



CITY OF PERRIS

PUBLIC WORKS DEPARTMENT

ATTACHMENT 2: Third Amendment

Due to the size of this item, it is available at the following link.

<https://www.cityofperris.org/government/city-council/council-meetings>

**THIRD AMENDMENT TO THE MUTUAL EXTENSION AND
TERMINATION AGREEMENT BETWEEN INFRAMARK, LLC AND
THE CITY OF PERRIS**

THIS THIRD AMENDMENT is entered into and effective on October 1, 2022 (“Effective Date”) between the City of Perris (“City”) and Inframark, LLC (“Inframark”) for the purpose of extending the term of the O&M Contracts as hereinafter set forth:

WITNESSETH THAT:

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of City’s water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area (“North Contract”); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area (“South Contract”) (these two contracts are collectively referred to as the “O&M Contracts”);

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC (“Inframark”) and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017;

WHEREAS, on March 31, 2020, the Parties entered to the Mutual Extension and Termination Agreement (the “Extension and Termination Agreement”) to extend the terms of the O&M Contracts through midnight of September 30, 2020; and

WHEREAS, on October 1, 2020, the Parties entered to the First Amendment to the Extension and Termination Agreement to extend the terms of the O&M Contracts through midnight of September 30, 2021;

WHEREAS, on October 1, 2021, the Parties entered to the Second Amendment to the Extension and Termination Agreement to extend the terms of the O&M Contracts through midnight of September 30, 2022; and

WHEREAS, the Parties desire to execute this Third Amendment to the Extension and Termination Agreement to extend the term of the O&M Contracts.

1. Section 2 of the Extension and Termination Agreement shall be replaced in its entirety with the following:

Subject to the terms and conditions set forth herein, the Parties mutually agree that the terms of the O&M Contracts shall extend until 11:59 p.m. PST on September 30, 2023 (the “Termination Date”). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.


2. Schedule 1 to the Extension and Termination Agreement, as amended by the First Amendment and Second Amendment, shall be replaced in its entirety with the Schedule 1 attached hereto.
3. The Annual Base Fee under the O&M Contracts shall be adjusted pursuant to formula set forth in Exhibit "C" and Inframark shall be paid the following amounts by the City from the Effective Date of this Second Amendment through the Termination Date of the Extension and Termination Agreement:
 - a. The Annual Base Fee for the North Contract shall be \$441,252.48, which is payable in equal monthly payments of \$36,771.04 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - b. The Annual Repair and Maintenance Limit for the North Contract shall be \$33,180.36, which is payable in equal monthly payments of \$2,765.03 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - c. The Annual Base Fee for the South Contract shall be \$714,027.12, which is payable in equal monthly payments of \$59,502.26 for the duration of the O&M Contracts in accordance with terms the South Contract; and
 - d. The Annual Repair and Maintenance Limit for the South Contract shall be \$77,421.12, which is payable in equal monthly payments of \$6,451.76 for the duration of the O&M Contracts in accordance with terms the South Contract.
4. All other terms and provisions of the Extension and Termination Agreement, as previously amended, and the O&M Contracts remain in full force and effect to the extent that they do not conflict with this Third Amendment. In the event of any conflict between the provisions of this Third Amendment and the provisions of the Extension and Termination Agreement, as previously amended, and the O&M Contracts, the provisions in this Third Amendment will control.
5. The Third Amendment is binding upon the parties hereto and their respective legal representatives, successors, and assigns.


WHEREAS, this Second Amendment is effective upon execution by both parties.

IN WITNESS WHEREOF, the parties have duly executed this Third Amendment effective as of the Effective Date at the top of this Third Amendment.

City:
The City of Perris

Contractor:
Inframark, LLC

By: 
Name: Clara Miramontes, City Manager
Title: City Manager
Date: 12/8/22

By: 
Name: James E. Devlin
Title: C.F.O.
Date: 9/16/22

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves from October 1, 2022, through September 30, 2023.
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for the City's 35 hydrants for the City's North Service Area by September 30, 2023.

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves from October 1, 2022, through September 30, 2023.
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for the City's 44 hydrants for the City's South Service Area by September 30, 2023.

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains from October 1, 2022, through September 30, 2023.
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift stations on a monthly basis. If maintenance or repairs are required for the lift stations, the City shall be responsible for said maintenance and repairs and the costs thereof.



CITY OF PERRIS
PUBLIC WORKS DEPARTMENT

**ATTACHMENT 3:
Second Amendment**

Due to the size of this item, it is available at the following link.

<https://www.cityofperris.org/government/city-council/council-meetings>

**SECOND AMENDMENT TO THE MUTUAL EXTENSION AND
TERMINATION AGREEMENT BETWEEN INFRAMARK, LLC AND
THE CITY OF PERRIS**

THIS SECOND AMENDMENT is entered into and effective on October 1, 2021 (“Effective Date”) between the City of Perris (“City”) and Inframark, LLC (“Inframark”) for the purpose of extending the term of the O&M Contracts as hereinafter set forth:

WITNESSETH THAT:

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of City’s water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area (“North Contract”); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area (“South Contract”) (these two contracts are collectively referred to as the “O&M Contracts”);

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC (“Inframark”) and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017;

WHEREAS, on March 31, 2020, the Parties entered to the Mutual Extension and Termination Agreement (the “Extension and Termination Agreement”) to extend the terms of the O&M Contracts through midnight of September 30, 2020; and

WHEREAS, on October 1, 2020, the Parties entered to the First Amendment to the Extension and Termination Agreement to extend the terms of the O&M Contracts through midnight of September 30, 2021; and

WHEREAS, the Parties desire to execute this Second Amendment to the Extension and Termination Agreement to extend the term of the O&M Contracts.

1. Section 2 of the Extension and Termination Agreement shall be replaced in its entirety with the following:

Subject to the terms and conditions set forth herein, the Parties mutually agree that the terms of the O&M Contracts shall extend until 11:59 p.m. PST on September 30, 2022 (the “Termination Date”). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.

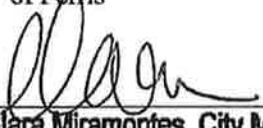
2. Schedule 1 to the Extension and Termination Agreement, as amended by the First Amendment shall be replaced in its entirety with the Schedule 1 attached hereto.

3. The Annual Base Fee under the O&M Contracts shall be adjusted pursuant to formula set forth in Exhibit "C" and Inframark shall be paid the following amounts by the City from the Effective Date of this Second Amendment through the Termination Date of the Extension and Termination Agreement:
 - a. The Annual Base Fee for the North Contract shall be \$406,334.04, which is payable in equal monthly payments of \$33,861.17 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - b. The Annual Repair and Maintenance Limit for the North Contract shall be \$30,554.64, which is payable in equal monthly payments of \$2,546.22 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - c. The Annual Base Fee for the South Contract shall be \$634,501.20, which is payable in equal monthly payments of \$52,875.10 for the duration of the O&M Contracts in accordance with terms the South Contract; and
 - d. The Annual Repair and Maintenance Limit for the South Contract shall be \$71,294.40, which is payable in equal monthly payments of \$5,941.20 for the duration of the O&M Contracts in accordance with terms the South Contract.
4. All other terms and provisions of the Extension and Termination Agreement, as previously amended, and the O&M Contracts remain in full force and effect to the extent that they do not conflict with this Second Amendment. In the event of any conflict between the provisions of this Second Amendment and the provisions of the Extension and Termination Agreement, as previously amended, and the O&M Contracts, the provisions in this Second Amendment will control.
5. The Second Amendment is binding upon the parties hereto and their respective legal representatives, successors, and assigns.


WHEREAS, this Second Amendment is effective upon execution by both parties.

IN WITNESS WHEREOF, the parties have duly executed this Second Amendment effective as of the Effective Date at the top of this Second Amendment.

City:
The City of Peoria

By: 
Name: Clara Miramontes, City Manager
Title: City Manager
Date: 10/11/21

Contractor:
Inframark, LLC

By: 
Name: Eric Sabolsice
Title: Vice President
Date: 10/1/2021

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves from October 1, 2021 through September 30, 2022.
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for the City's 35 hydrants for the City's North Service Area by September 30, 2022.

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves from October 1, 2021 through September 30, 2022.
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for the City's 44 hydrants for the City's South Service Area by September 30, 2022.

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains from October 1, 2021 through September 30, 2022.
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift stations on a monthly basis. If maintenance or repairs are required for the lift stations, the City shall be responsible for said maintenance and repairs and the costs thereof.



CITY OF PERRIS

PUBLIC WORKS DEPARTMENT

ATTACHMENT 4: First Amendment

Due to the size of this item, it is available at the following link.

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CITY OF PERRIS

Human Resources and Risk Management Contract Insurance Requirements Checklist

101 North "D" Street
Perris, California 92570
Tel: (951) 943-6100
Fax: (951) 943-4246

This form contains general guidelines for ensuring proper insurance limits and endorsements for standard contracts. The guidelines may not be appropriate for high risk contracts or special situations. Please consult the Human Resources and Risk Management Division if you are uncertain of the insurance requirements for any specific contract.

Date of Contract	October 1, 2020	Project Start/End Date	October 1, 2020
Project Description:	First Amendment for Water Operation Services		
Contract Type:	<input type="checkbox"/> Construction Contractor Requires 1, 1A, 2, 3, 5, 6 <input checked="" type="checkbox"/> Construction (w/construction risks) Requires 1, 1A, 2, 3, 6 <input type="checkbox"/> Vendor/Supplier Requires 1 <input type="checkbox"/> Consultant Requires 1, 1A, 2, 6, 7 <input type="checkbox"/> Space Rental/Lessee Requires 1, 4, 6 <input type="checkbox"/> Environmental Contract Requires 1, 1A, 2, 6, 8 Other (Please Explain):		
Limit Insurance Guidelines	High Risk	Medium Risk	Low Risk
1. General Liability Commercial	\$ 5 million	\$2 million	\$1 million
	\$ 10 million	\$5 million	\$2 million
			Basis
			1. A) Other Provision
			Amount Authorized
2. Automobile Liability	\$1,000,000 per accident for bodily injury and property damage. Insurance Services Office Form Number CA 0001 covering Automobile Liability, Code 1 (any auto).		<input checked="" type="checkbox"/> Completed
3. Builder's Risk/Course of Construction	Completed value of the project with no coinsurance penalty provisions. For projects with construction risks, policies shall name the City as a loss payee and the insurer shall waive all rights of subrogation against the City.		<input type="checkbox"/> Completed
4. Property Insurance	Full replacement cost with no coinsurance penalty provision.		<input checked="" type="checkbox"/> Completed
5. Workers' Compensation	As required by the State of California, with employers liability limits no less than \$1,000,000 per accident for all covered losses.		<input checked="" type="checkbox"/> Completed
6. Employer's Liability	\$1,000,000 per accident for bodily injury or disease.		<input type="checkbox"/> Completed
7. Professional Liability/Errors and Omissions Liability	\$1,000,000 per occurrence.		<input checked="" type="checkbox"/> Completed
8. Pollution and/or Asbestos Pollution Liability and/or Error and Omissions	\$1,000,000 each occurrence/\$2,000,000 policy aggregate.		<input type="checkbox"/> Completed
Other Insurance Provisions (for General Liability and Automobile Liability)			
GENERAL LIABILITY. Per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit. General Liability coverage shall be provided in the form of an Additional Insured endorsement to the contractor's insurance policy, or as a separate owner's policy. Equivalent in coverage scope to (ISO) form CG 00 01 with an edition date prior to 2004.			<input checked="" type="checkbox"/> Completed
ADDITIONAL INSURED. The City, its officers, officials, employees, and volunteers are to be covered as insureds for construction contracts with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the Contractor, and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations (including pollution and/or asbestos pollution for environmental contracts), or for lessee's with respect to liability arising out of ownership, maintenance or use of that part of the premises leased to the lessee, or as respects products of a vendor. Endorsement must be equivalent to (ISO) forms CG 20 10 11 85 or equivalent.			<input checked="" type="checkbox"/> Completed
PRIMARY AND NON-CONTRIBUTORY COVERAGE. For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects to the City, its officers, officials, employees, and volunteers. Any insurance or self insurance maintained by the City, its officers, officials, employees and volunteers shall be excess of the Contractor's insurance and shall not contribute with it.			<input checked="" type="checkbox"/> Completed
WAIVER OF SUBROGATION. The Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City for all work performed by the contractor, its employees, agents and subcontractors.			<input type="checkbox"/> Completed
CANCELLATION NOTICE. Each insurance policy required by this project shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.			<input type="checkbox"/> Completed
SUBCONTRACTOR COVERAGE. Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the City for review and approval. All coverages for subcontractors shall be subject to all of the requirements of the Contractor.			<input checked="" type="checkbox"/> Completed

