# REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS OF SAN BERNARDINO COUNTY AND RECORD OF ACTION

November 5, 2024

## FROM BEAHTA R. DAVIS, Director, Regional Parks Department

### **SUBJECT**

Agreement with Inland Empire Utilities Agency for the Provision of Recycled Water, Sewer, Operations and Maintenance Services at Prado Regional Park

### **RECOMMENDATION(S)**

Approve **Agreement No. 24-1043** with Inland Empire Utilities Agency, including non-standard terms, for the provision of recycled water, sewer, operations, and maintenance services at Prado Regional Park, from October 22, 2024, through October 20, 2027, for a not to exceed amount of \$400,000 annually.

(Presenter: Beahta R. Davis, Director, 387-2340)

### COUNTY AND CHIEF EXECUTIVE OFFICER GOALS & OBJECTIVES

Pursue County Goals and Objectives by Working with Other agencies and Stakeholders. Operate in a Fiscally-Responsible and Business-Like Manner. Provide for the Safety, Health, and Social Service Needs of County Residents.

#### FINANCIAL IMPACT

Approval of this item will not result in the use of Discretionary General Funding (Net County Cost). The Agreement with Inland Empire Utilities Agency (IEUA) will allow the Regional Parks Department (Department) to be billed for recycled water and sewer based on actual usage at current wholesale rates charged to regional agencies. IEUA and the County will share the operation and maintenance costs for the dechlorination facility for recycled water based on each party's use. The projected cost to the County under the new Agreement for 2024-25 is \$400,000.

The costs associated with water and sewer services will be paid from the Real Estate Services Department – Utilities Division budget and reimbursed by the Department's budget (6520001000). Sufficient appropriation is included in the 2024-25 budget and sufficient appropriation will be included in future recommended budgets.

#### **BACKGROUND INFORMATION**

The Department operates and maintains eight regional parks, including Prado Regional Park, located in Chino.

On November 11, 1976, the Board of Supervisors (Board) approved Contract No. 76-742 (Contract) with the Chino Basin Municipal Water District (CBMWD) for early water recycling efforts that corresponded with the County's development of Prado Regional Park. The Contract

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established obligations for use and discharge of recycled water by both entities and the rights of the County to use the diverted water. On July 1, 1998, the CBMWD changed its name to IEUA.

On October 21, 2014 (Item No. 44), the Board approved the termination of the Contract and approved Agreement No. 14-866 with IEUA for recycled water and sewer services for a period of ten years, commencing upon execution, and at rates equal to the wholesale rates charged by IEUA.

On November 1, 2023, IEUA entered into a Regional Sewage Service Contract with the City of Chino Hills, Cucamonga Valley Water District, and the City of Upland which guarantees said agencies in priority against all other recycled water purchase agreements, with the right of first purchase of recycled water. On December 20, 2023, IEUA adopted Ordinance No. 115 which increased who would be provided the first right of purchase and guarantees all other sewage collection agencies in IEUA's service area the right of first purchase of recycled water. Prado Regional Park is within these boundaries and a contract is required to purchase recycled water from IEAU to continue services.

The Department has historically expended between \$300,000 and \$400,000 for recycled water and sewage services through IEUA. This expense includes the cost sharing of operations and maintenance fees associated with the process. Cost sharing has remained the same from the beginning of the contract and will continue throughout its term. It is expected that at the end of the term of this contract that the Department will be required to find another source of water and sewage services. The Department in conjunction with Special Districts is working to find another source and will return to the Board for approval of a new contract.

The Agreement with IEUA contains terms that deviates from the standard County contract terms as follows:

- 1. The Agreement contains a mutual indemnification term so that each party agrees to defend and hold the other party harmless from claims arising from or connected with the party's activities under the Agreement
  - The County standard contract general indemnity provision requires the contractor to indemnify, defend, and hold the County harmless from third party claims arising out the acts, errors or omissions of any person.
  - <u>Potential Impact</u>: The County will also provide defense and indemnity to IEUA and the County could be financially responsible for the defense of the claim and any resulting judgment or settlement.
- 2. The Agreement contains a term that allows for either party to terminate the Agreement with 60 days' notice.
  - The County standard contract term allows the County the right to terminate the contract for convenience with 30 days' notice.
  - <u>Potential Impact</u>: Both parties have the ability to terminate the Agreement with 60 days' notice.

The Department recommends approval of the Agreement, including the non-standard terms, in order to provide necessary recycled water and sewage services at wholesale rates in order to maintain Prado Regional Park. Approval of a retroactive effective date is requested at this time due to this is the first meeting after receiving the executed contract from IEUA.

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PROCUREMENT

N/A

#### **REVIEW BY OTHERS**

This item has been reviewed by County Counsel (Suzanne Bryant, Deputy County Counsel, 387-5455) on October 8, 2024; Risk Management (Gregory Ustaszewski, Staff Analyst II, 386-9008) on September 30, 2024; Finance (Elias Duenas, Administrative Analyst, 387-4052) on October 9, 2024; and County Finance and Administration (Valerie Clay, Deputy Executive Officer, 387-5423) on October 9, 2024.

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Record of Action of the Board of Supervisors San Bernardino County

### APPROVED (CONSENT CALENDAR)

Moved: Joe Baca, Jr. Seconded: Curt Hagman Ayes: Col. Paul Cook (Ret.), Jesse Armendarez, Dawn Rowe, Curt Hagman, Joe Baca, Jr.

Lynna Monell, CLERK OF THE BOARD

In BY

DATED: November 5, 2024



- cc: Regional Parks Davis w/agree Contractor - c/o Regional Parks w/agree File - w/agree
- MBA 11/7/2024