECT AUTHORITY ("SAWPA") and the WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY ("WMWD")

RECITALS

- A. SAWPA is responsible for the operation, maintenance, repair and replacement of Reaches IV, IV-A, IV-B, IV-D, IV-E and V of the Inland Empire Brine Line, formerly known as the SANTA ANA REGIONAL INTERCEPTOR SYSTEM, including laterals up to the flow meter, connection facilities and meters (hereinafter "Brine Line"); and
- B. SAWPA is also responsible for monitoring both the quantity and quality of wastewater discharged into the Brine Line;
- C. SAWPA is authorized to delegate the aforementioned responsibilities by Agreement with third parties, including SAWPA's Member Agencies, and on June 19, 2007 SAWPA and WMWD entered into an agreement for the maintenance of Reaches IV, IV-A, IV-B, IV-D, IV-E, and V of the Brine Line;
- D. SAWPA and WMWD desire to formalize a new agreement replacing the 2007 Agreement between SAWPA and WMWD to perform certain activities associated with the monitoring, operation and maintenance of Reaches IV, IV-A, IV-B, IV-D, IV-E and V of the Brine Line, and WMWD desires to accept such responsibilities in accordance with the terms and conditions set forth herein.

AGREEMENT

NOW THEREFORE, based upon the foregoing and in consideration of the mutual promises of the parties, it is hereby agreed as follows:

1. Recurring Brine Line Activities to be performed by WMWD: WMWD shall provide all tools, equipment, materials and personnel necessary and shall perform the following activities for the monitoring, operation, maintenance, repair and replacement of the Brine Line Reaches IV, IV-A, IV-B, IV-D, IV-E and V. SAWPA and WMWD shall meet annually to develop the annual maintenance program for recurring activities including frequency and scope, and expected results.

Description of Recurring Activities

A. **General Operations**: Perform miscellaneous routine operations tasks as assigned, such as routine inspections, monitoring of contractors working on or near the brine pipeline or its appurtenances, meter readings, and attend meetings, as requested by SAWPA. Provide monthly report of activities and an annual summary report to SAWPA as well as an Annual Work Plan Document as developed in cooperation with SAWPA before the beginning of the Fiscal Year.

- B. **Sample Collection and Analysis**: Implement SAWPA-provided schedule for all Delegated Control Authority sampling events and perform weekly sampling at the Orange County line (site S-01). Sample collection, field analysis (temperature, pH, etc.), sample equipment cleaning, and preparation of sample labels and chain of custody (CoC) forms, QA/QC and other incidental activities shall follow SAWPA approved Standard Operating Procedures.
- C. Line Cleaning: Perform routine cleaning of the two sediment traps on Reach IV-D, brine lines, metering flumes and siphons using hydrojetting equipment and obtain required permits and set up and maintain traffic control, as requested by SAWPA. These activities may also include confined space entries and to conduct emergency cleaning to prevent line blockage and sanitary sewer overflows. All debris shall be properly disposed of as directed by SAWPA.
- D. **Pipeline Potholing**: Perform potholing along Reach V and other areas to locate (horizontal and vertical location) the Brine Line, as directed. Obtain encroachment and traffic permits if required. Contact Dig Alert 48 hours prior to work being performed. Install locator "pod" provided by SAWPA during backfill.
- E. **Valve Maintenance**: Exercise mainline valves at least one time per year using hand-operated tools or mechanical valve turning equipment.
- F. Underground Service Alert: Locate Brine Line facilities per USA notifications, as directed. USA line locations shall be performed and recorded in strict compliance with the California State Law using the SAWPA on-line database tool to document work completed. Personnel performing line locations shall be provided training by WMWD in accordance with the requirements of the California State Law. WMWD staff will perform line locations on an "as requested" basis.
- G. **Pressure Sustaining Station**: During Fiscal Year2009 2010, a three-party agreement was executed between Eastern Municipal Water District, WMWD, and SAWPA revising the agency operation and maintenance (O & M) roles at the Pressure Sustaining Station (PSS) on Reach V. Based on this agreement, EMWD performs all O&M activities for the PSS.
- 2. <u>Compensation for Recurring Activities</u>: Payment for services rendered and activities performed shall be in accordance with the following:

SAWPA and WMWD shall develop, at least annually, an itemized maximum budget amount for WMWD's activities under the Agreement. Compensation to be paid by SAWPA to WMWD for such duties shall not exceed the maximum budget amount without prior written approval from SAWPA. Subject to the maximum budget amount, SAWPA shall pay WMWD for the performance of the service under the Agreement; however, in no event shall compensation exceed the sum of the following components.

- (1) Actual labor costs, plus WMWD's Operation's indirect cost rate as reflected in the annual Operating Budget adopted by WMWD's Board of Directors*;
- (2) Actual cost of necessary materials purchased for the activity or project;
- (3) Standard cost of items in inventory;
- (4) Cost of equipment at current WMWD Equipment Rental Rates; and
- (5) Actual cost of contracted services and/or special expenditures authorized by SAWPA.

*All labor and indirect costs are subject to WMWD Board of Director's review and revision on an annual basis. WMWD will provide SAWPA notification of such changes. Labor costs are for direct labor performing the work. Indirect costs are composed primarily of employee benefits, administrative support costs, and facility-related costs. WMWD shall provide written notice of the indirect cost rate and equipment rates upon approval by the WMWD Board of Directors and prior to the start of the Fiscal Year.