Authorizations:					
Project Manager:	Date	Department Manager/Head:	Date	Risk Manager:	Date
<i>Paul Hernandez</i>	10/19/20	<i>[Signature]</i>	10/28/20	<i>Michelle Clay</i>	10/30/2020

Original - Contract Attachment

Copy - Employee's Department

Copy - Risk Management Office

1

**FIRST AMENDMENT TO THE MUTUAL EXTENSION AND
TERMINATION AGREEMENT BETWEEN INFRAMARK, LLC AND
THE CITY OF PERRIS**

THIS FIRST AMENDMENT is entered into and effective on October 1, 2020 ("Effective Date") between the City of Perris ("City") and Inframark, LLC ("Inframark") for the purpose of extending the term of the O&M Contracts as hereinafter set forth:

WITNESSETH THAT:

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of City's water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area ("North Contract"); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area ("South Contract") (these two contracts are collectively referred to as the "O&M Contracts");

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC ("Inframark") and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017;

WHEREAS, the O&M Contracts were set to expire on midnight of March 31, 2020;

WHEREAS, on March 31, 2020, the Parties entered to the Mutual Extension and Termination Agreement (the "Extension and Termination Agreement") to extend the terms of the O&M Contracts through midnight of September 30, 2020; and

WHEREAS, the Parties desire to execute this First Amendment to the Extension and Termination Agreement to extend the term of the O&M Contracts.

1. Section 2 of the Extension and Termination Agreement shall be replaced in its entirety with the following:

Subject to the terms and conditions set forth herein, the Parties mutually agree that the terms of the O&M Contracts shall extend until 11:59 p.m. PST on September 30, 2021 (the "Termination Date"). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.

2. Schedule 1 to the Extension and Termination Agreement shall be replaced in its entirety with the Schedule 1 attached hereto.
3. The Annual Base Fee under the O&M Contracts shall be adjusted pursuant to formula set forth in Exhibit "C" and Inframark shall be paid the following amounts by the City

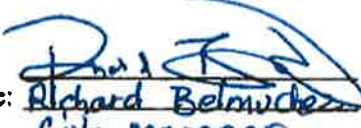
from the Effective Date of this First Amendment through the Termination Date of the Extension and Termination Agreement:

- a. The Annual Base Fee for the North Contract shall be \$390,743.40, which is payable in equal monthly payments of \$32,561.95 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - b. The Annual Repair and Maintenance Limit for the North Contract shall be \$29,382.24, which is payable in equal monthly payments of \$2,448.52 for the duration of the O&M Contracts in accordance with terms the North Contract;
 - c. The Annual Base Fee for the South Contract shall be \$586,115.28, which is payable in equal monthly payments of \$48,842.94 for the duration of the O&M Contracts in accordance with terms the South Contract; and
 - d. The Annual Repair and Maintenance Limit for the South Contract shall be \$68,558.88, which is payable in equal monthly payments of \$5,713.24 for the duration of the O&M Contracts in accordance with terms the South Contract.
4. All other terms and provisions of the Extension and Termination Agreement and O&M Contracts remain in full force and effect to the extent that they do not conflict with this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Extension and Termination Agreement and O&M Contracts, the provisions in this First Amendment will control.
 5. The First Amendment is binding upon the parties hereto and their respective legal representatives, successors, and assigns.


WHEREAS, this First Amendment is effective upon execution by both parties.

IN WITNESS WHEREOF, the parties have duly executed this First Amendment effective as of the Effective Date at the top of this First Amendment.

City:
The City of Perris

By: 
Name: Richard Belmont
Title: City Manager
Date: 11/2/20

Contractor:
Inframark, LLC

By: 
Name: Erik Sabolice
Title: Regional Director
Date: 10/3/2020

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves from October 1, 2020 through September 30, 2021.**
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for the City's 35 hydrants for the City's North Service Area by September 30, 2021.**

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves from October 1, 2020 through September 30, 2021.**
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for the City's 44 hydrants for the City's South Service Area by September 30, 2021.**

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains from October 1, 2020 through September 30, 2021.**
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift stations on a monthly basis. If maintenance or repairs are required for the lift stations, the City shall be responsible for said maintenance and repairs and the costs thereof.**



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
9/30/2020

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Los Angeles-Alliant Insurance Services, Inc. 333 S Hope St Ste 3750 Los Angeles CA 90071	CONTACT NAME: Edwin Mejia PHONE (A/C, No, Ext): 213-270-0155 FAX (A/C, No): E-MAIL ADDRESS: Edwin.Mejia@alliant.com												
INSURER(S) AFFORDING COVERAGE													
INSURED Inframark, LLC 220 Gibraltar Road, Suite 200 Horsham, PA 19034	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">INSURER A: Genl Insurance Company</td> <td style="width: 20%; text-align: right;">NAIC #</td> </tr> <tr> <td>INSURER B: Allied World National Assurance</td> <td style="text-align: right;">10833</td> </tr> <tr> <td>INSURER C: Travelers Property Casualty Co</td> <td style="text-align: right;">10890</td> </tr> <tr> <td>INSURER D: Travelers Property Casualty Co</td> <td style="text-align: right;">25674</td> </tr> <tr> <td>INSURER E: Travelers Indemnity Company of</td> <td style="text-align: right;">25666</td> </tr> <tr> <td>INSURER F: Berkley Assurance Company</td> <td style="text-align: right;">39482</td> </tr> </table>	INSURER A: Genl Insurance Company	NAIC #	INSURER B: Allied World National Assurance	10833	INSURER C: Travelers Property Casualty Co	10890	INSURER D: Travelers Property Casualty Co	25674	INSURER E: Travelers Indemnity Company of	25666	INSURER F: Berkley Assurance Company	39482
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INSURER E: Travelers Indemnity Company of	25666												
INSURER F: Berkley Assurance Company	39482												

COVERAGES **CERTIFICATE NUMBER:** 730349812 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INFO	WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS														
A	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GENL AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input checked="" type="checkbox"/> PROJECT <input type="checkbox"/> LOC OTHER:			VCGP025894	7/1/2020	1/1/2022	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence)</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$ 300,000</td></tr> <tr><td>MED EXP (Any one person)</td><td style="text-align: right;">\$ Excluded</td></tr> <tr><td>PERSONAL & ADV INJURY</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>GENERAL AGGREGATE</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>PRODUCTS - COM/PROP AGG</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td></td><td style="text-align: right;">\$</td></tr> </table>	EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000		\$ 300,000	MED EXP (Any one person)	\$ Excluded	PERSONAL & ADV INJURY	\$ 1,000,000	GENERAL AGGREGATE	\$ 2,000,000	PRODUCTS - COM/PROP AGG	\$ 2,000,000		\$
EACH OCCURRENCE DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 1,000,000																				
	\$ 300,000																				
MED EXP (Any one person)	\$ Excluded																				
PERSONAL & ADV INJURY	\$ 1,000,000																				
GENERAL AGGREGATE	\$ 2,000,000																				
PRODUCTS - COM/PROP AGG	\$ 2,000,000																				
	\$																				
C	<input checked="" type="checkbox"/> AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY			TC2JCAP-0E005487-20	7/1/2020	1/1/2022	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>COMBINED SINGLE LIMIT (Ea accident)</td><td style="text-align: right;">\$ 2,000,000</td></tr> <tr><td>BODILY INJURY (Per person)</td><td style="text-align: right;">\$</td></tr> <tr><td>BODILY INJURY (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>PROPERTY DAMAGE (Per accident)</td><td style="text-align: right;">\$</td></tr> <tr><td>Medical Payments</td><td style="text-align: right;">\$ 5,000</td></tr> </table>	COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000	BODILY INJURY (Per person)	\$	BODILY INJURY (Per accident)	\$	PROPERTY DAMAGE (Per accident)	\$	Medical Payments	\$ 5,000				
COMBINED SINGLE LIMIT (Ea accident)	\$ 2,000,000																				
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	\$																				
D D D O	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		Y/N	N/A	7/1/2020 1/1/2021 7/1/2020 1/1/2021	1/1/2021 1/1/2022 1/1/2021 1/1/2022	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;"></td> <td style="width: 50%;"> <input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER </td> </tr> <tr><td>E.L. EACH ACCIDENT</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>E.L. DISEASE - EA EMPLOYEE</td><td style="text-align: right;">\$ 1,000,000</td></tr> <tr><td>E.L. DISEASE - POLICY LIMIT</td><td style="text-align: right;">\$ 1,000,000</td></tr> </table>		<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER	E.L. EACH ACCIDENT	\$ 1,000,000	E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000	E.L. DISEASE - POLICY LIMIT	\$ 1,000,000						
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E	<input type="checkbox"/> Pol/Prof Liability			PCAB-6008865-0720	7/1/2020	1/1/2022	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr><td>Agg/Occ.</td><td style="text-align: right;">\$5,000,000</td></tr> </table>	Agg/Occ.	\$5,000,000												
Agg/Occ.	\$5,000,000																				

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)
 City of Perris, its officers, employees, and agents are included as Additional Insureds as respects to General Liability and Auto Liability where required under contract or agreement. Waiver of Subrogation applies in favor of Additional Insureds with respects to General Liability where required by contract, and permitted by law.

CERTIFICATE HOLDER City of Perris 101 North D Street Perris CA 92570	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE
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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED – OWNERS, LESSEES OR
CONTRACTORS – SCHEDULED PERSON OR
ORGANIZATION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location(s) Of Covered Operations
Where Required by Written Contract	Where Required by Written Contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by:

1. Your acts or omissions; or
2. The acts or omissions of those acting on your behalf;

in the performance of your ongoing operations for the additional insured(s) at the location(s) designated above.

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following additional exclusions apply:

This insurance does not apply to "bodily injury" or "property damage" occurring after:

1. All work, including materials, parts or equipment furnished in connection with such work, on the project (other than service, maintenance or repairs) to be performed by or on behalf of the additional insured(s) at the location of the covered operations has been completed; or
2. That portion of "your work" out of which the injury or damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

C. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or

2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – OWNERS, LESSEES OR CONTRACTORS – COMPLETED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Additional Insured Person(s) Or Organization(s)	Location And Description Of Completed Operations
Where required by written contract, but only where the contract specifies coverage for completed operations	Where required by written contract
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Section II – Who Is An Insured is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury" or "property damage" caused, in whole or in part, by "your work" at the location designated and described in the Schedule of this endorsement performed for that additional insured and included in the "products-completed operations hazard".

However:

1. The insurance afforded to such additional insured only applies to the extent permitted by law; and
2. If coverage provided to the additional insured is required by a contract or agreement, the insurance afforded to such additional insured will not be broader than that which you are required by the contract or agreement to provide for such additional insured.

B. With respect to the insurance afforded to these additional insureds, the following is added to Section III – Limits Of Insurance:

If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance:

1. Required by the contract or agreement; or
2. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement shall not increase the applicable Limits of Insurance shown in the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PRIMARY AND NONCONTRIBUTORY –
OTHER INSURANCE CONDITION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

The following is added to the **Other Insurance Condition** and supersedes any provision to the contrary:

Primary And Noncontributory Insurance

This insurance is primary to and will not seek contribution from any other insurance available to an additional insured under your policy provided that:

- (1) The additional insured is a Named Insured under such other insurance; and
- (2) You have agreed in writing in a contract or agreement that this insurance would be primary and would not seek contribution from any other insurance available to the additional insured.

