



# SAN GABRIEL BASIN WATER QUALITY AUTHORITY

1720 W. Cameron Ave., Suite 100, West Covina, CA 91790 • 626-338-5555 • info@wqa.com • wqa.com

**WQA ADMINISTRATIVE/FINANCE COMMITTEE  
TO BE HELD ON WEDNESDAY, MARCH 11, 2026 AT 10:00 A.M.  
AT  
1720 W. CAMERON AVE., SUITE 100 IN WEST COVINA, CA**

**Zoom Registration Link:**

<https://us06web.zoom.us/j/6412042866?pwd=ceyJWbkVW6BsjqL55GVTzpzKD5wtiV.1>

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**AGENDA**

**Committee Members:** Lynda Noriega, Mark Paulson and Robert DiPrimio

**Liaison Member:** Dave Michalko

- I. Call to Order
- II. Remote Participation Declaration - AB 2449  
[Government Code Section 54953(f)]
  - a. Notification of Just Cause
  - b. Emergency Circumstances Requests
- III. Public Comment
- IV. Discussion Regarding Board of Directors Cost of Living Adjustment ("COLA")  
for Fiscal Year 2026-2027 [enc]
- V. Discussion Regarding Operation and Maintenance Task Order for Weaver  
Consultants Group [enc]
- VI. Discussion Regarding Monitoring Well MW5-18 License Agreement with  
Southern California Edison [enc]
- VII. Discussion Regarding Administrative Procedure No. 10 Professional Services  
Consultant Selection [enc]
- VIII. Discussion Regarding Draft Budget for Fiscal Year 26-27 [enc]
- IX. Discussion Regarding Fiscal Year 25-26 Administrative Budget Line-Item  
Transfers [enc]
- X. Executive Director's Report
- XI. Adjournment



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## AGENDA SUBMITTAL

**To:** WQA Administrative / Finance Committee  
**From:** Randy Schoellerman, Executive Director  
**Date:** March 11, 2026  
**Subject:** Board of Directors Cost-of-Living Adjustment (“COLA”) for Fiscal Year 2026-2027

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### **Summary**

Each year at this time the Board considers a cost-of-living (CPI) adjustment for the daily stipend per WQA procedures. Staff is recommending the Committee review the relevant cost of living indicators and applicable CA Water Code requirements when considering this option.

### **Discussion**

CPI increases to Board Member stipends need to comply with the requirements of WQA Procedure No. 23 and the CA Water Code. The attached CPI-U Table 4 indicates that the CPI for January 2026 is 3%.

If the Board elects to increase the compensation by 3%, the rate will increase by \$4.65 from \$154.95 to \$159.60.

### **Background**

WQA Procedure No. 23 provides that each Board Member receives a daily stipend for services rendered for WQA. Under subsection H of the procedure, the Board may increase the Daily Stipend by an amount equal to the lesser of 5% or the percentage increase in the annual Consumer Price Index for All Urban Consumers (“CPI-U”), Los Angeles-Long Beach-Anaheim area.

CA Water Code Section 20202: Increases to the amount of compensation may not exceed 5 percent for each calendar year following the operative date of the last adjustment of the compensation. The last increase to the daily stipend was effective 7/1/2025.

CA Water Code Section 20203: Requires that any ordinance to establish or increase the compensation rate for Board Members must be approved at a public hearing with prior published notice pursuant to Government Code Section 6066.

CA Water Code Section 20204: An ordinance adopted pursuant to Section 20201 shall only become effective after the passage of 60 days from the date of its final passage.

For any proposed increase, the Board needs to approve an ordinance at a noticed public hearing pursuant to the CA Water Sections noted above.

**Recommendation**

Discuss options for cost-of-living increase to Board compensation.