Such sums shall be invoiced monthly, within 30 days following the end of the month, and paid within 30 days of receiving a correct invoice. WMWD shall keep a record of all materials provided and services performed; WMWD shall provide a detailed statement of costs and charges supporting WMWD's billing. The above rates, fees or charges shall from time-to-time be subject to change, by amendment, without affecting the balance of this Agreement.

- 3. <u>Compensation for Non-Recurring Activities or Projects</u> (such as defined construction activities, emergency response.). Upon request by SAWPA for WMWD to perform non-recurring activities or projects ("non-recurring work") such as emergency response, or defined construction activities, based upon a written scope of work and a description of required outcomes provided by SAWPA, WMWD shall prepare an itemized not-to-exceed estimate including all labor, materials, and equipment. After review and mutual concurrence on the scope and cost, SAWPA shall provide WMWD with written authorization. The written authorization shall contain:
 - A. Scope of work and required outcomes requested by SAWPA to be provided by WMWD.
 - B. If SAWPA notifies WMWD of the existence of an emergency response situation, WMWD may proceed based upon informal direction from SAWPA staff and be compensated on a time and material basis as described in Section 2 above for the first forty-eight (48) hours. Following the first 48 hours, SAWPA will provide a specific written work request and budget or extend the performance of work to be compensated on a time and material basis pursuant to Section 2.
 - C. If unforeseen circumstances are encountered affecting the project scope and/or cost, WMWD shall immediately notify SAWPA. SAWPA shall evaluate the changed conditions and work with WMWD to modify the scope of work and cost. Upon mutual concurrence, SAWPA shall provide written direction changing the scope of work and cost.
- 4. <u>Term of Agreement</u>: The term of this Agreement shall be for five (5) years provided, however, that either party may terminate the Agreement upon 60 days prior written notice.
- 5. <u>Compliance with Law</u>: In performing the services required hereunder, WMWD shall comply with all applicable federal, state, county and city statutes, ordinances, rules and regulations. If such compliance is impossible for reasons beyond its control, WMWD shall immediately notify SAWPA of the fact and reasons therefore.

6. Insurance and Indemnification

- A. WMWD shall be solely responsible for the health and safety of its employees and agents performing the services required by this Agreement. In that connection, WMWD agrees to maintain a comprehensive general liability and automobile insurance policy, including contractual coverage, with combined single limits for bodily injury and property damage in an amount of not less than \$2,000,000 per occurrence. Such policy shall name SAWPA, and its officers, employees and agents, as additionally insured. These insurance requirements can be met by satisfactory self-insurance or a self-insured JPIA". Each policy of insurance shall expressly provide that it shall be primary and non-contributory with any policies carried by SAWPA.
- B. WMWD hereby covenants and agrees that SAWPA, its officers, employees and agents shall not be liable for any claims, liabilities, penalties, fines, personal injuries, or property damages, resulting from, or claimed to have been caused by or resulting from, any act or omission arising out of, pertaining to, or relating to WMWD's performance of the duties required by this Agreement. WMWD hereby covenants and agrees to fully indemnify and hold SAWPA, its agents, officers and employees, free and harmless from and against any and all of the foregoing liabilities and shall reimburse SAWPA for all costs or expenses that SAWPA incurs (including attorneys' fees and litigation expenses) on account of any of the foregoing liabilities, unless the liability or claim is proximately caused by SAWPA's negligent act or omission.
- C. SAWPA shall be solely responsible for the health and safety of its employees and agents performing this Agreement. SAWPA hereby covenants and agrees that WMWD, its officers, employees and agents shall not be liable for any claims, liabilities, penalties, fines, personal injuries, or property damages, resulting from, or pertaining to, or relating to SAWPA's performance of this Agreement. SAWPA hereby covenants and agrees to fully indemnify and hold WMWD, its agents, officers and employees, free and harmless from and against any and all of the foregoing liabilities and shall reimburse WMWD for all costs of expenses that WMWD incurs (including attorneys' fees and litigation expenses) on account of any of the foregoing liabilities unless the liability or claim is proximately caused by WMWD's negligent act or omission.
- 7. <u>Assignment</u>: Neither this Agreement nor any duties or obligations hereunder shall be assigned by WMWD without the prior written consent of SAWPA.
- 8. <u>Independent Contractor</u>: WMWD, in performance of the services hereunder, is an independent contractor and all employees of WMWD are solely employees of WMWD and not the agents or employees of SAWPA.
- 9. <u>Further Acts</u>: The parties agree to execute and deliver all documents and perform all further acts that may be reasonably necessary to carry out the provisions of this Agreement.
- 10. <u>Complete Agreement</u>: This Agreement supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of services by Contractor for SAWPA and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

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11. <u>Attorney's Fees and Costs</u>: If any legal action or other proceeding is brought for the enforcement or interpretation of this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and other costs incurred in that action of proceeding, in addition to any other relief to which it may be entitled.

IN WITNESS WHEREOF, the parties have executed this Agreement to be effective on the day and year first written above.

SANTA ANA WATERSHED PROJECT AUTHORITY

PHIL ANTHONY, Chair of the Commission

WESTERN MUNICIPAL WATER DISTRICT OF RIVERSIDE COUNTY

THOMAS P. EVANS. President