WAIVER OF TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

SCHEDULE

Name Of Person Or Organization:

PER WRITTEN CONTRACT

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following is added to Paragraph 8. Transfer Of Rights Of Recovery Against Others To Us of Section IV – Conditions:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury or damage arising out of your ongoing operations or "your work" done under a contract with that person or organization and included in the "products-completed operations hazard". This waiver applies only to the person or organization shown in the Schedule above.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**BLANKET ADDITIONAL INSURED – PRIMARY AND
NON-CONTRIBUTORY WITH OTHER INSURANCE**

This endorsement modifies insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph A.1.c., **Who Is An Insured**, of **SECTION II – COVERED AUTOS LIABILITY COVERAGE**:

This includes any person or organization who you are required under a written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this insurance applies and only to the extent of that person's or organization's liability for the conduct of another "Insured".

2. The following is added to Paragraph B.5., **Other Insurance** of **SECTION IV – BUSINESS AUTO CONDITIONS**:

Regardless of the provisions of paragraph a. and paragraph d. of this part 5. **Other Insurance**, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is the first named insured when the written contract or agreement between you and that person or organization, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET WAIVER OF SUBROGATION

This endorsement modifies insurance provided under the following:

**AUTO DEALERS COVERAGE FORM
BUSINESS AUTO COVERAGE FORM
MOTOR CARRIER COVERAGE FORM**

The following replaces Paragraph **A.5., Transfer of Rights Of Recovery Against Others To Us**, of the **CONDITIONS** Section:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent

required of you by a written contract executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of the operations contemplated by such contract. The waiver applies only to the person or organization designated in such contract.



**WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY**

POLICY NUMBER: UB-1N173390-20-51-R
UB-1N173390-21-51-R
UB-1N388597-20-51-K
UB-1N388597-21-51-K

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

SCHEDULE

DESIGNATED PERSON:

DESIGNATED ORGANIZATION:

**ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS
WAIVER.**



CITY OF PERRIS
PUBLIC WORKS DEPARTMENT

**ATTACHMENT 5:
Mutual Extension and Termination Agreement**

Due to the size of this item, it is available at the following link.

<https://www.cityofperris.org/government/city-council/council-meetings>

MUTUAL EXTENSION AND TERMINATION AGREEMENT

THIS MUTUAL EXTENSION AND TERMINATION AGREEMENT ("Extension and Termination Agreement") is made effective this ____ day of _____, 2020, (the "Effective Date"), by and between the City of Perris, a California municipal corporation ("City") and Inframark, LLC, formerly known as Severn Trent Environmental Services, Inc., a Texas limited liability company ("Inframark"). City and Inframark may each be referred to hereinafter separately as "Party" and collectively as the "Parties". There are no other parties to this Extension and Termination Agreement.

RECITALS

WHEREAS, On April 1, 2015, City and Severn Trent Environmental Services, Inc. entered into two contracts for operation and maintenance of its water and wastewater systems: 1) the Contract Services Agreement for Water System Operation and Maintenance Services for the North Service Area ("North Contract"); and 2) the Contract Services Agreement for Water System Operation and Maintenance Services for the South Service Area ("South Contract") (these two contracts are collectively referred to as the "O&M Contracts");

WHEREAS, Severn Trent Environmental Services, Inc. restructured as Severn Trent Environmental Services, LLC in June 2017, then changed its name to Inframark, LLC ("Inframark") and assumed all rights and obligations of Severn Trent Environmental Services, Inc. and Severn Trent Environmental Services, LLC on December 1, 2017; and

WHEREAS, the O&M Contracts are set to expire on midnight of March 31, 2020; and

WHEREAS, the Parties mutually desire to extend the terms of the O&M Contracts for six (6) months through midnight of September 30, 2020 in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

AGREEMENT

Section 1. Recitals. The Recitals set forth above are expressly incorporated as terms of this Extension and Termination Agreement. In the event of any conflict between the Recitals and Sections 1 through 21 of this Extension and Termination Agreement, Sections 1 through 21 shall prevail.

Section 2. Termination. Subject to the terms and conditions set forth herein, the Parties mutually agree that, the terms of the O&M Contracts shall extend for six (6) months until 11:59 p.m. PST on September 30, 2020 (the "Termination Date"). After the Termination Date, Inframark shall have no further obligations or duties under the O&M Contracts and the O&M Contracts shall be of no further force or effect for Inframark.

Section 3. Continuing Obligations.

3.1. During the period between the Effective Date and the Termination Date (the "Transition Period"), all rights and obligations of the Parties set forth in the O&M Contracts shall continue and remain in full force and effect, except as specifically set forth in this Extension and Termination Agreement; provided, however, Inframark shall perform in accordance with the Performance Standards attached hereto as Schedule 1.

3.2. During the Transition Period, neither party shall be permitted to terminate the O&M Contracts for convenience as set forth in Sections 7.4 of the O&M Contracts.

Section 4. Payments.

4.1. The following amounts shall be paid to Inframark by the City:

- (a) The Annual Base Fee for the North Contract shall be paid in equal monthly payments of \$31,918.29 for the duration of the O&M Contracts in accordance with terms the North Contract;
- (b) The Annual Repair and Maintenance Limit for the North Contract shall be paid in equal monthly payments of \$2,400.13 for the duration of the O&M Contracts in accordance with terms the North Contract;
- (c) The Annual Base Fee for the South Contract shall be paid in equal monthly payments of \$47,877.47 for the duration of the O&M Contracts in accordance with terms the South Contract; and
- (d) The Annual Repair and Maintenance Limit for the South Contract shall be paid in equal monthly payments of \$5,600.31 for the duration of the O&M Contracts in accordance with terms the South Contract.

4.2. City shall reimburse or compensate Inframark for the costs that exceed the Annual Repair and Maintenance Limit plus an administrative fee of 10% of the cost thereof in accordance with the terms of the O&M Contracts.

4.3. In the event that Inframark is required to spend any other amounts not specifically set forth in this Extension and Termination Agreement which are related to an Emergency Event or any other requirement under the O&M Contracts or this Extension and Termination Agreement for which reimbursement would be due under the O&M Contracts or the Extension and Termination Agreement, such amounts shall be paid no later than the Termination Date.

Section 5. Mutual Release.

5.1. As of the Termination Date and except as set forth in this Extension and Termination Agreement, in consideration of the terms and conditions of this Extension and Termination Agreement, each Party and each of its officers, officials, employees, volunteers, agents, representatives, attorneys, accountants, successors, and assigns ("Agents"), hereby absolutely, fully and irrevocably releases, waives, relinquishes and discharges the other Party and its Agents from any and all actions, causes of action, suits, damages (whether general, special or punitive), debts, liabilities, demands, rights, obligations, costs, expenses, losses, attorneys' fees (whether or not litigation is commenced), liens and indemnities of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected, and whether based on contract, tort, statute or other legal or equitable theory of recovery which the other Party may have had of, have arisen, or may hereinafter arise, whether presently known or unknown, any claims related to the O&M Contracts (collectively "O&M Contracts Claims").

5.2. In the event that any O&M Contracts Claims arise out of actions or circumstances occurring prior to the Termination Date, the Party making such O&M Contracts Claims shall provide notice to the other Party in accordance with this Extension and Termination Agreement prior to the Termination Date. In addition to the mutual release set forth in 5.1 above, upon the Termination Date, the Parties hereby agree that each Party and each of its Agents absolutely, fully and irrevocably releases waives, relinquishes, and discharges the other Party and its Agents from any and all O&M Contracts Claims arising out of actions or circumstances occurring after Termination Date, unless such Party has notified the other Party of such O&M Contracts Claims prior to the Termination Date.

5.3. Notwithstanding the provisions of Sections 5.1 and 5.2 above, the mutual releases set forth herein shall not apply to any amounts due, invoiced, incurred but not yet invoiced, or that may become due during the Transition Period for services rendered or materials purchased by Inframark under the O&M Contracts or this Extension and Termination Agreement.

Section 6. Notices. Any notice or communication required hereunder between the City and Inframark must be in writing and may be given either personally, by registered or certified mail (return receipt requested), or by Federal Express, UPS, or other similar couriers providing overnight delivery. If personally delivered, a notice shall be deemed to have been given when delivered to the Party to whom it is addressed. If given by registered or certified mail, such notice or communication shall be deemed to have been given and received on the first to occur of (a) actual receipt by any of the addressees designated below as the Party to whom notices are to be sent, or (b) five (5) days after a registered or certified letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mail. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered, as shown on a receipt issued by the courier. Any Party hereto may at any time, by giving ten (10) days written notice to the other Party hereto, designate any other address in substitution of the address to which such notice or communication shall be given. Such notices or communications shall be given to the Parties at their addresses set forth below:

If to the City: City of Perris
Attn: Richard Belmudez, City Manager
101 N. 'D' Street
Perris, CA 92570

If to Inframark: Inframark, LLC
Attn: Eric Sabolsice, Regional Manager
1600 Avalon Parkway
Perris, CA 92571

And
Inframark, LLC
ATTN: Legal Department
220 Gibraltar Road
Suite 200
Horsham, PA 19044

Section 7. Entire Agreement. Except as otherwise set forth herein, this Extension and Termination Agreement constitutes the entire agreement among the Parties and supersedes any other agreements, whether written or oral, that may have been made or entered into by or among the Parties or any of their Agents relating to the transactions contemplated hereby.

Section 8. Modification of Agreement. This Extension and Termination Agreement may be supplemented, amended, or modified only by a writing signed by the Parties.

Section 9. Time of Essence. Time is of the essence for this Extension and Termination Agreement and each section contained within and each section is made and declared to be a material, necessary, and essential part of this Extension and Termination Agreement.

Section 10. Severability. If any provision of this Extension and Termination Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Extension and Termination Agreement shall remain in full force and effect. The Parties further agree that if any provision contained herein is, to any extent, held invalid or unenforceable in any respect under the Laws governing this Extension and Termination Agreement, they shall take any actions necessary to render the remaining provisions of this Extension and Termination Agreement valid and enforceable to the fullest extent permitted by Law and, to the extent necessary, shall amend or otherwise modify this Extension and Termination Agreement to replace any provision contained herein that is held invalid or unenforceable with a valid and enforceable provision giving effect to the intent of the Parties to the greatest extent legally permissible.

Section 11. Authority. All Parties to this Extension and Termination Agreement warrant and represent that they have the power and authority to enter into this Extension and Termination Agreement and the names, titles and capacities herein stated on behalf of any entities, persons, or firms represented or purported to be represented by such entities, persons, or firms and that all former requirements necessary or required by state or federal law in order to enter into this Extension and Termination Agreement had been fully complied with. Further, by entering into

this Extension and Termination Agreement, no Party hereto shall have breached the terms or conditions of any other contract or agreement to which such Party is obligated, which such breach would have a material effect hereon.

Section 12. Noninterference. No Party will do anything to interfere with or inhibit the ability of the other to comply with their respective obligations under the terms of this Extension and Termination Agreement.

Section 13. Ambiguities. Each Party has participated fully in the review and revision of this Extension and Termination Agreement. Any rule of construction that ambiguities are to be resolved against the drafting Party does not apply in interpreting this Extension and Termination Agreement.

Section 14. Headings. The headings in this Extension and Termination Agreement are included for convenience only and neither affect the construction or interpretation of any section in this Extension and Termination Agreement nor affect any of the rights or obligations of the Parties to this Extension and Termination Agreement.

Section 15. Necessary Acts and Further Assurances. The Parties shall, at their own cost and expense, execute and deliver such further documents and instruments and shall take such other actions as may be reasonably required or appropriate to evidence or carry out the intent and purposes of this Extension and Termination Agreement.

Section 16. Governing Law. This Extension and Termination Agreement shall be governed and construed in accordance with the laws of the State of California.

Section 17. Dispute Resolution.

