MEETING OF THE ADMINISTRATIVE COMMITTEE
WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
4040 PARAMOUNT BLVD., LAKEWOOD, CA 90712
11:00 AM, WEDNESDAY, JUNE 24, 2020

AGENDA

SPECIAL NOTICE REGARDING PUBLIC PARTICIPATION AT MEETINGS OF THE WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA (WRD)

The President of the United States and the Governor of California have both declared a State of Emergency as a result of the threat of the novel coronavirus COVID-19. The Governor issued Executive Order N-33-20 which orders all individuals to stay at home, and also Orders N-25-20 and N-29-20 which direct Californians to cancel all large gatherings and allows for teleconferencing of public meetings. Additionally, the County of Los Angeles Department of Public Health issued a Safer At Home Order on April 10, 2020 prohibiting public gatherings or events of any size, and on May 13, 2020 extended the order indefinitely.

To that end, no members of the public will be allowed to attend in-person meetings, including this meeting. Instead, members of the public may teleconference by calling toll free (800) 309-2350 and pressing 9215521# for the Conference ID. You will be able to listen to the meeting, but in order to speak and provide Public Comment, you will need to press Star 5 (*5) on your phone at which time you will be placed in the queue for the eventual opportunity to be un-muted and speak. Consistent with Section 6.2 of the District Administrative Code, speakers will be limited to three minutes. You may also provide your public comments via email to board@wrd.org up to one hour before the meeting is scheduled to begin.

Each item on the agenda, no matter how described, shall be deemed to include any appropriate motion, whether to adopt a minute motion, resolution, payment of any bill, approval of any matter or action, or any other action. Items listed as "For information" or "For discussion" may also be the subject of an "action" taken by the Board or a Committee at the same meeting.

1. DETERMINATION OF QUORUM

2. PUBLIC COMMENT
Pursuant to Government Code Section 54954.3
To make a Public Comment, press Star (*5) on your phone to be recognized, and when un-muted please announce your name and affiliation. All comments are limited to three minutes consistent with the provisions of the District Administrative Code.
3. AGREEMENT WITH THE CENTRAL BASIN WATERMASTER - WATER RIGHTS PANEL FOR WRD TO PROVIDE ADMINISTRATIVE SERVICES  

*Staff Recommendation:* The Administrative Committee recommends that the Board of Directors enter into an agreement with the Central Basin Watermaster - Water Rights Panel, subject to approval as to form by District Counsel, for administrative services for the Panel.

4. TIME EXTENSION FOR CONTRACT SERVICES AGREEMENT WITH CITY OF TORRANCE FOR ROBERT W. GOLDSWORTHY DESALTER  

*Staff Recommendation:* The Administrative Committee recommends that the Board of Directors extend the contract services agreement, subject to approval as to form by District Counsel, with the City of Torrance for the Robert W. Goldsworthy Desalter for an additional six months through December 31, 2020.

5. DEPARTMENT REPORT  

*Staff Recommendation:* For discussion and possible action.

6. DIRECTORS’ REPORTS, INQUIRIES AND FOLLOW-UP OF DIRECTIONS TO STAFF

7. ADJOURNMENT  

The Committee will adjourn to the next meeting currently scheduled on July 22, 2020, at 11:00 AM.

In compliance with the Americans with Disabilities Act (ADA), if special assistance is needed to participate in the meeting, please contact Deputy Secretary at (562) 921-5521 for assistance to enable the District to make reasonable accommodations.

All public records relating to an agenda item on this agenda are available for public inspection at the time the record is distributed to all, or a majority of all, members of the Board. Such records shall be available at the District office located at 4040 Paramount Boulevard, Lakewood, California 90712.

Agendas are available at the District’s website, [www.wrd.org](http://www.wrd.org).

EXHAUSTION OF ADMINISTRATIVE REMEDIES – If you challenge a District action in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Deputy Secretary at, or prior to, the public hearing. Any written correspondence delivered to the District office before the District’s final action on a matter will become a part of the administrative record.
MEMORANDUM
ITEM NO. 3

DATE: JUNE 24, 2020
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: AGREEMENT WITH THE CENTRAL BASIN WATERMASTER - WATER RIGHTS PANEL FOR WRD TO PROVIDE ADMINISTRATIVE SERVICES

SUMMARY
The Central Basin Watermaster - Water Rights Panel (Panel) has asked WRD to assist them with their secretarial and administrative responsibilities. Per the Central Basin Third Amended Judgment (Judgment), the Panel is considered its own entity and is required by the Court to enforce issues related to the pumping rights within the Judgment and perform production meter testing. To meet these requirements, the Panel holds regular public meetings, prepares and maintains correspondence and policy documents, maintains a web site, and performs other general secretarial and administrative tasks.

Since March 2019, the City of Signal Hill has been providing secretarial and administrative services to the Panel, but due to a staff-shortage, they are no longer able to continue providing these services. Thus, the Panel has asked WRD to perform these services for them. Based on this, WRD and the Panel have drafted an Agreement (Exhibit A) to provide these services, including agenda preparation and posting, drafting of meeting minutes, assist with meter testing correspondence, work alongside the Panel’s Treasurer to coordinate all accounts receivables and payables, maintain their website, and other general administrative tasks.

WRD has the personnel and expertise to fulfill theses services for the Panel. In addition, it is consistent with the Districts’ role of providing Watermaster Administrative Services as required per the Judgment which will provide some efficiencies in performance.

FISCAL IMPACT
None. The Agreement has the Panel paying for WRD’s services related to this matter so there is no impact to the Replenishment Assessment.
STAFF RECOMMENDATION

The Administrative Committee recommends that the Board of Directors enter into an agreement with the Central Basin Watermaster - Water Rights Panel, subject to approval as to form by District Counsel, for administrative services for the Panel.
AGREEMENT FOR ADMINISTRATIVE SERVICES
CENTRAL BASIN WATERMASTER WATER RIGHTS PANEL

THIS AGREEMENT is made and entered into this 9th day of July, 2020, by and between the Central Basin Watermaster Water Rights Panel, formed by a Los Angeles Superior Court Order (hereinafter referred to as “CBWRP”) and the Water Replenishment District of Southern California (“District”).

RECORDALS

A. CBWRP desires to utilize the services of District to provide administrative and secretarial support services.

B. District is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

C. CBWRP desires to retain District and District desires to serve CBWRP to perform the services described herein subject to the terms and conditions contained herein.

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

1. District’s Services.

1.1 Scope of Services. District shall perform the professional services necessary to provide secretarial administrative support, including maintaining documents, preparing agendas and meeting minutes, providing certification of records, coordinate meter testing, accounting services, attending meetings and providing other related administrative services, in accordance with Exhibit A attached hereto.

1.2 Personnel. District represents that it has the personnel required to perform the services under this Agreement. All of the services required under this Agreement will be performed by District and all personnel engaged in the work shall be qualified to perform such services.