**Attachments**

*Excerpt from Consumer Price Index for January 2026 – Table 4*

*Excerpt from Administrative Procedures 23 –Part III, Section H “Increases to Daily Stipend”*



## Economic News Release

### Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index

**Table 4. Consumer Price Index for All Urban Consumers (CPI-U): Selected areas, all items index, January 2026**

[1982-84=100, unless otherwise noted]

Area	Pricing Schedule(1)	Percent change to Jan. 2026 from:			Percent change to Dec. 2025 from:		
		Jan. 2025	Nov. 2025	Dec. 2025	Dec. 2024	Oct. 2025	Nov. 2025
<b>U.S. city average</b>	M	2.4	0.3	0.4	2.7	-	0.0
<b>Region and area size(2)</b>							
<b>Northeast</b>	M	2.8	0.5	0.4	3.3	-	0.2
<b>Northeast - Size Class A</b>	M	2.7	0.5	0.2	3.3	-	0.3
<b>Northeast - Size Class B/C(3)</b>	M	2.8	0.6	0.5	3.2	-	0.1
<b>New England(4)</b>	M	1.8	0.4	0.5	2.5	-	-0.1
<b>Middle Atlantic(4)</b>	M	3.2	0.6	0.3	3.6	-	0.3
<b>Midwest</b>	M	2.4	0.3	0.4	2.7	-	-0.1
<b>Midwest - Size Class A</b>	M	1.7	0.0	0.4	2.1	-	-0.4
<b>Midwest - Size Class B/C(3)</b>	M	2.9	0.4	0.4	3.0	-	0.0
<b>East North Central(4)</b>	M	2.5	0.3	0.4	2.8	-	-0.1
<b>West North Central(4)</b>	M	2.3	0.2	0.4	2.4	-	-0.2
<b>South</b>	M	1.9	0.4	0.3	2.2	-	0.0
<b>South - Size Class A</b>	M	1.6	0.3	0.4	1.8	-	-0.1
<b>South - Size Class B/C(3)</b>	M	2.1	0.4	0.3	2.4	-	0.1
<b>South Atlantic(4)</b>	M	2.2	0.5	0.4	2.3	-	0.1
<b>East South Central(4)</b>	M	2.7	0.6	0.3	2.9	-	0.3
<b>West South Central(4)</b>	M	0.8	0.0	0.3	1.5	-	-0.3
<b>West</b>	M	2.7	0.2	0.4	2.9	-	-0.2
<b>West - Size Class A</b>	M	2.8	0.4	0.5	3.0	-	0.0
<b>West - Size Class B/C(3)</b>	M	2.6	0.0	0.3	2.8	-	-0.3
<b>Mountain(4)</b>	M	2.4	-0.1	0.2	2.4	-	-0.3
<b>Pacific(4)</b>	M	2.9	0.4	0.5	3.1	-	-0.1
<b>Size classes</b>							
<b>Size Class A(5)</b>	M	2.3	0.3	0.4	2.6	-	0.0
<b>Size Class B/C(3)</b>	M	2.5	0.4	0.4	2.8	-	0.0
<b>Selected local areas</b>							
<b>Chicago-Naperville-Elgin, IL-IN-WI</b>	M	1.3	0.1	0.4	2.2	-	-0.2

#### Footnotes

(1) Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

(2) Regions defined as the four Census regions.

(3) Indexes on a December 1996=100 base.

(4) Indexes on a December 2017=100 base.

(5) Indexes on a December 1986=100 base.

(6) 1998 - 2017 indexes based on substantially smaller sample.

(7) Indexes on a December 2001=100 base.

(8) Indexes on a 1987=100 base.

NOTE: Local area indexes are byproducts of the national CPI program. Each local index has a smaller sample size than the national index and is, therefore, subject to substantially more sampling and other measurement error. As a result, local area indexes show greater volatility than the national index, although their long-term trends are similar. Therefore, the Bureau of Labor Statistics strongly urges users to consider adopting the national average CPI for use in their escalator clauses.

NOTE: The Oct 2025 data values are not available due to the 2025 lapse in appropriations.