17.1. In the event of any disputes related to or arising out of or under this Extension and Termination Agreement, the parties shall first attempt to resolve the dispute by good faith discussions by and between senior management of the Parties, which discussions shall take place within thirty (30) days of notice of such dispute.

17.2. If the dispute cannot be resolved within thirty (30) days from the time it is submitted to senior management, the parties shall mediate their dispute before a mediator acceptable to both parties. If they cannot agree on a mediator, they shall ask the Director of the Federal Mediation and Conciliation Service to nominate a mediator. The parties shall bear their own costs of the mediation but the parties shall share equally the costs of the mediator and the mediation facilities.

17.3. If the parties are unable to resolve any disputes in accordance with 17.1 and 17.2 above, either party may request that such dispute be submitted for binding arbitration, which shall be governed by the rules of the American Arbitration Association or such other rules as the parties may agree. The parties agree that any judgment issued as a result of arbitration may be entered in the court having jurisdiction thereof. The parties agree that arbitration shall be the exclusive means to settle any dispute, controversy, or claim arising out of, or related to, this Extension and Termination Agreement.

Section 18. Attorney's Fees and Costs. If any O&M Contracts Claims or disputes under this Extension and Termination Agreement is brought to arbitration under Section 17.3 above, the prevailing Party shall be entitled to reasonable attorney's fees and costs, which may be set by the Arbitrator(s), in addition to any other relief to which such Party may be entitled.

Section 19. Non-Disparagement. The Parties agree that, unless required to do so by legal process, they will not make any disparaging statements or representations, either directly or indirectly, whether orally or in writing, by word or gesture, to any person whatsoever, about the other Party. For purposes of this paragraph, a disparaging statement or representation is any communication approved by the Party and made in an official capacity as a representative of the Party, which, if publicized to another, would cause or tend to cause the recipient of the communication to question the business condition, integrity, competence, good character or product quality of the person or entity to whom the communication relates.

Section 20. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 21. Counterparts. This Extension and Termination Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

IN WITNESS WHEREOF, the Parties hereto have caused this Extension and Termination Agreement to be executed as of the day and year first above written.

CITY:

CITY OF PERRIS, a California municipal corporation

By: _____
Richard Belmudez, City Manager

Date: _____

INFRAMARK:

INFRAMARK, LLC., a Texas Limited Liability Company

By: _____

Name: _____

Date: _____

SCHEDULE 1: INFRAMARK'S PERFORMANCE STANDARDS

I. North Contract Performance Standards:

- 1) Under the North Contract, Inframark shall exercise 310 valves on a triennial basis for the City's North Service Area. As such, Inframark shall exercise approximately 103 valves per year, which is approximately 9 per month. For the duration of the North Contract, Inframark shall exercise approximately 9 valves per month in the North Service Area.
- 2) Under the North Contract, Inframark shall perform dead-end hydrant flushing for 35 hydrants per year for the City's North Service Area. Inframark shall perform dead-end hydrant flushing for the 35 hydrants for the City's North Service Area by September 30, 2020. If the North Contract is assigned or terminated before September 30, 2020, Inframark shall be relieved of its obligation to perform said dead end hydrant flushing.

II. South Contract Performance Standards:

- 1) Under the South Contract, Inframark shall exercise 864 valves on a triennial basis for the City's South Service Area. As such, Inframark shall exercise 288 valves per year, which is 24 per month. For the duration of the South Contract, Inframark shall exercise 24 valves per month in the South Service Area.
- 2) Under the South Contract, Inframark shall perform dead-end hydrant flushing for 44 hydrants per year for the City's South Service Area. Inframark shall perform dead-end hydrant flushing for the 44 hydrants for the City's South Service Area by September 30, 2020. If the South Contract is assigned or terminated before September 30, 2020, Inframark shall be relieved of its obligation to perform said dead end hydrant flushing.

III. O&M Contracts Performance Standards:

- 1) Under the O&M Contracts, Inframark shall clean and video 36,960 feet of sewer mains per year for the City, which is 3,080 feet per month. For the duration of the O&M Contracts, Inframark shall clean and video 3,080 feet of sewer mains per month.
- 2) Under the O&M Contracts, Inframark shall inspect the City's 2 lift station on a monthly basis. If maintenance is required for the lift stations, the City shall be responsible for said maintenance.

Section 19. Non-Disparagement. The Parties agree that, unless required to do so by legal process, they will not make any disparaging statements or representations, either directly or indirectly, whether orally or in writing, by word or gesture, to any person whatsoever, about the other Party. For purposes of this paragraph, a disparaging statement or representation is any communication approved by the Party and made in an official capacity as a representative of the Party, which, if publicized to another, would cause or tend to cause the recipient of the communication to question the business condition, integrity, competence, good character or product quality of the person or entity to whom the communication relates.

Section 20. Waiver. No covenant, term, or condition, or the breach thereof, shall be deemed waived, except by written consent of the Party against whom the waiver is claimed, and any waiver of the breach of any covenant, term, or condition shall not be deemed to be a waiver of any preceding or succeeding breach of the same or any other covenant, term, or condition.

Section 21. Counterparts. This Extension and Termination Agreement may be executed in counterparts and all so executed shall constitute an agreement which shall be binding upon the Parties hereto, notwithstanding that the signatures of all Parties and Parties' designated representatives do not appear on the same page.

IN WITNESS WHEREOF, the Parties hereto have caused this Extension and Termination Agreement to be executed as of the day and year first above written.

CITY:


CITY OF PERRIS, a California municipal corporation

By: _____
Richard Belmudez, City Manager

Date: _____

INFRAMARK:

INFRAMARK, LLC., a Texas Limited Liability Company

By:  _____
Name: Feich Sabolsicz

Date: 3/25/23



CITY OF PERRIS
PUBLIC WORKS DEPARTMENT

ATTACHMENT 6:

Severn Trent Agreement

Due to the size of this item, it is available at the following link.

<https://www.cityofperris.org/government/city-council/council-meetings>

**CITY COUNCIL/PUBLIC UTILITIES AUTHORITY
AGENDA SUBMITTAL**

Meeting Date: March 10, 2015

SUBJECT: Water/Collections Systems Operations

REQUESTED ACTION: Approve New Service Contract with Severn Trent for Operations of Water and Collections Systems subject to non-substantive changes by the City Attorney.

CONTACT: Daryl Hartwill, Assistant Director of Public Works

BACKGROUND/DISCUSSION: The City of Perris and the Perris Public Utilities Authority contracts their water and collections systems operations to Severn Trent Environmental Services, Inc.

The City of Perris and the Perris Public Utilities Authority have contracted water and collections systems operations with Severn Trent and its predecessor, Southwest Water, since 2003. The term of the proposed contract is for 5 years, through February 24, 2020. A three single three year extension may be awarded after contract date above has expired.

BUDGET (or FISCAL) IMPACT:

The budgetary impact to this agreement will remain the same as the previous contract with no increases in services or maintenance and repairs other than as defined in contract per percentage of Price Index. Annual Service amount for this contract is \$861,928.80. Annual Maintenance and Repairs amount for this contract \$86,416.56.

Reviewed by:

City Attorney
Assistant City Manager *RC*

Attachment: Contract

Consent:

CITY OF PERRIS
CONTRACT SERVICES AGREEMENT FOR
WATER SYSTEM OPERATION AND MAINTENANCE SERVICES

This Contract Services Agreement ("Agreement"), is made and entered into this 1st day of April, 2015, by and between the City of Perris, a municipal corporation ("City"), and Severn Trent Environmental Services, a Texas Corporation with its principal place of business at 16337 Park Row Houston Texas 77084 ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

The City has requested that two separate agreements be provided for the services that had been provided under the current Professional Services Agreement. This Agreement represents terms and conditions for the City's "South Service Area." A separate agreement has been prepared representing terms and conditions for the City's "North Service Area."

The City and Consultant acknowledge that the base fee provided under this Agreement is based on Consultant providing services to both the North Service Area and South Service Area using shared staffing and other resources, provided that the costs for providing such services shall be allocated appropriately between each Service Area.

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law to the extent that same arise from any negligence or willful misconduct of Consultant in its performance of the services required by this Agreement; and shall indemnify, defend and hold harmless City against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder. Prior to settlement or payment of any such fines, penalties or damages, the Consultant reserves the right to contest government or private actions, suits or proceedings for violations through administrative procedures or otherwise.

1.4 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed,

**SOUTH SERVICE AREA
AGREEMENT**

(b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.5 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Any reduction in the Scope of Services resulting in a decrease in of more than five percent (5%) of the annual contract value shall be subject to mutual agreement of the Parties and may require renegotiation of the annual contract value.

1.6 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.7 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency. In the event of any changes in applicable laws that increase Consultant's cost of performance, the parties shall negotiate in good faith to reach an agreement on any required adjustment in compensation hereunder. If the parties are unable to reach an agreement on any adjustment in price due to changes in applicable law after at least 30 days of attempted negotiation, either party may terminate this agreement with an additional 30 days' notice.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract annual amount of five hundred seventeen thousand one hundred forty eight and 80/100 dollars \$517,147.80 ("Contract Sum"), except as provided in Section 1.5. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase the cost of the work or services

Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased cost related thereto.

2.2 Method of Payment. Except as provided in Section 7.2, City shall pay Consultant for all expenses as provided in the schedule of compensation. Invoices are approved by City pursuant to this agreement generally within (30) days and no later than (45) days, from the submission of an invoice in an approved form. Late payments will be subject to a service charge of 1 ½% per month, or the maximum legal rate whichever is greater. Payments will be considered late if not received within (45) calendar days of the submission of an approved invoice. Interest shall accrue from the 46th day following the date of an approved invoice until the payment is received by Consultant.

Should the City dispute any portion of an invoice, City shall (i) pay Consultant all undisputed portions of said invoice within the timeframe and process described above, (ii) notify Consultant in writing within ten (10) business days of receipt of any such invoice of any disputed items and amounts and the reasons therefore. Within thirty (30) days after such notice to Consultant, City and Consultant shall meet and confer to mutually resolve any disputed items.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement, subject to Consultant's agreement to any such amendment, to reflect unanticipated reduction in funding for any reason, provided that any termination of the Agreement shall be subject to the notice and termination payment provisions of Section 7.4.

3.0 FORCE MAJEURE

3.1 Force Majeure. Consultant shall not be responsible for failures in performance of the services rendered pursuant to this Agreement due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of the delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Contract Officer, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

3.2 Term. Unless terminated in accordance with Section 7.4 below, this Agreement shall remain in effect from the date first written above for a five (5) year period, thereafter, subject to the right of either party to terminate as set forth in Section 7.4.

4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Fred Kriess is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the representative was a substantial inducement for City to enter into this Agreement. Therefore, the representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the representative may not be replaced nor may his responsibilities be substantially reduced by Consultant without the express written approval of City.

4.2 Contract Officer. The City's City Manager is hereby designated as the representative of the City authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. The City may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of City. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express written consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional

insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident combined single limit. Said policy shall include coverage for Consultant owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of errors and omissions insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverage and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain suitable and commercially reasonable insurance coverage, taking into account the scope and value of any such work provided by such subcontractor.

5.2 City's Insurance. City shall obtain and ensure that standard fire insurance policies are maintained for the facility equivalent to the insurance maintained by City for City's other public facilities.

5.3 Indemnification and Liability.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all third party losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including reasonable attorneys' fees, court costs, defense costs and expert witness fees), to the extent that same arise out of, in whole or in part, acts or omissions in the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant. Such liability of Consultant shall include but not be limited to any fines or penalties related to the operation and maintenance of the Facility.

6.0 RECORDS AND REPORTS

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have reasonable access to such books and records at all times during normal business hours, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use

the concepts embodied therein. Any use of such completed documents by City for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant and the City shall indemnify the Consultant for all damages resulting therefrom.