1.3 Party Representatives. For the purposes of this Agreement, the CBWRP Representative shall be the Chair of the CBWRP or his/her designee. For the purposes of this Agreement, the District Representative shall be District’s General Manager or his or her designee (the “District Representative”).

1.4 Time of Performance. District has commenced the services contemplated under this Agreement as of July 9, 2020 and shall continue to perform and complete each task listed in Exhibit A for the Term hereof.

2. Term of Agreement. The term of this Agreement shall be deemed to have commenced on July 9, 2020 until terminated as provided in Section 11 herein (the “Term”).
3. **Compensation.** CBWRP shall pay District the amount of $38.00 for each hour of services provided herein.

4. **Method of Payment.**

   4.1 **Invoices.** Not later that the fifteenth (15th) day of each month of the Term hereof, District shall submit to CBWRP invoices for all services performed and the expenses incurred pursuant to this Agreement during the immediately previous calendar month. The invoices shall describe in detail the services rendered during the period and shall show the number of hours worked, the hourly rate charged, and the services performed for each day in the period. Notwithstanding the foregoing, the first invoice from the District may be delivered any time after the date hereof and shall include all services provided by the District from July 9, 2020 through August 15, 2020.

   4.2 **Payment.** CBWRP shall pay the amount stated on each invoice within thirty (30) calendar days after receipt of the invoice.

   4.3 **Audit of Records.** Upon 10 days prior notice from the CBWRP, District shall promptly make all records and invoices maintained by District demonstrating the services performed by the District in connection with this Agreement available to CBWRP for review and audit by CBWRP. CBWRP may conduct such review and audit at any time during District’s regular working hours.

5. **Standard of Performance.** District shall perform all services under this Agreement in accordance with the standard of care generally exercised by like professionals under similar circumstances and in a manner reasonably satisfactory to CBWRP.

6. **Ownership of Work Product.** All reports, documents or other written material developed by District in the performance of this Agreement shall be and remain the property of CBWRP without restriction or limitation upon its use or dissemination by CBWRP.

7. **Status as Independent Contractor.** District is, and shall at all times remain as to CBWRP, a wholly independent contractor. District shall have no power to incur any debt, obligation, or liability on behalf of CBWRP. Neither CBWRP nor any of its agents shall have control over the conduct of District or any of District’s employees, except as set forth in this Agreement. District shall not, at any time, or in any manner, represent that it or any of its officers, agents or employees are in any manner employees of CBWRP, provided, however, that nothing contained in this provision shall be construed or interpreted so as to deprive District of any and all defenses or immunities available to public officials acting in their official capacities. District agrees to indemnify and hold CBWRP harmless from any and all taxes, assessments, penalties, and interest asserted against CBWRP by reason of the independent contractor relationship created by this Agreement.

8. **Confidentiality.** Subject to the requirements of the California Public Records Act and all other legal obligations (including any subpoena or court order) applicable to District and its agents, officers and representatives, District covenants that all data, documents, discussion, or other information developed or received by District or provided for performance of this Agreement are deemed confidential and shall not be disclosed by District to any person or entity without prior
written authorization by CBWRP. CBWRP shall grant such authorization if disclosure is required by law, including, but not limited to, the California Public Records Act. All CBWRP data shall be returned to CBWRP upon the termination of this Agreement. District’s covenant under this section shall survive the termination of this Agreement.

9. **Indemnification.** District agrees to indemnify and hold harmless CBWRP and its elected officials, officers, attorneys, agents, employees, designated volunteers, successors and assigns (“CBWRP Indemnitees”) against any and all claims, actions and causes of action asserted by any person or entity in connection with or related to District’s provision of services pursuant to this Agreement, except for any claims or liabilities caused by or resulting from information received from CBWRP or the negligence or willful misconduct of any CBWRP Indemnitees.

10. **Cooperation.** In the event any claim or action is brought against CBWRP relating to District’s performance or services rendered under this Agreement, District shall render any reasonable assistance and cooperation, which CBWRP might require.

11. **Termination.** Either party may terminate this Agreement for any reason without penalty or obligation on thirty (30) calendar days’ written notice to the other party. District shall be paid for services satisfactorily rendered to the last working day the Agreement is in effect, and District shall deliver all materials, reports, documents, notes, or other written materials compiled through the last working day the Agreement is in effect. Neither party shall have any other claim against the other party by reason of such termination.

12. **Notices.** Any notices, bills, invoices, or reports required by this Agreement shall be given by first class U.S. mail or by personal service or by electronic mail (email). Notices shall be deemed received on (a) the day of delivery if delivered by hand or overnight courier service or by email during District’s and CBWRP regular business hours or by facsimile before or during District’s regular business hours; or (b) on the third business day following deposit in the United States mail, postage prepaid, to the addresses heretofore set forth in the Agreement, or to such other addresses as the parties may, from time to time, designate in writing pursuant to the provisions of this section. All notices shall be delivered to either party at the following address:

   Water Replenishment District of Southern California  
   4040 Paramount Blvd.  
   Lakewood, California 90712  
   Attn: Central Basin Water Rights Panel  
   email: CBWRP@wrd.org

13. **Non-Assignability; Subcontracting.** Notwithstanding any provision of this Agreement to the contrary, District shall not assign, subcontract or transfer any part or portion of this Agreement, or any responsibility hereunder, without the prior written consent of CBWRP. Any attempted or purported assignment or sub-contracting by District without prior consent shall be null, void and of no effect.

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

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

16. **Exhibits; Precedence.** The Exhibit A attached to this Agreement is hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail.

17. **Entire Agreement.** This Agreement represents the entire and integrated agreement between District and CBWRP. This Agreement supersedes all prior oral or written negotiations, representations or agreements. This Agreement may not be amended, nor any provision or breach hereof waived, except in a writing signed by the parties which expressly refers to this Agreement.

18. **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. This Agreement shall be binding upon the heirs, executors, administrators, successors and assigns of the parties.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]
IN WITNESS WHEREOF, the parties, through their respective authorized representatives have executed this Agreement as of the date first written above.

CENTRAL BASIN WATER RIGHTS PANEL

By: ______________________________
Name / Title: Toby B. Moore, CBWRP Chairman

ATTEST:

By: __________________________
CBWRP

APPROVED AS TO FORM:

James L. Markman

By: __________________________
CBWRP Counsel

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA

By: __________________________
Vera Robles Dewitt, President

ATTEST:

By: __________________________
Board Secretary

APPROVED AS TO FORM:

Leal Trejo APC

By: __________________________
District Counsel
Exhibit A

Regular Meetings

District staff will provide administrative support for the Central Basin Water Rights Panel’s regular meetings as well as work with the CBWRP Chairman and members in the development of agenda items, and the preparation of the agenda, the associated staff reports, and supporting documents. District staff will attend the CBWRP monthly meeting and will take and prepare the meeting minutes.