Area	Pricing Schedule(1)	Percent change to Jan. 2026 from:			Percent change to Dec. 2025 from:		
		Jan. 2025	Nov. 2025	Dec. 2025	Dec. 2024	Oct. 2025	Nov. 2025
Los Angeles-Long Beach-Anaheim, CA	M	3.0	0.6	0.9	3.0	-	-0.3
New York-Newark-Jersey City, NY-NJ-PA	M	2.9	0.7	0.3	3.4	-	0.4
Atlanta-Sandy Springs-Roswell, GA	2	-	-	-	0.9	-	-
Baltimore-Columbia-Towson, MD(6)	2	-	-	-	3.4	-	-
Detroit-Warren-Dearborn, MI	2	-	-	-	2.1	-	-
Houston-The Woodlands-Sugar Land, TX	2	-	-	-	1.6	-	-
Miami-Fort Lauderdale-West Palm Beach, FL	2	-	-	-	2.6	-	-
Philadelphia-Camden-Wilmington, PA-NJ-DE-MD	2	-	-	-	3.9	-	-
Phoenix-Mesa-Scottsdale, AZ(7)	2	-	-	-	2.2	-	-
San Francisco-Oakland-Hayward, CA	2	-	-	-	3.0	-	-
Seattle-Tacoma-Bellevue, WA	2	-	-	-	3.1	-	-
St. Louis, MO-IL	2	-	-	-	2.0	-	-
Urban Alaska	2	-	-	-	1.9	-	-
Boston-Cambridge-Newton, MA-NH	1	1.4	0.1	-	-	-	-
Dallas-Fort Worth-Arlington, TX	1	-0.3	0.3	-	-	-	-
Denver-Aurora-Lakewood, CO	1	2.6	0.6	-	-	-	-
Minneapolis-St.Paul-Bloomington, MN-WI	1	1.8	0.8	-	-	-	-
Riverside-San Bernardino-Ontario, CA(4)	1	3.2	0.5	-	-	-	-
San Diego-Carlsbad, CA	1	2.6	0.2	-	-	-	-
Tampa-St. Petersburg-Clearwater, FL(8)	1	2.3	0.5	-	-	-	-
Urban Hawaii	1	2.4	1.1	-	-	-	-
Washington-Arlington-Alexandria, DC-VA-MD-WV(6)	1	2.7	0.8	-	-	-	-

**Footnotes**

(1) Foods, fuels, and several other items are priced every month in all areas. Most other goods and services are priced as indicated: M - Every month. 1 - January, March, May, July, September, and November. 2 - February, April, June, August, October, and December.

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**Last Modified Date:** February 13, 2026

U.S. BUREAU OF LABOR STATISTICS Consumer Price Index Office of Prices and Living Conditions Suitland Federal Center Floor 7 4600 Silver Hill Road Washington, DC 20212-0002

Telephone: 202-691-7000 [www.bls.gov/CPI](http://www.bls.gov/CPI) [Contact CPI](#)

EXCERPT FROM PROCEDURE 23, PART III, SECTION H  
- Increase to the Daily Stipend -

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G. Limit on Receipt of Daily Stipend.

1. Consistent with Section 134-512 of the Water Code Appendix and Section 20202 of the Water Code, in no event may a Board Member receive the Daily Stipend for actual attendance at any number of Board meetings, standing advisory committee meetings, ad hoc advisory committee meetings or Activities referenced under subsections A through E, above, that exceed six (6) in a given calendar month.

2. If a Board Member attends two or more Authority Board meetings, standing advisory committee meetings, ad hoc advisory committee meetings, Activities or combination thereof on the same day, he or she may not receive the Daily Stipend for attending each such event but instead shall receive the Daily Stipend for that day as if he or she only attended one such event.

3. If a Board Member who sits on the Board as the representative of another public agency receives a stipend or other similar compensation from the public agency he/she represents for attendance at any sort of Board meeting, committee meeting or Activity, then such Board Member shall not receive the Daily Stipend from the Authority for attending any such Board meeting, committee meeting or Activity, however if the amount of the daily stipend or daily compensation received by the Board Member from the other public agency is less than the amount of the Daily Stipend, the Board Member may receive the difference between the Authority's Daily Stipend and the other public agencies daily stipend or daily compensation amount. Receipt of this partial amount of the Daily Stipend will, however, count toward the monthly cap referenced under subsection (G)(1) of this subsection, above. A request to receive partial payment of the Daily Stipend pursuant to the preceding sentence shall be included with the Board Member's submission of his/her Authority Expense Sheet.