7.0 ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Retention of Funds. Consultant hereby authorizes City to withhold for a reasonable time any amount payable to Consultant under this Agreement, (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts for which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, City may withhold from any payment due, without liability for interest because of such withholding, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.3 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall cease all work or services hereunder at the time specified in the notice, except as specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered. Should City terminate this Agreement without cause prior to the expiration of the initial Term, then in addition to paying Consultant for the sixty (60) day period described above, City shall reimburse Consultant in a lump sum for the reasonable costs related to the severance of any new or additional employees who were hired by Consultant specifically to perform the services under this Agreement, provided that City shall not reimburse Consultant

for any costs arising out of any litigation or administrative claims filed by such employees. In addition, if City terminates this Agreement in the first twelve (12) months, City shall reimburse Consultant for the remaining lease payments of any new or additional vehicles that were leased by Consultant specifically to perform the services under this Agreement, unless a vehicle is redeployed by Consultant to another project, plus the unamortized balance of any Capital Improvements financed or paid for by the Consultant as reflected on Consultant's financial statements.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after providing Consultant with notice and sixty (60) days to cure, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, including an action or proceeding initiated by either party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

7.7 Arbitration. Should any dispute arise out of this Agreement, the Parties agree to first pursue non-binding arbitration prior to instituting any legal action. Such arbitration shall be conducted in Riverside County, California before a single arbitrator jointly selected and mutually approved by the Parties. The arbitration shall be conducted in accordance with the American Arbitration Association's rule of commercial arbitration. The Parties shall share equally the fees and expenses of the arbitration.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest; City. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this

Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the City Manager determine that Consultant will be performing a specialized or general service for the City and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the City's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly

authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

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

ATTEST:

"CITY"
CITY OF PERRIS

By: _____
Nancy Salazar, City Clerk

By: _____
Daryl R. Busch, Mayor

APPROVED AS TO FORM:

ALESHIRE & WYNDER, LLP

Eric L. Dunn, City Attorney

"CONSULTANT"
SEVERN TRENT ENVIRONMENTAL
SERVICES, a Texas Corporation

By: _____
Signature

Fred Kriess, Western Regional Gen. Manager

By: _____
Signature

Print Name and Title

Address:
Severn Trent Environmental Services
16337 Park Row
Houston, TX 77084

(Corporations require two signatures; one from each of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]

EXHIBIT "A"

SCOPE OF SERVICES

General Description and Overview of the Services

Under this Agreement, the Consultant will provide the City with services that encompass fulfilling the duties and responsibilities of a water utility department. The services include: (i) the distribution of treated water as reasonably necessary to meet the demand for water by the City's customers, (ii) routine preventive and predictive maintenance of the Facilities; (iii) corrective maintenance, repair and replacement of the Facilities' equipment; (iv) laboratory testing and analysis; (v) field customer service; and (vi) preparation and prompt delivery of all applicable and required filings, including reports, to City and to regulatory agencies as prescribed by Applicable Law. Consultant will ensure the continued provision of water supply and distribution to the City's customers in a quantity and quality consistent with federal, state and local laws, regulations and all applicable permits.

This Schedule provides a detailed description of the services provided under this Agreement, delineated by the following key tasks.

Water Utility Management, Operations and Maintenance

Consultant will provide management, operations and maintenance of the City's water distribution system and five (5) interconnections with the East Municipal Water District Water System.

Consultant will perform routine checks of the Facilities, perform maintenance for the Facilities, meter reading, repair and replacement of water meters (as required) and perform water quality sampling and testing as required.

Consultant will also perform field customer service duties as further defined in this Schedule; and, coordinate such activities with City's customer service staff.

Consultant will perform all required preventive maintenance for the Facilities. Additionally, Consultant will perform all corrective maintenance and repair/replacement of equipment as required under the terms and conditions of this Agreement.

Consultant will provide licensed and certified operators that meet the California Department of Public Health requirements for the City's water utility system. A full time project manager will be assigned to provide management and oversight of the water utility system operations and field customer service activities.

Consultant shall operate and maintain the Facilities and all equipment and processes contained therein in accordance with relevant operation and maintenance manuals for the Facilities, Applicable Law, and Permits, if any that are issued by regulatory agencies.

Consultant will perform an annual valve and hydrant exercising program that will include flushing all dead ends routinely to prevent taste and odor complaints. Such program will be conducted that is in full compliance with California Department of Public Health regulations and prudent industry practices. Consultant will use best efforts to perform valve, hydrant and flushing activities based on the following schedule:

Routinely exercise valves in the distribution system and prepare and submit a report of recommended repairs.

Flush water mains as required to address customer complaints.

Flush dead end distribution system mains every 3 months (each quarter).

Consultant will perform fire hydrant maintenance and painting on a regular basis and consistent with requirements set forth by the City.

Consultant will perform utility line location and marking services. Such services performed during normal business hours are included as part of the Base Fee.

Emergency Response

Consultant will provide emergency response services for the Facilities and respond to emergency calls twenty four (24) hours per day, seven (7) days per week. Turn-on and Turn-off services are not considered an emergency. City is responsible for notifying Consultant of any emergency calls received directly by City.

Laboratory Analysis

Consultant will perform all required routine water sampling and testing as required by Applicable Law and the Permit and City shall pay for all such required testing.

Regulatory and other Reporting

- (a) Consultant will provide a monthly summary operations report to the City including water utility system operational and performance information, and, data required for monthly reporting to all regulatory agencies. The monthly report will summarize maintenance, repair and replacement activities. The monthly report shall also include copies of all reports and correspondence made by the Consultant to local, State and federal regulatory agencies on behalf of the City. The report will be prepared in a format as approved by the City and shall include the following data
 - (i) Total water volume produced
 - (ii) New meter orders and installations
 - (iii) Summary of maintenance and repair activities
 - (iv) Laboratory test results for the Facilities
 - (v) Copies of all reports and correspondence made by Consultant on behalf of City
 - (iv) Summary of key operational events
- (b) Each quarter, or more often as required by the City, the Consultant shall meet with City staff and make a presentation on services provided and review water utility system operations.
- (c) Consultant shall collect the data for all Permit monitoring and operating reports required by Applicable Law or by this Agreement and shall deliver the required monitoring and operating

reports to the City and to the appropriate regulatory agencies having competent jurisdiction over same. If required pursuant to Applicable Law, the Consultant shall attest as to the accuracy and completeness of the data collected for each report. The City, however, shall at all times be responsible for maintaining all required permits for the ownership and operation of the Facilities. Consultant shall specifically update and submit Water Quality Sampling Plans and Operations and Maintenance Monitoring Plans to the State Water Resources Control Board.

- (d) Consultant may interface with regulatory agencies without City's consent on matters related to compliance with the City's Permits, and/or with respect to matters required under the Consultant's staff certification and licensing requirements and/or as otherwise necessary to comply with Applicable Law, including communication during emergency situations. Consultant shall, as soon as practicable and in reasonable detail, inform the City of the subject matter of such communications with regulatory agencies. All other communications with regulatory agencies, the media, or community groups may occur only upon City's request or with City's prior approval.
- (e) All Facilities' records and data, including but not limited to operation reports, laboratory reports and monitoring documentation, but excluding Consultant's budgetary and financial information, are the property of the City and cannot be destroyed by Consultant without written consent of the City. All site-specific operating procedure guidelines, preventive maintenance and safety programs and plant evaluation reports will, upon termination of this Agreement, become and remain the property of the City.
- (f) Consultant will ensure completion and submission of the annual water system Consumer Confidence Report, in a form approved by the City and the California Department of Public Health. Costs incurred for such shall be included as part of the Annual Maintenance and Repair Limit expenditures.

Field Customer Service

Consultant shall provide water meter readings for all customer accounts in the service area and provide the data to the City by the end of the third (3rd) week of every month. Meter reading data shall be supplied in a format approved by the City. Consultant's scope of services includes reading the meters for up to 2,800 connections on a scheduled monthly basis. Should additional meter readings be required that exceed this amount by five percent (5%), Consultant will receive an additional \$250 per additional meter per year as compensation for such services.

Consultant will provide turn on and turn off services during normal business hours, with such costs included as part of the base fee. The base fee includes up to 268 turn-on/turn-off procedures in any given month. The City will pay Consultant \$250 for each additional residential meter for any turn-on/turn off procedures that exceed this amount in any given month in a specific contract year during the term of this Agreement.

Consultant will perform field customer service tasks and duties during normal business hours based on requests that are received by the City.

Consultant shall respond in a timely manner to all customer inquiries including, by way of example and not limitation, service complaints, reports of water breaks, low water pressure and water quality concerns.

Consultant's customer service personnel shall be prepared to answer commonly asked questions without referral to other personnel. Any customer calls received during off hours will be responded by the

Consultant's on call staff as soon as possible and within forty five (45) minutes of receiving such notification.

Maintenance and Repair

Subject to the limitations set forth herein of this Agreement, the Consultant shall (i) perform routine preventive maintenance in accordance with manufacturers' specifications and approved operating and maintenance procedures developed for equipment and processes of the Facilities; (ii) repair and/or replace equipment; (iii) clean and lubricate equipment; (iv) make equipment inspections and needed adjustments; (v) perform predictive maintenance as appropriate; (vi) maintain Consultant's vehicles and light duty service trucks necessary for daily operations; and (vii) maintain all of the Facilities' instrumentation, including instrumentation provided to the Consultant by the City pursuant to this Agreement. Consultant shall schedule and track all preventive and corrective maintenance in accordance with standard industry practices.

Wastewater Collection System Services

Twenty percent (20%) of approximately thirty-five (35) miles of the entire gravity system shall be cleaned and videoed once every year during the course of the Agreement. Equipment utilized shall include a hydraulic cleaning machine and will include up to four (4) passes (manhole to manhole) and debris removal. Debris remaining in excess of a four (4) pass cleaning shall be deemed Capital Maintenance. City shall provide a site for debris disposal at no cost to Consultant.

Annual video will include an electronic video summary describing actual and/or potential problem sections by video, CD, DVD or other means acceptable. During annual video, in the event of unforeseen complications, such as blockages, any such costs incurred by Consultant shall be included as part of the Annual Maintenance and Repair Limit

Consultant will operate and maintain two (2) sanitary sewer lift stations.

Consultant will promptly respond to all collection system call-outs to assess initial Consultant, City or property owner responsibility. If the problem is a clearable blockage within the City's sanitary sewer lines and not within property owner's line(s), Consultant will (using the City's trailer-mounted jetter) clear the sewer blockage. If the blockage cannot be cleared using available equipment Consultant's on-scene coordinator must exercise best professional judgment to contact a subcontractor or to rent necessary and appropriate equipment for use by Consultant personnel. Costs for non-clearable blockages and associated repairs to the sewer system will be charged to the Annual Maintenance and Repair Limit.

Consultant will operate a routine cleaning program of problem areas of City's sanitary sewer system. Problem areas that require more than quarterly cleaning will be repaired in accordance Corrective Maintenance or Repairs. Video performed outside of annual video in effort to determine necessary repair will be billed and included as part of the Annual Maintenance and Repair Limit.

Consultant's sanitary sewer line cleaning and video are included in the existing scope of services; both parties agree that unforeseen subcontracted video and line blockage cleaning will be charged to the maintenance and repair fund.

Both City and Consultant affirm that the City continues to develop a Sanitary Sewer Management Program (SSMP) in accordance with State regulations and that City will perform any and all required reporting associated with said SSMP.

Any cleanup necessary as a result of a sewer blockage or overflow will be remedied by use of a subcontractor and cost associated will be billed and included as part of the Annual Maintenance and Repair Limit.

Definitions

"Abnormal or Biologically Toxic Materials" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"Adjustment Date" means each anniversary of the Commencement Date.

"Agreement Year" means any consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on the Commencement Date and subsequently ends on each anniversary of that date.

"Annual Maintenance Expenditures" means the total of all expenses incurred annually by the Consultant in connection with the performance of its maintenance responsibilities under this Agreement. The Annual Maintenance Expenditures shall: i) exclude Consultant's direct labor expenses and related benefits for its personnel assigned exclusively to the operations and maintenance of the Facilities and whose cost is included in the Base Fee; ii) include, but not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment and all of the Consultant's overtime costs and related benefits, as well as the cost of Consultant's personnel not exclusively assigned to the operation and maintenance of the Facilities at an agreed hourly billing rate.