General Administrative Support

The District will provide general administrative support to CBWRP. Administrative tasks will include the preparation of correspondence, procedure and policy documents. District staff will provide assistance with the Annual Assessment billing and collection follow-up as needed. District staff will continue to work with the CBWRP Treasurer to secure monthly treasurer’s reports, prepare updates on the status of the annual assessment billing, and prepare the monthly Warrant List. The District will receive and maintain hard copies of the Water Rights Panel’s meeting agenda, minutes, and supporting document files. Also, the District will provide support with the following tasks:

- **Meter Testing**: Receive meter test results related to the inspection of production well meters, coordinate with DWR, send letters to entities with failed meter tests, and maintain records in relation to meter testing.

- **Accounting Services**: Work with the Panel’s Treasurer and maintain the Panel’s accounting and coordinate all accounts receivable and payable.

Water Rights Panel Web Site

The District will assist CBWRP with the maintenance of its website at [www.cbwatermaster.org](http://www.cbwatermaster.org). The District will oversee the following tasks related to the maintenance, monitoring and regular updating of the CBWRP web site:

- Maintain the Water Rights Panel domain name
- Maintain the web site hosting and associate the domain name with the selected hosting company.
- Update the site with monthly meeting agendas and minutes, and provide additional content as required or appropriate.
- Maintain the site and ensure its correct operation.
The costs associated with the web site consist of several elements including domain name, site hosting, site development, and maintenance and updating. Some of these costs are one-time or yearly (or more) costs, and some are ongoing.
DATE: JUNE 24, 2020
TO: ADMINISTRATIVE COMMITTEE
FROM: ROBB WHITAKER, GENERAL MANAGER
SUBJECT: TIME EXTENSION FOR CONTRACT SERVICES AGREEMENT WITH CITY OF TORRANCE FOR ROBERT W. GOLDSWORTHY DESALTER

SUMMARY
On July 1, 2012, the District and the City of Torrance (City) entered into a contract services agreement (agreement) for the production of water by the Robert W. Goldsworthy Desalter (RWGD). The agreement sets forth a pricing structure for the City to purchase product water from the District. The agreement was for a two-year period through June 30, 2014 with an option, which was exercised, to extend the agreement for two additional years through June 30, 2016. The agreement was then extended for an additional year through June 30, 2017 followed by three additional year extensions through June 30, 2018, June 30, 2019, and June 30, 2020. The District and the City desire to extend the term of the agreement for an additional six months through December 31, 2020 by maintaining the current terms, conditions and water pricing structure of the agreement. The term extension allows time for the parties to develop a new pricing structure that reflects the true water production costs taking into account the operations and maintenance costs, the Desalter expansion project, water pumping rights, and District’s replenishment assessment fees.

FISCAL IMPACT
None

STAFF RECOMMENDATION
The Administrative Committee recommends that the Board of Directors extend the contract services agreement, subject to approval as to form by District Counsel, with the City of Torrance for the Robert W. Goldsworthy Desalter for an additional six months through December 31, 2020.
FIFTH AMENDMENT TO CONTRACT SERVICES AGREEMENT  
(C2012-106)

This Fifth Amendment to Agreement C2012-106 ("Fifth Amendment") is made and entered into as of July 1, 2020 ("Effective Date"), by and between the CITY OF TORRANCE ("CITY"), a Municipal Corporation, and the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a water replenishment district formed under Division 18 of the California Water Code ("CONTRACTOR").

RECITALS:

A. The CITY and the CONTRACTOR entered into a Contract Services Agreement C2012-106 ("Agreement") on July 1, 2012, whereby the CONTRACTOR agreed to provide the City with fully treated potable water derived from the Goldsworthy Desalter Project located at the City Services Facility.

B. The Agreement was for a two-year period of fiscal 2012-13 and fiscal 2013-14 with an option, which was exercised, to extend the Agreement for two additional years through June 30, 2016.

C. On July 1, 2016, the First Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2017, maintaining the current terms, conditions and water pricing structure of the Agreement.

D. On July 1, 2017, the Second Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2018, maintaining the current terms, conditions and water pricing structure of the Agreement.

E. On July 1, 2018, the Third Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2018, maintaining the current terms, conditions and water pricing structure of the Agreement.

F. On July 1, 2019, the Fourth Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2019, maintaining the current terms, conditions and water pricing structure of the Agreement
G. Both the CITY and the CONTRACTOR desire to extend the term of the Agreement through December 31, 2020 maintaining the current terms, conditions and water pricing structure of the Agreement.

AGREEMENT:

1. Paragraph 2, entitled “TERM” is amended to read in its entirety as follows:

2. TERM
   Unless earlier terminated in accordance with Paragraph 4, this Agreement will continue in full force and effect from the Effective Date through December 31, 2020.

2. In all respects the Agreement between the CITY and CONTRACTOR is ratified and reaffirmed as amended and remains in full force and effect.

CITY OF TORRANCE,
A municipal corporation

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA
A Water Replenishment District formed Under division 18 of the California Water Code

By: ______________________ By: __________________________
   Patrick J. Furey, Mayor       Vera Robles Dewitt President
   Board of Directors

ATTEST:

By: __________________________ By: ________________________
   Rebecca Poirier, MMC, City Clerk       Willard H. Murray, Secretary
   Board of Directors

APPROVED AS TO FORM
Patrick Q. Sullivan
City Attorney

By: __________________________

APPROVED AS TO FORM
Leal Trejo APC
Counsel to WRD

By: __________________________
CONTRACT SERVICES AGREEMENT

This CONTRACT SERVICES AGREEMENT (the "Agreement") is made and entered into as of July 1, 2012 (the "Effective Date"), by and between the CITY OF TORRANCE, a municipal corporation (the "CITY"), and the Water Replenishment District of Southern California, a water replenishment district formed under division 18 of the California Water Code (the "CONTRACTOR").

RECITALS:

A. CITY wishes to retain the services of CONTRACTOR to provide CITY with fully treated potable water derived from groundwater extracted from the West Coast Basin that may contain chlorides in excess of drinking water standards ("Saline Groundwater").

B. CONTRACTOR will fully treat the saline groundwater at the Goldsworthy Desalter facility, located in the City Service Center at 20500 Madrona Avenue (the "Facility"). CONTRACTOR is currently leasing the real property on which the Facility is located pursuant to that City of Torrance Desalter Facilities Site Lease dated January 26, 1999 (the "Lease"). CONTRACTOR has constructed a well, pipelines, the Goldsworthy groundwater desalination treatment facility and other improvements at this site to treat groundwater that would not otherwise be usable as a potable domestic water supply.