"Annual Repair and Maintenance Limit" means the total of all Annual Maintenance Expenditures in an amount up to a maximum of the amount in Exhibit "C" for the first Agreement Year. For each Agreement Year thereafter, the Annual Repair and Maintenance Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and treatment of the City's raw and finished water.

"Baseline Conditions" means the amount of raw water received and/or processed at the Facilities and the maximum pollutant limits contained in such raw water, all as outlined in the most recent Consumer Confidence Report for the City of Perris' South Side Water Distribution System. The Baseline Conditions shall be reset and adjusted on each and every Adjustment Date to reflect the actual raw water amount and pollutants processed at the Facilities during the Agreement Year just ended.

"Capital Improvements" means any modifications, additions or upgrades to the Facilities made by or on behalf of the City or with its prior approval.

"Emergency Event" means an event which threatens the immediate shutdown of (or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of the City and/or the Consultant, their employees and/or agents or others.

"Force Majeure" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees;] (i) shortage of adequate power or transportation facilities.

"City's Permit(s)" and/or *"Permit(s)"* means all permits and licenses issued to City and required for the treatment of potable water from the Facilities.

"Non-Processible Water" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

"Price Index" means the Consumer Price Index for the Los Angeles-Riverside-Anaheim for all Urban Consumers as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

"Price Index Increase" means the percentage increase between the Price Index in effect as of the month of each and every Adjustment Date over the Price Index in effect as of the month of the Commencement Date. The Price Index Increase shall be calculated as of each and every Adjustment Date for the purpose of adjusting the Base Fee and the Annual Repair and Maintenance Limit.

"Process Residue" means grit, screenings and any sludge generated by or through the operation of the Facilities.

EXHIBIT "B"

SPECIAL REQUIREMENTS

- A. Easements, Access and Warranties. City will maintain existing or necessary easements, access, and warranties for the mutual benefit of both parties.
- B. Permits. City or its designee shall remain the named permittee on any and all permits that may be required, and shall meet all regulatory requirements not specifically assumed herein by Consultant as its responsibility.
- C. Utilities. City will pay for all electricity, natural gas, and utility water cost related to the Facility and collection system cleaning.
- D. Guarantees. Consultant shall use generally accepted business practices to procure materials and replacement equipment. Consultant shall not be responsible to City for any guaranty in connection with such materials or replacement equipment. Consultant shall assert reasonable efforts to obtain the normal guarantees applicable in the particular industry manufacturing such materials or replacement equipment, and shall assign same to City.
- E. Damage to Facility. Consultant shall not be required to repair any portion of Facility damaged due to flood, fire explosion, riot, revolution, civil disturbance, war or other acts of God or any other cause whatsoever beyond the control of Consultant, its employees, agents, representatives, or sub-contractors. Consultant agrees to notify City of such damage, both orally and in writing, as soon as possible after the occurrence of the above crises or acts.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

Annual Base Fee and Compensation Formula

1) Repair and Maintenance Limits and Baselines for First Agreement Year:

Annual Repair and Maintenance Limit (for first Agreement Year): sixty thousand four hundred ninety one and 64/100 dollars (\$60,491.64)

2) Annual Base Fee:

The Annual Base Fee in the first year of this agreement shall be: five hundred seventeen thousand one hundred forty eight and 80/100 dollars (\$517,147.80).

The Base Fee shall be payable in twelve (12) equal monthly installments of [forty three thousand ninety five and 65/100 dollars (\$43,095.65), in advance, on the first day of each and every month for the duration of the Agreement.

3) Compensation formula

The following formula shall be used to determine the increase in the annual Base Fee on each Adjustment Date. Under no circumstances shall there be a decrease to the annual Base Fee.

$$AAF = AF_0 \times [P_1 / P_0]$$

where:

AAF = Annual Adjusted Fee (new Base Fee) for the upcoming twelve (12) months during an Agreement Year

AF₀ = Annual Fee (Base Fee) for the twelve (12) months in the Agreement Year just ended

P₁ = Price Index in effect as of the month of the current Adjustment Date

P₀ = Price Index in effect as of the month of the prior Adjustment Date. With respect to the first Adjustment Date, P₀ shall be the Price Index in effect on March 1, 2015.

- CPI will be adjusted using the Consumer Price Index (Los Angeles-Riverside-Anaheim for All Urban Consumers).

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

Refer to Exhibit "A" for details.

CITY OF PERRIS
CONTRACT SERVICES AGREEMENT FOR
WATER SYSTEM OPERATION AND MAINTENANCE SERVICES

This Contract Services Agreement ("Agreement"), is made and entered into this 1st day of April, 2015, by and between the City of Perris, a municipal corporation ("City"), and Severn Trent Environmental Services, a Texas Corporation with its principal place of business at 16337 Park Row, Houston, Texas 77084 ("Consultant"). The term Consultant includes professionals performing in a consulting capacity. The parties hereto agree as follows:

The City has requested that two separate agreements be provided for the services that had been provided under the current Professional Services Agreement. This Agreement represents terms and conditions for the City's "North Service Area." A separate agreement has been prepared representing terms and conditions for the City's "South Service Area."

The City and Consultant acknowledge that the base fee provided under this Agreement is based on Consultant providing services to both the North Service Area and South Service Area using shared staffing and other resources, provided that the costs for providing such services shall be allocated appropriately between each Service Area.

1.0 SERVICES OF CONSULTANT

1.1 Scope of Services. In compliance with all terms and conditions of this Agreement, Consultant shall provide the work and services specified in the "Scope of Services" attached hereto as *Exhibit "A"* and incorporated herein by this reference. Consultant warrants that all work or services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.

1.2 Compliance with Law. All work and services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction.

1.3 Licenses, Permits, Fees and Assessments. Consultant shall obtain at its sole cost and expense, such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement. Consultant shall have the obligation to pay for any fees, assessments, taxes, including applicable penalties and interest, which may be imposed by law to the extent that same arise from any negligence or willful misconduct of Consultant in its performance of the services required by this Agreement; and shall indemnify, defend and hold harmless City against any claim for such fees, assessments, taxes, penalties or interest levied, assessed or imposed against City hereunder. Prior to settlement or payment of any such fines, penalties or damages, the Consultant reserves the right to contest government or private actions, suits or proceedings for violations through administrative procedures or otherwise.

1.4 Familiarity with Work. By executing this Agreement, Consultant warrants that Consultant (a) has thoroughly investigated and considered the scope of services to be performed,

NORTH SERVICE AREA
AGREEMENT

(b) has carefully considered how the work and services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement.

1.5 Additional Services. City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Consultant, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Consultant. Any increase in compensation of up to five percent (5%) of the Contract Sum or \$25,000, whichever is less, may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Consultant that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Any reduction in the Scope of Services resulting in a decrease in of more than five percent (5%) of the annual contract value shall be subject to mutual agreement of the Parties and may require renegotiation of the annual contract value.

1.6 Special Requirements. Additional terms and conditions of this Agreement, if any, which are made a part hereof are set forth in the "Special Requirements" attached hereto as *Exhibit "B"* and incorporated herein by this reference. In the event of a conflict between the provisions of *Exhibit "B"* and any other provisions of this Agreement, the provisions of *Exhibit "B"* shall govern.

1.7 Environmental Laws. Consultant shall comply with all applicable environmental laws, ordinances, codes and regulations of Federal, State, and local governments. Consultant shall also comply with all applicable mandatory standards and policies relating to energy efficiency. In the event of any changes in applicable laws that increase Consultant's cost of performance, the parties shall negotiate in good faith to reach an agreement on any required adjustment in compensation hereunder. If the parties are unable to reach an agreement on any adjustment in price due to changes in applicable law after at least 30 days of attempted negotiation, either party may terminate this agreement with an additional 30 days' notice.

2.0 COMPENSATION

2.1 Contract Sum. For the services rendered pursuant to this Agreement, Consultant shall be compensated in accordance with the "Schedule of Compensation" attached hereto as *Exhibit "C"* and incorporated herein by this reference, but not exceeding the maximum contract annual amount of three hundred forty four thousand seven hundred sixty five dollars \$344,765.00 ("Contract Sum"), except as provided in Section 1.5. The Contract Sum shall include the attendance of Consultant at all project meetings reasonably deemed necessary by the City.

Consultant agrees that if Consultant becomes aware of any facts, circumstances, techniques, or events that may or will materially increase the cost of the work or services

Consultant shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased cost related thereto.

2.2 Method of Payment. Except as provided in Section 7.2, City shall pay Consultant for all expenses as provided in the schedule of compensation. Invoices are approved by City pursuant to this agreement generally within (30) days and no later than (45) days, from the submission of an invoice in an approved form. Late payments will be subject to a service charge of 1 ½% per month, or the maximum legal rate whichever is greater. Payments will be considered late if not received within (45) calendar days of the submission of an approved invoice. Interest shall accrue from the 46th day following the date of an approved invoice until the payment is received by Consultant.

Should the City dispute any portion of an invoice, City shall (i) pay Consultant all undisputed portions of said invoice within the timeframe and process described above, (ii) notify Consultant in writing within ten (10) business days of receipt of any such invoice of any disputed items and amounts and the reasons therefore. Within thirty (30) days after such notice to Consultant, City and Consultant shall meet and confer to mutually resolve any disputed items.

2.3 Availability of Funds. It is mutually understood between the parties that this Agreement is valid and enforceable only if sufficient funds are made available by the City Council of the City for the purposes of this Agreement. The availability of funding is affected by matters outside the City's control, including other governmental entities. Accordingly, the City has the option to void the whole Agreement or to amend the Agreement, subject to Consultant's agreement to any such amendment, to reflect unanticipated reduction in funding for any reason, provided that any termination of the Agreement shall be subject to the notice and termination payment provisions of Section 7.4.

3.0 FORCE MAJEURE

3.1 Force Majeure. Consultant shall not be responsible for failures in performance of the services rendered pursuant to this Agreement due to unforeseeable causes beyond the control and without the fault or negligence of the Consultant, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the City, if the Consultant shall, within ten (10) days of the commencement of such delay, notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay and extend the time for performing the services for the period of the enforced delay when and if, in the judgment of the Contract Officer, such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement.

3.2 Term. Unless terminated in accordance with Section 7.4 below, this Agreement shall remain in effect from the date first written above for a five (5) year period, thereafter, subject to the right of either party to terminate as set forth in Section 7.4.

4.0 COORDINATION OF WORK

4.1 Representative of Consultant. Fred Kriess is hereby designated as being the representative of Consultant authorized to act on its behalf with respect to the work or services specified herein and to make all decisions in connection therewith.

It is expressly understood that the experience, knowledge, capability and reputation of the representative was a substantial inducement for City to enter into this Agreement. Therefore, the representative shall be responsible during the term of this Agreement for directing all activities of Consultant and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the representative may not be replaced nor may his responsibilities be substantially reduced by Consultant without the express written approval of City.

4.2 Contract Officer. The City's City Manager is hereby designated as the representative of the City authorized to act in its behalf with respect to the work and services and to make all decisions in connection therewith ("Contract Officer"). It shall be the Consultant's responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the Consultant shall refer any decisions which must be made by City to the Contract Officer. The City may designate another Contract Officer by providing written notice to Consultant.

4.3 Prohibition Against Subcontracting or Assignment. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Therefore, Consultant shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the City. In addition, neither this Agreement nor any interest herein may be transferred or assigned without the prior written approval of City. A prohibited transfer or assignment shall be void. No approved transfer shall release the Consultant or any surety of Consultant of any liability hereunder without the express written consent of City.

4.4 Independent Contractor. Neither the City nor any of its employees shall have any control over the manner or means by which Consultant, its agents or employees, perform the services required herein, except as otherwise set forth herein. Consultant shall perform all services required herein as an independent contractor of City and shall remain under only such obligations as are consistent with that role. Consultant shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Consultant in its business or otherwise or a joint venturer or a member of any joint enterprise with Consultant.