C. CITY will use its adjudicated groundwater pumping rights in the West Coast Basin in connection with the extraction of groundwater by CONTRACTOR, on CITY's behalf. The Judgment regulates the quantity of groundwater extracted, and therefore, parties to the Judgment may extract groundwater pursuant to the Judgment. Thus, CITY stipulates and agrees as set forth below, that for every one acre-foot of groundwater extracted and treated at the Desalter well pursuant to this Agreement, one acre-foot of groundwater will be debited from CITY's annual allowable water extractions from the West Coast Basin.

D. CITY and CONTRACTOR recognize that the annual extractions of groundwater in connection with operation of the Desalter are governed by the Judgment.

E. Should the CITY's adjudicated groundwater rights no longer be available for the operation of the Desalter, due to CITY's exercise of its termination rights pursuant to section (4) of this Agreement, or due to the expiration of this Agreement as set forth in section (2) CONTRACTOR further agrees that the Desalter will not resume operation, including extraction of groundwater form the Desalter well, until such time that other adjudicated water rights become available for the operation of the Desalter, subject to approval for such use by the Watermaster and the court, or the court approves a new exemption, both court approvals after noticed motion and pursuant to all applicable procedures set forth in the Judgment.

F. Should the chloride concentrations go above the 1,000 parts per million level as set forth in the original Order Regarding Operation of the Goldsworthy Desalter, CONTRACTOR shall either continue operating the Desalter pursuant to CITY's adjudicated water rights or CONTRACTOR shall apply to the court for an
exemption from the Judgment. Until such time that the court grants such an exemption, the CONTRACTOR shall operate the Desalter pursuant to CITY's adjudicated water rights.

G. CONTRACTOR represents that it is qualified to perform the services contemplated by this Agreement.

AGREEMENT:

1. SERVICES TO BE PERFORMED BY CONTRACTOR
   A. CONTRACTOR will provide the services listed in the Scope of Services attached as Exhibit "A" to this Agreement. CONTRACTOR warrants that all work and services set forth in the Scope of Services will be performed in a competent, professional and satisfactory manner.
   
   B. In order for the CONTRACTOR to provide the services described in Exhibit A hereto, CITY shall use its adjudicated groundwater pumping rights as set forth in the Judgment in connection with the extraction of groundwater by CONTRACTOR, on CITY's behalf. CITY's annual allowable water extractions for the West Coast Basin shall be debited by one-acre foot for every acre-foot of groundwater extracted at the Desalter well by the CONTRACTOR. Any physical extraction of groundwater by CONTRACTOR for the operations of the Desalter will be done as the agent of CITY.
   
   C. Should CITY's adjudicated groundwater rights no longer be available for the operation of the Desalter, either due to CITY's exercise of its termination rights pursuant to section (4) of this agreement or due to the expiration of this Agreement as set forth in section (2) CONTRACTOR further agrees that he Desalter will not resume operation, including extraction of groundwater from the Desalter well, until such time that other adjudicated water rights become available for the operation of the Desalter, subject to approval for such use by the Watermaster and the court, or the court approves a new exemption, both court approvals after noticed motion and pursuant to all applicable procedures set forth in the Judgment.
   
   D. If the chloride concentrations go above the 1,000 parts per million as set forth in the original Order Regarding Operation of the Goldsworthy Desalter, CONTRACTOR shall either continue operating the Desalter pursuant to CITY'S adjudicated water rights or CONTRACTOR shall apply to the court for an exemption from the Judgment. Until such time that the court grants such exemption, the CONTRACTOR shall operate the Desalter pursuant to CITY'S adjudicated water rights,
   
   E. CONTRACTOR and CITY agree that the Lease shall remain in full force and effect except as provided in this Agreement.
2. **TERM**
   Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date (the "Initial Term") through June 30, 2014. CONTRACTOR and the CITY have the option to extend the term of this Agreement for an additional two years by written consent of both the CONTRACTOR and CITY designated representatives no later than thirty days prior to the expiration of the Initial Term (the "Extended Term").

3. **COMPENSATION**
   A. CONTRACTOR'S Fee.

   1. For services rendered pursuant to this Agreement, CONTRACTOR will be paid in accordance with the compensation schedule attached as Exhibit "B" to this Agreement (the "Compensation Schedule"), provided, however, that in no event will the total amount of money paid to the CONTRACTOR, for services contemplated by this Agreement, shall exceed the sum of $6,000,000 ("Agreement Sum"), unless otherwise first approved in writing by the CITY.

   2. During the Initial Term and any Extended Term of this Agreement, CITY will forbear from exercising or enforcing its rights under section 2.4 of the Lease provided that CITY is not in default under terms of this Agreement.

   B. Schedule of Payment

   Provided that the CONTRACTOR is not in default under the terms of this Agreement, upon presentation of an invoice, CONTRACTOR will be paid the fees described in Paragraph 3.A above, according to the Compensation Schedule. Payment will be due within 30 days after the date of the invoice.

4. **TERMINATION OF AGREEMENT**
   A. Termination by CITY for Convenience.

   1. Either CITY or CONTRACTOR may, with sixty (60) days notice to the other, terminate the Agreement for either CITY's or CONTRACTOR's convenience and without cause.

   2. Upon receipt of written notice from CITY of such termination for CITY's convenience, CONTRACTOR will:

      a. cease operations as directed by CITY in the notice;
      b. take actions necessary, or that CITY may direct, for the protection and preservation of the work; and
c. except for work directed to be performed prior to the effective date of termination stated in the notice, terminate all existing subcontracts and purchase orders and enter into no further subcontracts and purchase orders.

3. In case of such termination for CITY’s convenience, CONTRACTOR will be entitled to receive payment for work executed, costs incurred by reason of such termination, and reasonable overhead and profit on the work not executed.

B. Termination for Cause.

1. If either party fails to perform any term, covenant or condition in this Agreement and that failure continues for 15 calendar days after the nondefaulting party gives the defaulting party written notice of the failure to perform, this Agreement may be terminated for cause; provided, however, that if during the notice period the defaulting party has promptly commenced and continues diligent efforts to remedy the default, the defaulting party will have such additional time as is reasonably necessary to remedy the default.

2. In the event this Agreement is terminated for cause by the default of the CONTRACTOR, the CITY may, at the expense of the CONTRACTOR and its surety, complete this Agreement or cause it to be completed. Any check or bond delivered to the CITY in connection with this Agreement, and the money payable thereon, will be forfeited to and remain the property of the CITY. All moneys due the CONTRACTOR under the terms of this Agreement will be retained by the CITY, but the retention will not release the CONTRACTOR and its surety from liability for the default. Under these circumstances, however, the CONTRACTOR and its surety will be credited with the amount of money retained, toward any amount by which the cost of completion exceeds the amount agreed to in Paragraph 3.A. and any amount authorized for extra services.

3. Termination for cause will not affect or terminate any of the rights of the CITY as against the CONTRACTOR or its surety then existing, or which may thereafter accrue because of the default; this provision is in addition to all other rights and remedies available to the CITY under law.

C. Termination for Breach of Law.

In the event the CONTRACTOR or any of its officers, directors, shareholders, employees, agents, subsidiaries or affiliates is convicted (i) of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of a contract or subcontract; (ii) under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of
records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a public consultant or contractor; (iii) under state or federal antitrust statutes arising out of the submission of bids or proposals; or (iv) of violation of Paragraph 19 of this Agreement; or for any other cause the CITY determines to be so serious and compelling as to affect CONTRACTOR's responsibility as a public consultant or contractor, including but not limited to, debarment by another governmental agency, then CITY reserves the unilateral right to terminate this Agreement or to impose such other sanctions (which may include financial sanctions, temporary suspensions or any other condition deemed appropriate short of termination) as it deems proper. CITY will not take action until CONTRACTOR has been given notice and an opportunity to present evidence in mitigation.

5. FORCE MAJEURE
If any party fails to perform its obligations because of strikes, lockouts, labor disputes, embargoes, acts of God, inability to obtain labor or materials or reasonable substitutes for labor or materials, governmental restrictions, governmental regulations, governmental control, judicial orders, enemy or hostile governmental action, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform, then that party's performance shall be excused for a period equal to the period of such cause for failure to perform.

6. RETENTION OF FUNDS
CONTRACTOR authorizes CITY to deduct from any amount payable to CONTRACTOR (whether or not arising out of this Agreement) any amounts the payment of which may be in dispute or that are necessary to compensate CITY for any losses, costs, liabilities, or damages suffered by CITY, and all amounts for which CITY may be liable to third parties, by reason of CONTRACTOR's acts or omissions in performing or failing to perform CONTRACTOR's obligations under this Agreement. In the event that any claim is made by a third party, the amount or validity of which is disputed by CONTRACTOR, or any indebtedness exists that appears to be the basis for a claim of lien, CITY may withhold from any payment due, without liability for interest because of the withholding, an amount sufficient to cover the claim. The failure of CITY to exercise the right to deduct or to withhold will not, however, affect the obligations of CONTRACTOR to insure, indemnify, and protect CITY as elsewhere provided in this Agreement.

7. CITY REPRESENTATIVE
Robert J. Beste is designated as the "City Representative," authorized to act in its behalf with respect to the work and services specified in this Agreement and to make all decisions in connection with this Agreement. Whenever approval, directions, or other actions are required by CITY under this Agreement, those actions will be taken by the City Representative, unless otherwise stated. The City Manager has the right to designate another City Representative at any time, by providing notice to CONTRACTOR.
8. **CONTRACTOR REPRESENTATIVE(S)**
The following principal(s) of CONTRACTOR are designated as being the principal(s) and representative(s) of CONTRACTOR authorized to act in its behalf with respect to the work specified in this Agreement and make all decisions in connection with this Agreement:

1) General Manager  
2) Assistant General Manager

9. **INDEPENDENT CONTRACTOR**
The CONTRACTOR is, and at all times will remain as to CITY, a wholly independent contractor. Neither CITY nor any of its agents will have control over the conduct of the CONTRACTOR nor any of the CONTRACTOR's employees, except as otherwise set forth in this Agreement. The CONTRACTOR may not, at any time or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of CITY.

10. **NO CONVEYANCE**
This Agreement shall in no way be construed so that CONTRACTOR has a leasehold interest or any other property interest in CITY's adjudicated groundwater pumping rights in the West Coast Basin.

11. **OTHER LICENSES AND PERMITS**
CONTRACTOR warrants that it has all professional, contracting and other permits and licenses required to undertake the work contemplated by this Agreement.

12. **FAMILIARITY WITH WORK**
By executing this Agreement, CONTRACTOR warrants that CONTRACTOR (a) has thoroughly investigated and considered the scope of services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, CONTRACTOR warrants that CONTRACTOR has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services set forth in this Agreement. Should CONTRACTOR discover any latent or unknown conditions that will materially affect the performance of the services set forth in this Agreement, CONTRACTOR must immediately inform CITY of that fact and may not proceed except at CONTRACTOR's risk until written instructions are received from CITY.

13. **CARE OF WORK**
CONTRACTOR must adopt reasonable methods during the term of the Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and other components to prevent losses or damages, and will be responsible for all damages, to persons or property, until acceptance of the work by CITY, except those losses or damages
as may be caused by CITY's own negligence.

14. **CONTRACTOR'S ACCOUNTING RECORDS; OTHER PROJECT RECORDS**
    Records of accounts between CITY and the CONTRACTOR, will be kept on a generally recognized accounting basis. CONTRACTOR will also maintain all other records, including without limitation specifications, drawings, progress reports and the like, relating to the project. All records will be available to CITY during normal working hours. CONTRACTOR will maintain these records for three years after final payment.

15. **INDEMNIFICATION**
    A. Subject to Paragraph 15.B., CONTRACTOR will indemnify, defend, and hold harmless CITY, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever arising out of or related to the services provided to CITY pursuant to this Agreement. CITY will indemnify, defend, and hold harmless CONTRACTOR, its officers, agents and employees from and against any and all liability, expenses, including defense costs and legal fees, and claims for damages whatsoever arising out of related to any action required of CITY pursuant to this agreement. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of CONTRACTOR, its officers, employees, agents, subcontractors or vendors, if CITY is responsible for the indemnification, or CITY, its officers, employees, agents, subcontractors or vendors if CONTRACTOR is responsible for the indemnification. Payment by either CITY or CONTRACTOR is not a condition precedent to enforcement of this indemnity.

    B. In the event that any third party challenges the validity or enforceability of this Agreement, CITY agrees to vigorously defend such an action, at its sole cost, through legal counsel acceptable to CONTRACTOR, which acceptance by CONTRACTOR shall not be unreasonably withheld.

16. **NON-LIABILITY OF CITY OFFICERS AND EMPLOYEES**
    No officer or employee of CITY will be personally liable to CONTRACTOR, in the event of any default or breach by the CITY or for any amount that may become due to CONTRACTOR

17. **NON-LIABILITY OF CONTRACTORS OFFICERS AND EMPLOYEES**
    No officer or employee of CONTRACTOR will be personally liable to CITY, in the event of any default or breach by the CONTRACTOR or for any amount that may become due to CITY.

18. **INSURANCE**
    CONTRACTOR and its subcontractors will maintain insurance in accordance with paragraph 13 of the Lease.
19. **CONFLICT OF INTEREST**
   
   A. No officer or employee of the CITY may have any financial interest, direct or indirect, in this Agreement, nor may any officer or employee participate in any decision relating to the Agreement that affects the officer or employee's financial interest or the financial interest of any corporation, partnership or association in which the officer or employee is, directly or indirectly interested, in violation of any law, rule or regulation.