5.0 INSURANCE AND INDEMNIFICATION

5.1 Insurance. Consultant shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to City, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Commercial General Liability Insurance. A policy of commercial general liability insurance using Insurance Services Office "Commercial General Liability" policy form CG 00 01, with an edition date prior to 2004, or the exact equivalent. Coverage for an additional

insured shall not be limited to its vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000.00 per occurrence for all covered losses and no less than \$2,000,000.00 general aggregate.

(b) Workers' Compensation Insurance. A policy of workers' compensation insurance on a state-approved policy form providing statutory benefits as required by law with employer's liability limits no less than \$1,000,000.00 per accident for all covered losses.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than \$1,000,000.00 per accident combined single limit. Said policy shall include coverage for Consultant owned, non owned, leased and hired cars.

(d) Professional Liability or Error and Omissions Insurance. A policy of errors and omissions insurance in an amount not less than \$1,000,000.00 per claim with respect to loss arising from the actions of Consultant performing professional services hereunder on behalf of the City.

All of the above policies of insurance shall be primary insurance. The general liability policy shall name the City, its officers, employees and agents ("City Parties") as additional insureds and shall waive all rights of subrogation and contribution it may have against the City and the City's Parties and their respective insurers. All of said policies of insurance shall provide that said insurance may be not cancelled without providing ten (10) days prior written notice by registered mail to the City. In the event any of said policies of insurance are cancelled or amended, Consultant shall, prior to the cancellation or amendment date, submit new evidence of insurance in conformance with this Section 5.1 to the Contract Officer. No work or services under this Agreement shall commence until Consultant has provided City with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by City.

Consultant agrees that the provisions of this Section 5.1 shall not be construed as limiting in any way the extent to which Consultant may be held responsible for the payment of damages to any persons or property resulting from Consultant's activities or the activities of any person or persons for which Consultant is otherwise responsible.

The insurance required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the City due to unique circumstances.

In the event that the Consultant is authorized to subcontract any portion of the work or services provided pursuant to this Agreement, the contract between the Consultant and such subcontractor shall require the subcontractor to maintain suitable and commercially reasonable insurance coverage, taking into account the scope and value of any such work provided by such subcontractor.

5.2 City's Insurance. City shall obtain and ensure that standard fire insurance policies are maintained for the facility equivalent to the insurance maintained by City for City's other public facilities.

5.3 Indemnification and Liability.

(a) Indemnity for Professional Liability. When the law establishes a professional standard of care for Consultant's services, to the fullest extent permitted by law, Consultant shall indemnify, defend and hold harmless City and the City's Parties from and against any and all third party losses, liabilities, damages, costs and expenses, including attorneys' fees and costs to the extent same are caused by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees of subcontractors (or any entity or individual for which Consultant shall bear legal liability) in the performance of professional services under this Agreement.

(b) Indemnity for Other Than Professional Liability. Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City and City's Parties from and against any liability (including liability for claims, suits, actions, losses, expenses or costs of any kind, whether actual, alleged or threatened, including reasonable attorneys' fees, court costs, defense costs and expert witness fees), to the extent that same arise out of, in whole or in part, acts or omissions in the performance of this Agreement by Consultant or by any individual or entity for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant. Such liability of Consultant shall include but not be limited to any fines or penalties related to the operation and maintenance of the Facility.

6.0 RECORDS AND REPORTS

6.1 Reports. Consultant shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement.

6.2 Records. Consultant shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have reasonable access to such books and records at all times during normal business hours, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

6.3 Ownership of Documents. All drawings, specifications, reports, records, documents and other materials prepared by Consultant, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement and Consultant shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of such documents and materials. Consultant may retain copies of such documents for its own use and Consultant shall have an unrestricted right to use

the concepts embodied therein. Any use of such completed documents by City for other projects and/or use of uncompleted documents without specific written authorization by the Consultant will be at the City's sole risk and without liability to Consultant and the City shall indemnify the Consultant for all damages resulting therefrom.

7.0 ENFORCEMENT OF AGREEMENT

7.1 California Law. This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Riverside, State of California, or any other appropriate court in such county, and Consultant agrees to submit to the personal jurisdiction of such court in the event of such action.

7.2 Retention of Funds. Consultant hereby authorizes City to withhold for a reasonable time any amount payable to Consultant under this Agreement, (i) any amounts the payment of which may be in dispute hereunder or which are necessary to compensate City for any losses, costs, liabilities, or damages suffered by City, and (ii) all amounts which City may be liable to third parties, by reason of Consultant's acts or omissions in performing or failing to perform Consultant's obligation under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by Consultant, City may withhold from any payment due, without liability for interest because of such withholdings, an amount sufficient to cover such claim. The failure of City to exercise such right to deduct or to withhold shall not, however, affect the obligations of the Consultant to insure, indemnify, and protect City as elsewhere provided herein.

7.3 Waiver. No delay or omission in the exercise of any right or remedy by a non-defaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.4 Termination Prior to Expiration of Term. Either party may terminate this Agreement at any time, with or without cause, upon sixty (60) days' written notice to the other party. Upon receipt of any notice of termination, Consultant shall cease all work or services hereunder at the time specified in the notice, except as specifically approved by the Contract Officer. Consultant shall be entitled to compensation for the reasonable value of the work product actually produced prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter in accordance with the Schedule of Compensation and City shall be entitled to reimbursement for any compensation paid in excess of the services rendered. Should City terminate this Agreement without cause prior to the expiration of the initial Term, then in addition to paying Consultant for the sixty (60) day period described above, City shall reimburse Consultant in a lump sum for the reasonable costs related to the severance of any new or additional employees who were hired by Consultant specifically to perform the services under this Agreement, provided that City shall not reimburse Consultant

for any costs arising out of any litigation or administrative claims filed by such employees. In addition, if City terminates this Agreement in the first twelve (12) months, City shall reimburse Consultant for the remaining lease payments of any new or additional vehicles that were leased by Consultant specifically to perform the services under this Agreement, unless a vehicle is redeployed by Consultant to another project, plus the unamortized balance of any Capital Improvements financed or paid for by the Consultant as reflected on Consultant's financial statements.

7.5 Completion of Work After Termination for Default of Consultant. If termination is due to the failure of the Consultant to fulfill its obligations under this Agreement, City may, after providing Consultant with notice and sixty (60) days to cure, take over the work and prosecute the same to completion by contract or otherwise, and the Consultant shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Consultant for the purpose of set-off or partial payment of the amounts owed the City as previously stated.

7.6 Attorneys' Fees. If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, including an action or proceeding initiated by either party, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, shall be entitled to reasonable attorneys' fees, whether or not the matter proceeds to judgment, and to all other reasonable costs for investigating such action, taking depositions and discovery, including all other necessary costs the court allows which are incurred in such litigation.

7.7 Arbitration. Should any dispute arise out of this Agreement, the Parties agree to first pursue non-binding arbitration prior to instituting any legal action. Such arbitration shall be conducted in Riverside County, California before a single arbitrator jointly selected and mutually approved by the Parties. The arbitration shall be conducted in accordance with the American Arbitration Association's rule of commercial arbitration. The Parties shall share equally the fees and expenses of the arbitration.

8.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

8.1 Non-liability of City Officers and Employees. No officer or employee of the City shall be personally liable to the Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Consultant or to its successor, or for breach of any obligation of the terms of this Agreement.

8.2 Conflict of Interest; City. No officer or employee of the City shall have any financial interest in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which affects his financial interest or the financial interest of any corporation, partnership or association in which he is interested, in violation of any State statute or regulation.

8.3 Conflict of Interest; Consultant. Consultant warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this

Agreement. Consultant shall comply with all conflict of interest laws and regulations including, without limitation, City's Conflict of Interest Code which is on file in the City Clerk's office. Accordingly, should the City Manager determine that Consultant will be performing a specialized or general service for the City and there is substantial likelihood that the Consultant's work product will be presented, either written or orally, for the purpose of influencing a governmental decision, the Consultant and its officers, agents or employees, as applicable, shall be subject to the City's Conflict of Interest Code.

8.4 Covenant Against Discrimination. Consultant covenants that, by and for itself, its executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. Consultant shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin or ancestry.

9.0 MISCELLANEOUS PROVISIONS

9.1 Notice. Any notice or other communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail, in the case of the City, to the City Manager and to the attention of the Contract Officer, City of Perris, 101 North "D" Street, Perris, CA 92570, and in the case of the Consultant, to the person at the address designated on the execution page of this Agreement. Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

9.2 Interpretation. The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

9.3 Integration; Amendment. It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by an instrument in writing signed by both parties.

9.4 Severability. Should a portion of this Agreement be declared invalid or unenforceable by a judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining portions of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

9.5 Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly

authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

[SIGNATURES ON NEXT PAGE]

EXHIBIT "A"

SCOPE OF SERVICES

General Description and Overview of the Services

Under this Agreement, the Consultant will provide the City with services that encompass fulfilling the duties and responsibilities of a water utility department. The services include: (i) the production and distribution of treated water as reasonably necessary to meet the demand for water by the City's customers, (ii) routine preventive and predictive maintenance of the Facilities; (iii) corrective maintenance, repair and replacement of the Facilities' equipment; (iv) laboratory testing and analysis;; (v) field customer service; and (vi) preparation and prompt delivery of all applicable and required filings, including reports, to the City and to regulatory agencies as prescribed by Applicable Law. Consultant will ensure the continued provision of water supply and distribution to the City's customers in a quantity and quality consistent with federal, state and local laws, regulations and all applicable permits.

This Schedule provides a detailed description of the services provided under this Agreement, delineated by the following key tasks.

Water Utility Management, Operations and Maintenance

Consultant will provide management, operations and maintenance of the City's wells, water production and distribution system. These services will include maintenance of the grounds and associated appurtenances.

Consultant will perform routine checks of the Facilities, perform maintenance for the Facilities, meter reading, repair and replacement of water meters (as required) and perform water quality sampling and testing as required.

Consultant will also perform field customer service duties as further defined in this Schedule; and, coordinate such activities with the City's customer service staff.

Consultant will perform all required preventive maintenance for the Facilities. Additionally, Consultant will perform all corrective maintenance and repair/replacement of equipment as required under the terms and conditions of this Agreement.

Consultant will provide licensed and certified operators that meet the California Department of Public Health requirements for the City's water utility system. A full time project manager will be assigned to provide management and oversight of the water utility system operations and field customer service activities.

Consultant shall operate and maintain the Facilities and all equipment and processes contained therein in accordance with relevant operation and maintenance manuals for the Facilities, Applicable Law, the existing raw water supply permit ("Permit") issued by the California State Water Resources Control Board.

Consultant will perform an annual valve and hydrant exercising program that will include flushing all dead ends routinely to prevent taste and odor complaints. Such program will be conducted that is in full compliance with California Department of Public Health regulations and prudent industry practices. Consultant will use best efforts to perform valve, hydrant and flushing activities based on the following schedule:

Routinely Exercise valves in the distribution system and prepare and submit a report of recommended repairs.

Flush water mains as required to address customer complaints.

Flush dead end distribution system mains every 3 months (each quarter).

Consultant will perform fire hydrant maintenance and painting on a regular basis and consistent with requirements set forth by the City.

Consultant will perform utility line location and marking services. Such services performed during normal business hours are included as part of the Base Fee.

Emergency Response

Consultant will provide emergency response services for the Facilities and respond to emergency calls twenty four (24) hours per day, seven (7) days per week. Turn-on and Turn-off services are not considered an emergency. City is responsible for notifying Consultant of any emergency calls received directly by the City.

Laboratory Analysis

Consultant will perform all required routine water sampling and testing as required by Applicable Law and the Permit and the City shall pay for all such required testing.

Regulatory and other Reporting

- (a) Consultant will provide a monthly summary operations report to the City including water utility system operational and performance information, and, data required for monthly reporting to all regulatory agencies. The monthly report will summarize maintenance, repair and replacement activities. The monthly report shall also include copies of all reports and correspondence made by the Consultant to local, State and federal regulatory agencies on behalf of the City. The report will be prepared in a format as approved by the City and shall include the following data
 - (i) Total water volume produced
 - (ii) New meter orders and installations
 - (iii) Summary of maintenance and repair activities
 - (iv) Laboratory test results for the Facilities
 - (v) Copies of all reports and correspondence made by Consultant on behalf of City
 - (vi) Summary of key operational events

- (b) Each quarter, or more often as required by the City, the Consultant shall meet with the City staff and make a presentation on services provided and review water utility system operations.

- (c) Consultant shall collect the data for all Permit monitoring and operating reports required by Applicable Law or by this Agreement and shall deliver the required monitoring and operating reports to the City and to the appropriate regulatory agencies having competent jurisdiction over same. If required pursuant to Applicable Law, the Consultant shall attest as to the accuracy and completeness of the data collected for each report. The City, however, shall at all times be responsible for maintaining all required permits for the ownership and operation of the Facilities. Consultant shall specifically update and submit Water Quality Sampling Plans and Operations and Maintenance Monitoring Plans to the State Water Resources Control Board.
- (d) Consultant may interface with regulatory agencies without City's consent on matters related to compliance with the City's Permits, and/or with respect to matters required under the Consultant's staff certification and licensing requirements and/or as otherwise necessary to comply with Applicable Law, including communication during emergency situations. Consultant shall, as soon as practicable and in reasonable detail, inform the City of the subject matter of such communications with regulatory agencies. All other communications with regulatory agencies, the media, or community groups may occur only upon City's request or with City's prior approval.
- (e) All Facilities' records and data, including but not limited to operation reports, laboratory reports and monitoring documentation, but excluding Consultant's budgetary and financial information, are the property of the City and cannot be destroyed by Consultant without written consent of the City. All site-specific operating procedure guidelines, preventive maintenance and safety programs and plant evaluation reports will, upon termination of this Agreement, become and remain the property of the City.
- (f) Consultant will ensure completion and submission of the annual water system Consumer Confidence Report, in a form approved by the City and the California Department of Public Health. Costs incurred for such shall be included as part of the Annual Maintenance and Repair Limit expenditures.

Field Customer Service

Consultant shall provide water meter readings for all customer accounts in the service area and provide the data to the City by the end of the third (3rd) week of every month. Meter reading data shall be supplied in a format approved by the City. Consultant's scope of services includes reading the meters for up to 1,400 connections on a scheduled monthly basis. Should additional meter readings be required that exceed this amount by five percent (5%), Operator will receive an additional \$250 per additional meter per year as compensation for such services.

Consultant will provide turn on and turn off services during normal business hours, with such costs included as part of the base fee. The base fee includes up to 132 turn-on/turn-off procedures in any given month. The City will pay Consultant \$250 for each additional residential meter for any turn-on/turn off procedures that exceed this amount in any given month in a specific contract year during the term of this Agreement.

Consultant will perform field customer service tasks and duties during normal business hours based on requests that are received by the City.

Consultant shall respond in a timely manner to all customer inquiries including, by way of example and not limitation, service complaints, reports of water breaks, low water pressure and water quality concerns.

Consultant's customer service personnel shall be prepared to answer commonly asked questions without referral to other personnel. Any customer calls received during off hours will be responded by the Consultant's on call staff as soon as possible and within forty five (45) minutes of receiving such notification.

Chemicals

Consultant will purchase and maintain an inventory of sodium hypochlorite routinely used and required in the operations of the Facilities. The sodium hypochlorite will be stored on site in compliance with OSHA regulations and in sufficient quantities for the continuous operations of the Facilities.

Subject to the limitations set forth herein, the Consultant shall (i) perform routine preventive maintenance in accordance with manufacturers' specifications and approved operating and maintenance procedures developed for equipment and processes of the Facilities; (ii) repair and/or replace equipment; (iii) clean and lubricate equipment; (iv) make equipment inspections and needed adjustments; (v) perform predictive maintenance as appropriate; (vi) maintain Consultant's vehicles and light duty service trucks necessary for daily operations; and (vii) maintain all of the Facilities' instrumentation, including instrumentation provided to the Consultant by the City pursuant to this Agreement. Consultant shall schedule and track all preventive and corrective maintenance in accordance with standard industry practice.

Definitions

"Abnormal or Biologically Toxic Materials" may include, but are not limited to, concentrations of heavy metals, phenols, cyanides, pesticides, herbicides, priority pollutants as listed by USEPA, or any substance that violates the local or USEPA standards for finished water after the routine processing of the raw water.

"Adjustment Date" means each anniversary of the Commencement Date.

"Agreement Year" means any consecutive twelve (12) month period during the term of the Agreement (including the renewal options) that begins on the Commencement Date and subsequently ends on each anniversary of that date.

"Annual Maintenance Expenditures" means the total of all expenses incurred annually by the Consultant in connection with the performance of its maintenance responsibilities under this Agreement. The Annual Maintenance Expenditures shall: i) exclude Consultant's direct labor expenses and related benefits for its personnel assigned exclusively to the operations and maintenance of the Facilities and whose cost is included in the Base Fee; ii) include, but not be limited to, all materials, supplies, parts, tools, outside subcontractors, specialized services, rental equipment and all of the Consultant's overtime costs and related benefits, as well as the cost of Consultant's personnel not exclusively assigned to the operation and maintenance of the Facilities at an agreed hourly billing rate.

"Annual Repair and Maintenance Limit" means the total of all Annual Maintenance Expenditures in an amount up to a maximum of the amount in Exhibit "C" for the first Agreement Year. For each Agreement Year thereafter, the Annual Repair and Maintenance Limit shall be increased on each Adjustment Date by the Price Index Increase.

"Applicable Law" means laws, rules, regulations, codes, administrative and judicial orders, directives, guidelines, judgments, rulings, interpretations or similar requirements or actions of any federal, state, local government, agency or executive or administrative body of any of the above, in each case that relate to the (a) parties' respective responsibilities under this Agreement; (b) operation or maintenance of the Facilities; (c) health and welfare of individuals working at or visiting the Facilities; and (d) the collection, delivery and treatment of the City's raw and finished water.

"Baseline Conditions" means the amount of raw water received and/or processed at the Facilities and the maximum pollutant limits contained in such raw water, all as outlined in the most recent Consumer Confidence Report for the North Perris Water Distribution System. The Baseline Conditions shall be reset and adjusted on each and every Adjustment Date to reflect the actual raw water amount and pollutants processed at the Facilities during the Agreement Year just ended.

"Capital Improvements" means any modifications, additions or upgrades to the Facilities made by or on behalf of the City or with its prior approval.

"Emergency Event" means an event which threatens the immediate shutdown of (or the substantial reduction in the operational capacity of, any of the Facilities, or the life, health or property of the City and/or the Consultant, their employees and/or agents or others.

"Force Majeure" means an event which is beyond the reasonable control of a party, including without limitation: (a) acts of God; (b) flood, fire, earthquake, hurricane or explosion; (c) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot or other civil unrest; (d) government order or law; (e) actions, embargoes or blockades in effect on or after the date of this Agreement; (f) action by any governmental authority; (g) national or regional emergency; (h) strikes, labor stoppages or slowdowns or other industrial disturbances, other than those involving the affected parties employees;] (i) shortage of adequate power or transportation facilities.

"City's Permit(s)" and/or "Permit(s)" means all permits and licenses issued to City and required for the treatment of potable water from the Facilities.

"Non-Processible Water" is defined as influent raw water (i) which contains Abnormal or Biologically Toxic Materials; or (ii) which is otherwise detrimental to the operation and performance of the Facilities; or (iii) which exceeds the design capabilities of the Facilities as defined by the Operations and Maintenance Manual for the Facilities or as provided in submissions made to regulatory agencies in connection with the construction and/or the permitting of the Facilities.

"Price Index" means the Consumer Price Index for the Los Angeles-Riverside-Anaheim for all Urban Consumers as published monthly by the U.S. Department of Commerce, Bureau of Labor Statistics, or any replacement to that index from time to time.

"Price Index Increase" means the percentage increase between the Price Index in effect as of the month of each and every Adjustment Date over the Price Index in effect as of the month of the Commencement Date. The Price Index Increase shall be calculated as of each and every Adjustment Date for the purpose of adjusting the Base Fee and the Annual Repair and Maintenance Limit.

"Process Residue" means grit, screenings and any sludge generated by or through the operation of the Facilities.

EXHIBIT "B"

SPECIAL REQUIREMENTS

- A. Easements, Access and Warranties. City will maintain existing or necessary easements, access, and warranties for the mutual benefit of both parties.
- B. Permits. City or its designee shall remain the named permittee on any and all permits that may be required, and shall meet all regulatory requirements not specifically assumed herein by Consultant as its responsibility.
- C. Utilities. City will pay for all electricity, natural gas, and utility water cost related to the Facility and collection system cleaning.
- D. Guarantees. Consultant shall use generally accepted business practices to procure materials and replacement equipment. Consultant shall not be responsible to City for any guaranty in connection with such materials or replacement equipment. Consultant shall assert reasonable efforts to obtain the normal guarantees applicable in the particular industry manufacturing such materials or replacement equipment, and shall assign same to City.
- E. Damage to Facility. Consultant shall not be required to repair any portion of Facility damaged due to flood, fire explosion, riot, revolution, civil disturbance, war or other acts of God or any other cause whatsoever beyond the control of Consultant, its employees, agents, representatives, or sub-contractors. Consultant agrees to notify City of such damage, both orally and in writing, as soon as possible after the occurrence of the above crises or acts.

EXHIBIT "C"

SCHEDULE OF COMPENSATION

Annual Base Fee and Compensation Formula

1) Repair and Maintenance Limits and Baselines for First Agreement Year:

Annual Repair and Maintenance Limit (for first Agreement Year): twenty five thousand nine hundred twenty four and 92/100 dollars (\$25,924.92)

2) Annual Base Fee:

The Annual Base Fee in the first year of this agreement shall be: three hundred forty four thousand seven hundred sixty five dollars (\$344,765).

The Base Fee shall be payable in twelve (12) equal monthly installments of twenty eight thousand seven hundred thirty and 42/100 dollars (\$28,730.42), in advance, on the first day of each and every month for the duration of the Agreement.

3) Compensation formula

4) The following formula shall be used to determine the increase in the annual Base Fee on each Adjustment Date. Under no circumstances shall there be a decrease to the annual Base Fee.

$$AAF = AF_0 \times [P_1 / P_0]$$

where:

AAF = Annual Adjusted Fee (new Base Fee) for the upcoming twelve (12) months during an Agreement Year

AF₀ = Annual Fee (Base Fee) for the twelve (12) months in the Agreement Year just ended

P₁ = Price Index in effect as of the month of the current Adjustment Date

P₀ = Price Index in effect as of the month of the prior Adjustment Date. With respect to the first Adjustment Date, P₀ shall be the Price Index in effect on March 1, 2015.

- CPI will be adjusted using the Consumer Price Index (Los Angeles-Riverside-Anaheim for All Urban Consumers).

EXHIBIT "D"

SCHEDULE OF PERFORMANCE

Refer to Exhibit "A" for details.

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

ATTEST:

"CITY"
CITY OF PERRIS

By: _____
Nancy Salazar, City Clerk

By: _____
Daryl R. Busch, Mayor

APPROVED AS TO FORM:
ALESHIRE & WYNDER, LLP

Eric L. Dunn, City Attorney

"CONSULTANT"
SEVERN TRENT ENVIRONMENTAL
SERVICES, a Texas Corporation

By: _____
Signature

Fred Kriess, Western Regional Gen. Manager

By: _____
Signature

Print Name and Title

Address:
Severn Trent Environmental Services
16337 Park Row
Houston, TX 77084

(Corporations require two signatures; *one from each* of the following: A. Chairman of Board, President, any Vice President; AND B. Secretary, Assistant Secretary, Treasurer, Assistant Treasurer, or Chief Financial Officer.)

[END OF SIGNATURES]