   B. No person may offer, give, or agree to give any officer or employee or former officer or employee, nor may any officer or employee solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation or any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any way pertaining to any program requirement, contract or subcontract, or to any solicitation or proposal.

20. **NOTICE**
   
   A. All notices, requests, demands, or other communications under this Agreement will be in writing. Notice will be sufficiently given for all purposes as follows:

   1. Personal delivery. When personally delivered to the recipient: notice is effective on delivery.

   2. First Class mail. When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.

   3. Certified mail. When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.

   4. Overnight delivery. When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.

   5. Facsimile transmission. When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a non-business day.

   6. Addresses for purpose of giving notice are as follows:
CONTRACTOR: Water Replenishment District of Southern California
4040 Paramount Blvd.
Lakewood, CA 90712
Attn: Assistant General Manager
Fax: (562) 921-6101

CITY: City Clerk
City of Torrance
3031 Torrance Boulevard
Torrance, CA 90509-2970
Fax: (310) 618-2931

B. Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified, will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

C. Either party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

21. **PROHIBITION AGAINST ASSIGNMENT AND SUBCONTRACTING**
This Agreement and all exhibits are binding on the heirs, successors, and assigns of the parties. The Agreement may not be assigned or subcontracted by either CITY or CONTRACTOR without the prior written consent of the other.

22. **INTEGRATION; AMENDMENT**
This Agreement represents the entire understanding of CITY and CONTRACTOR as to those matters contained in it. No prior oral or written understanding will be of any force or effect with respect to the terms of this Agreement. The Agreement may not be modified or altered except in writing signed by both parties.

23. **INTERPRETATION**
The terms of this Agreement should be construed in accordance with the meaning of the language used and should not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction that might otherwise apply.

24. **SEVERABILITY**
If any part of this Agreement is found to be in conflict with applicable laws, that part will be inoperative, null and void insofar as it is in conflict with any applicable laws, but the remainder of the Agreement will remain in full force and effect.

25. **TIME OF ESSENCE**
Time is of the essence in the performance of this Agreement.
26. **GOVERNING LAW: JURISDICTION**  
This Agreement will be administered and interpreted under the laws of the State of California. Jurisdiction of any litigation arising from the Agreement will be in Los Angeles County, California.

27. **COMPLIANCE WITH STATUTES AND REGULATIONS**  
CONTRACTOR will be knowledgeable of and will comply with all applicable federal, state, county and city statutes, rules, regulations, ordinances and orders.

28. **WAIVER OF BREACH**  
No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default will impair the right or remedy or be construed as a waiver. A party's consent or approval of any act by the other party requiring the party's consent or approval will 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 will not be a waiver of any other default concerning the same or any other provision of this Agreement.

29. **ATTORNEY'S FEES**  
Except as provided for in Paragraph 15, in any dispute, litigation, arbitration, or other proceeding by which one party either seeks to enforce its rights under this Agreement (whether in contract, tort or both) or seeks a declaration of any rights or obligations under this Agreement, the prevailing party will be awarded reasonable attorney's fees, together with any costs and expenses, to resolve the dispute and to enforce any judgment.

30. **EXHIBITS**  
All exhibits identified in this Agreement are incorporated into the Agreement by this reference.

31. **CONTRACTOR'S AUTHORITY TO EXECUTE**  
The persons executing this Agreement on behalf of the CONTRACTOR warrant that (i) the CONTRACTOR is duly organized and existing; (ii) they are duly authorized to execute this Agreement on behalf of the CONTRACTOR; (iii) by so executing this Agreement, the CONTRACTOR 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 the CONTRACTOR is bound.
CITY OF TORRANCE
a Municipal Corporation

By: Frank Scotto, Mayor

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA
a Water Replenishment District formed under division 18 of the California Water Code

By: Albert Robles, President
Board of Directors

ATTEST:

By: Sue Herbers, City Clerk

By: Willard H. Murray, Secretary
Board of Directors

APPROVED AS TO FORM:

By: John L. Fellows III
City Attorney

APPROVED AS TO FORM:

By: H. Francisco Leal
Interim District Counsel

Attachments: Exhibit A Scope of Services
Exhibit B Compensation Schedule
EXHIBIT A

SCOPE OF SERVICES

The services provided by the CONTRACTOR to the CITY is the provision of fully treated potable water supply from the Goldsworthy Desalter that meets all water quality standards and mutually agreed upon water quality parameters for use as a domestic water supply. While the Agreement is in effect, CITY will exercise a portion of its adjudicated groundwater pumping rights, up to maximum of 2,900 acre feet annually, for a period of time agreeable to both parties for the extraction of groundwater from the West Coast Basin at the Goldsworthy Desalter well.

The other services rendered for the Goldsworthy Desalter, well and ancillary facilities (collectively referred to as "Plant") include but are not limited to, the following:

a. Provide all infrastructure, equipment and facilities necessary to operate the groundwater well, the desalination treatment plan and ancillary facilities located in, on or under the Plant.
b. Implement corrective measures, in conjunction with the CITY, to promptly restore facilities back in active service in the event of an operational failure.
c. Provide for reimbursement of all operation and maintenance costs of the Plant.
d. Replacement, refurbishment or construction of necessary facilities and/or equipment to ensure the Plant is maintained in an optimal state.
e. Ensure that potable water production of the Plant is optimized.
f. Provide all technical services to ensure the continued operation of the Facility in an optimized manner.
g. In conjunction with the vendor responsible for operating and maintaining the Plant:
   • Ensure that all water quality testing and analysis necessary to meet all federal and state water quality regulations/standards and other water agreed upon water parameters is met.
   • Ensure that personnel responsible for operations and maintenance of the Plant have requisite certifications/licenses and are fully qualified to operate Plant facilities.
   • Ensure that emergency backup support is available if assigned Plant operational personnel are not available.
   • Ensure that potable water production from the Plant is optimized.
   • Ensure there is pro-active safety plan and training and the Plant is operated in compliance with accordance with internal safety plans, OSHA requirements and City safety standards.
   • Provide for adequate security measures to protect the integrity of the Plant and water supply.
   • Ensure there is an emergency response and notification plan in place.
   • Ensure that all water quality testing and analysis necessary to meet federal and state water quality regulations/standards and other agreed upon water quality parameters are performed, and that
all water quality documents, test reports, and other information as required by regulatory agencies and CITY are submitted are that these records are appropriately retained and accessible.

- Ensure compliance with all environmental regulations and requirements including those promulgated by the California Department of Public Health, the State and Regional Water Control Boards, the CITY and other regulatory bodies.

- Ensure that all permits, licenses and certifications required to operate the Plant are obtained.

- Ensure that the Plant site and surrounding area is cleaned and maintained.

- Ensure for Plant reliability and provide accountability for sustained operation.

- Ensure that all discharge "pumping to waste" effluent from the Plant is in accordance with State and CITY regulatory requirements. CITY shall be notified of any discharges to the retention basins. The incremental cost of pumping out any plant effluent from the retention basin to the storm drain system shall be charged to the CONTRACTOR.

h. Maintain, provide and submit all documentation, cost/financial data and other records as required by Metropolitan Water District (the "MWD") to ensure receipt of MWD subsidies under the Groundwater Recovery Program and/or successor programs. Provide assistance as required to support CITY in any negotiations with MWD regarding the Plant.

i. Maintain open channels of communication with CITY and provide notification of any significant event.

Additional Requirements:

- CITY has the right to access Plant facilities.
- CONTRACTOR shall provide CITY with sufficient advance notification regarding major maintenance scheduled or commencement of significant improvements to the Plant.
- CONTRACTOR shall promptly inform the CITY of any significant changes in operational parameters or production derived from the Plant.
- CONTRACTOR shall promptly notify CITY of any "discharges to Waste" to CITY's retention basins. CONTRACTOR shall comply with City requirements regarding these types of discharges.
- CITY has the right to examine all cost and financial data maintained by CONTRACTOR regarding the Plant.
- CONTRACTOR shall not conduct or permit any activity on the premises that interferes with providing water service to the CITY.
- CONTRACTOR will provide hydrogeologic assistance to CITY in locating potential suitable locations for its proposed groundwater well field with regard to the proximity and movement of the groundwater saline plume.
EXHIBIT B

COMPENSATION SCHEDULE

The following provisions reflect a water pricing structure schedule that the CONTRACTOR will charge the CITY pursuant to the Agreement for potable water purchases from the Goldsworthy Desalter priced on the basis of dollars ($) per acre feet (AF). The rate charged the CITY will only include normal and generally accepted Operations and Maintenance costs (O&M), and will exclude any capital or extraordinary costs.

Desalter Water Pricing Structure and Rate

a. The CONTRACTOR and the CITY both wish to establish a water pricing structure that reflects the actual Operations and Maintenance (O&M) costs associated the operation and maintenance of the Goldsworthy Desalter and a structure that incentivizes optimal water production from the Desalter.

b. The rate charged the CITY will be based on the most current data for Operations and Maintenance costs. Operations and Maintenance costs consist of the following components: Professional Consulting Services, Labor (contract operator), Labor (WRD), Office Expenses, Material and Equipment (including chemicals), Utilities for Equipment and Building, Maintenance and Repair Expense, Site lease to CITY and Brine Disposal Fees to Los Angeles County Sanitation District (LACSD).

c. The new rate will be become effective on July 1 of each fiscal year pursuant to the term of this Agreement.

d. Baseline Rate. The rate established by the beginning of the fiscal year shall referred to as a “Baseline Rate” mutually agreed upon by the CONTRACTOR and the CITY that reflects the best estimate based on projected O&M costs and estimated purchases of water by the CITY from water produced by the Desalter. This Baseline Rate will be charged for the duration of the fiscal year and will be reconciled pursuant to section (e) below. The baseline rate for fiscal 2012-13 effective July 1, 2012 will be established at $625/AF.

On a monthly basis, CITY will pay the CONTRACTOR for water purchase based on the Baseline Rate times the actual monthly production in acre feet by the Goldsworthy Desalter.

e. Reconciliation. At the end of the fiscal year (ending June 30th), the CITY will prepare the actual operations and maintenance costs tabulated monthly for the fiscal year. An adjustment will be calculated by subtracting the actual total annual O&M cost by the total annual water purchasing cost. If the difference in costs is positive, the CITY shall pay the difference amount to the CONTRACTOR as a debit adjustment to water purchase payments in the next fiscal year. If the difference in costs is negative, an adjustment will be made with the difference amount credited to the CITY for water purchasing payments in the next fiscal year.
Water Replenishment District (WRD) Replenishment Assessment (RA):

CITY will be invoiced and shall be responsible for paying the replenishment assessment (RA) levied by CONTRACTOR on all groundwater production from the West Coast Basin. The RA is applied to every acre-foot of production by CITY and is adjusted on July 1 of each year. CITY shall pay CONTRACTOR monthly based on the following formula:

(Current RA in $/AF) x (Monthly production at Goldsworthy Well(s) in AF)

Desalter Credit

CONTRACTOR shall credit the CITY on each monthly invoice an amount equal to the following formula:

(Current RA in $/AF) x (Monthly production at Goldsworthy Well(s) in AF)

City of Torrance will be invoiced monthly for the cost of purchasing potable water for the Desalter and the corresponding Desalter Credit above.
FIRST AMENDMENT TO CONTRACT SERVICES AGREEMENT  
(C2012- 106)

This First Amendment to Agreement C2012-106 ("Amendment") is made and entered into as of July 1, 2016 ("Effective Date"), by and between the CITY OF TORRANCE ("CITY"), a municipal corporation, and the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a water replenishment district formed under division 18 of the California Water Code ("CONTRACTOR")

RECITALS:

A. The CITY and the CONTRACTOR entered into a Contract Services Agreement on July 1, 2012, whereby the CONTRACTOR agreed to provide the City with fully treated potable water derived from the Goldsworthy Desalter Project located the City Services Facility.

B. The Agreement was for a two year period of fiscal 2012-13 and fiscal 2013-14 with an option, which was exercised, to extend the Agreement for two additional years through June 30, 2016.

C. Both the CITY and the CONTRACTOR desire to extend the term of the Agreement through June 30, 2017 maintaining the current terms, conditions and water pricing structure of the Agreement.

AGREEMENT:

1. Paragraph 2, entitled "TERM" is amended to read in its entirety as follows:

   2. TERM
   Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through June 30, 2017.

///

///

DUPLICATE ORIgINAL
2. In all respects the Agreement C2012-106 between the CITY and CONTRACTOR is ratified and reaffirmed as amended and remains in full force and effect.

CITY OF TORRANCE,
A municipal corporation

By: [Signature]
Patrick J. Fury, Mayor

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA
A Water Replenishment District formed Under division 18 of the California Water Code

By: [Signature]
Willard H. Murray, Jr., President
Board of Directors

ATTEST:

By: [Signature]
Rebecca Poirier, MMC, City Clerk

By: [Signature]
John D.S. Allen, Secretary
Board of Directors

APPROVED AS TO FORM
JOHN L. FELLOWS III
City Attorney

By: [Signature]

APPROVED AS TO FORM
Leal Trejo APC
Counsel to WRD

By: [Signature]
SECOND AMENDMENT TO CONTRACT SERVICES AGREEMENT
(C2012-106)

This Second Amendment to Agreement C2012-106 ("Second Amendment") is made and entered into as of July 1, 2017 ("Effective Date"), by and between the CITY OF TORRANCE ("CITY"), a Municipal Corporation, and the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a water replenishment district formed under Division 18 of the California Water Code ("CONTRACTOR").

RECITALS:

A. The CITY and the CONTRACTOR entered into Contract Services Agreement C2012-106 as of July 1, 2012 (the "Agreement"), whereby the CONTRACTOR agreed to provide the City with fully treated potable water derived from the Goldsworthy Desalter Project located the City Services Facility.

B. The Agreement was for a two year period, fiscal year 2012-13 and fiscal year 2013-14, with an option, which was exercised, to extend the Agreement for two additional years through June 30, 2016.

C. A First Amendment to the Agreement was made and entered into as of July 1, 2016 ("First Amendment"), extending the term of the Agreement for one additional year through June 30, 2017, maintaining the current terms, conditions and water pricing structure of the Agreement.

D. Both the CITY and the CONTRACTOR desire to extend the term of the Agreement through June 30, 2018, maintaining the current terms, conditions and water pricing structure of the Agreement.

AGREEMENT:

1. Paragraph 2, entitled "TERM" is amended to read in its entirety as follows:
   
   2. TERM
      Unless earlier terminated in accordance with Paragraph 4 below, this Agreement will continue in full force and effect from the Effective Date through June 30, 2018.
   
   ///
   
   00121338.docx
2. In all respects the Agreement is ratified and reaffirmed as amended and remains in full force and effect.

CITY OF TORRANCE, a municipal corporation

By: [Signature]

Patrick J. Purey, Mayor

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, A Water Replenishment District formed Under division 18 of the California Water Code

By: [Signature]

Robert Katherman, President Board of Directors

ATTEST:

By: [Signature]

Rebecca Poirier, MMC, City Clerk

By: [Signature]

Sérgio Calderon, Secretary Board of Directors

APPROVED AS TO FORM

JOHN L. FELLOWS III
City Attorney

By: [Signature]

APPROVED AS TO FORM

Leal Trejo APC
counsel to WRD

By: [Signature]

Francisco Leal
THIRD AMENDMENT TO CONTRACT SERVICES AGREEMENT
(C2012-106)

This Third Amendment to Agreement C2012-106 ("Third Amendment") is made and entered into as of July 1, 2018 ("Effective Date"), by and between the CITY OF TORRANCE ("CITY"), a Municipal Corporation, and the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a water replenishment district formed under Division 18 of the California Water Code ("CONTRACTOR").

RECITALS:

A. The CITY and the CONTRACTOR entered into a Contract Services Agreement C2012-106 ("Agreement") on July 1, 2012, whereby the CONTRACTOR agreed to provide the City with fully treated potable water derived from the Goldsworthy Desalter Project located at the City Services Facility.

B. The Agreement was for a two year period, fiscal year 2012-13 and fiscal year 2013-14, with an option, which was exercised, to extend the Agreement for two additional years through June 30, 2016.

C. On July 1, 2016, the First Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term of the Agreement for one additional year through June 30, 2017, maintaining the current terms, conditions and water pricing structure of the Agreement.

D. On July 1, 2017, the Second Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2018, maintaining the current terms, conditions and water pricing structure of the Agreement.

E. Both the CITY and the CONTRACTOR desire to extend the term of the Agreement through June 30, 2019, maintaining the current terms, conditions and water pricing structure of the Agreement.

AGREEMENT:

1. Paragraph 2, entitled "TERM" is amended to read in its entirety as follows:

   2. TERM
      Unless earlier terminated in accordance with Paragraph 4, this Agreement will continue in full force and effect from the Effective Date through June 30, 2019.
2. In all respects the Agreement between the CITY and CONTRACTOR is ratified and reaffirmed as amended and remains in full force and effect.

CITY OF TORRANCE, a municipal corporation

By: Patrick J. Furey, Mayor

WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA
A Water Replenishment District formed Under division 18 of the California Water Code

By: John D. Allen, President
Board of Directors

ATTEST:

By: Rebecca Poirier, MMC, City Clerk

By: Willard H. Murray, Secretary
Board of Directors

APPROVED AS TO FORM
PATRICK Q. SULLIVANI
City Attorney

By: Della Thompson-Bell
Deputy City Attorney

APPROVED AS TO FORM
Leal Trejo APC
Counsel to WRD

By: [Signature]
FOURTH AMENDMENT TO CONTRACT SERVICES AGREEMENT
(C2012-106)

This Fourth Amendment to Agreement C2012-106 ("Fourth Amendment") is made and entered into as of July 1, 2019 ("Effective Date"), by and between the CITY OF TORRANCE ("CITY"), a municipal corporation, and the WATER REPLENISHMENT DISTRICT OF SOUTHERN CALIFORNIA, a water replenishment district formed under Division 18 of the California Water Code ("CONTRACTOR").

RECITALS:

A. The CITY and the CONTRACTOR entered into a Contract Services Agreement C2012-106 ("Agreement") on July 1, 2012, whereby the CONTRACTOR agreed to provide the City with fully treated potable water derived from the Goldsworthy Desalter Project located at the City Services Facility.

B. The Agreement was for a two year period of fiscal 2012-13 and fiscal 2013-14 with an option, which was exercised, to extend the Agreement for two additional years through June 30, 2016.

C. On July 1, 2016, the First Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2017, maintaining the current terms, conditions and water pricing structure of the Agreement.

D. On July 1, 2017, the Second Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2018, maintaining the current terms, conditions and water pricing structure of the Agreement.

E. On July 1, 2018, the Third Amendment to the Agreement was made and entered by and between the CITY and the CONTRACTOR, extending the term for one additional year through June 30, 2019, maintaining the current terms, conditions and water pricing structure of the Agreement.

F. Both the CITY and the CONTRACTOR desire to extend the term of the Agreement through June 30, 2020, maintaining the current terms, conditions and water pricing structure of the Agreement.
AGREEMENT:

1. Paragraph 2, entitled "TERM" is amended to read in its entirety as follows:

   "2. TERM
   Unless earlier terminated in accordance with Paragraph 4, this
   Agreement will continue in full force and effect from the Effective Date through
   June 30, 2020."

2. In all respects the Agreement between the CITY and CONTRACTOR is ratified
   and reaffirmed as amended and remains in full force and effect.

CITY OF TORRANCE,
a municipal corporation

By: Patrick J. Furey, Mayor

WATER REPLENISHMENT DISTRICT
OF SOUTHERN CALIFORNIA
A Water Replenishment District formed
Under division 18 of the California Water Code

By: John D. Allen, President
    Board of Directors

ATTEST:

By: Stephanie Mills
    Rebecca Poirier, MMC, City Clerk

By: Willard H. Murray, Secretary
    Board of Directors

APPROVED AS TO FORM
Patrick Q. Sullivan
City Attorney

By: Della Thompson-Bell
    Deputy City Attorney

APPROVED AS TO FORM
Leal Trejo APC
Counsel to WRD

By: [Signature]