H. Increases to the Daily Stipend. Subject to the procedures and restrictions set forth under Water Code Sections 20200 through 20204\* and Water Code Section 71255 as the same may be amended from time to time, the Board, no more than once each fiscal year, may take action to increase the Daily Stipend by an amount equal to the lesser of the following:

- (i) the annual percentage change in the January Consumer Price Index (CPI) for the Los-Angeles-Long Beach-Anaheim CA area, Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U); or
- (ii) five percent (5%) for each calendar year following the operative date of the last adjustment.

Such increases shall not take effect until the later of the following: (i) July 1<sup>st</sup> of the fiscal year immediately following the fiscal year in which the increase is finally adopted by the Board; or (ii) 60 calendar days from the date the increase is finally adopted by the Board. The foregoing notwithstanding and pursuant to Water Code Appendix Section 134-512, in no event may the amount of the Daily Stipend exceed the amount set for members of the governing boards of municipal water districts as the amount may be calculated pursuant to Water Code Sections 20202 and 71255. If during any given fiscal year the Board fails to approve an otherwise allowable increase to the Daily Stipend for that fiscal

year, the dollar amount of an increase that would have been allowed may not be included as part of any future increase the Board may avail itself in any subsequent fiscal year.

\*Water Code Section 20203 provides that no ordinance to increase compensation shall be adopted except following a public hearing. Notice of the public hearing shall be published in a newspaper of general circulation pursuant to Government Code Section 6066. Government Code Section 6066 provides that publication pursuant to its provisions shall be once a week for two successive weeks. Government Code Section 6066 also states that two publications in a newspaper published once a week or more often, with at least 5 days intervening between the respective publication dates not counting such publication dates, are sufficient. The period of notice commences upon the first day of publication and terminates at the end of the 14<sup>th</sup> day, including therein the first day.

#### IV. Reimbursement

A. The reimbursement procedures set forth under this Section IV only apply to a Board Member's attendance and participation at an event, function or other occurrence that is defined as an Activity, above, or which is otherwise expressly provided for under this Section. Reimbursement as contemplated under this Section IV, shall not be afforded incident to a Board Member's attendance at, or participation in, any meeting referenced under subsections A through C of Section III (Compensation – Daily Stipend), above. The foregoing notwithstanding, reimbursement authorized per subsection B.3 of this Section below may be given incident to attendance at meetings referenced under subsections A through C of Section III, above.

B. Expense reimbursement, subject to the limitations set forth below, shall include the following:

1. Registration Fees, or other similar charges for attendance at any Activity defined under Section III, above.
2. Travel/Transportation Fees (coach air fares, taxi, car rental, shuttle)
3. Mileage for the use of the Board member's own vehicle (to and from Board meetings, committee meetings, or any pre-approved seminar etc.) Mileage reimbursement shall be given when personal vehicles are used for Authority business. The Authority reimbursement rate for mileage by use of a Board member's own vehicle shall be calculated on the basis of total miles driven for Authority purposes at the rate specified in the Internal Revenue Code in effect at the time of the vehicle usage.
4. Parking Fees
5. Room accommodations (excluding: Laundry service & personal entertainment)
6. Meals (excluding alcoholic beverages)
7. Telephone Charges (telephone calls or teleconference calls relating to Authority business only)

C. Board members shall be reimbursed for actual and necessary expenses incurred or necessary to incur in order to attend Activities, not to exceed:

1. Registration Fees: The Authority reimbursement rate for registration or other



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### AGENDA SUBMITTAL

**To:** WQA Administrative / Finance Committee  
**From:** Randy Schoellerman, Executive Director  
**Date:** March 11, 2026  
**Subject:** **Operation and Maintenance Task Order for Weaver Consultants Group.**

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#### **Summary**

Weaver Consultants Group (Weaver), formally Avocet Environmental, Inc., has been operating and maintaining WQA's Whitmore Street Groundwater Remediation Facility (WSGRF) for the past 18 years and the current Task Order authorization concluded June 30, 2025.

#### **Background**

The WQA's WSGRF project is an orphan site located within the South El Monte Operable Unit with no identified responsible party to cleanup it up. The site is contaminated with 1,4-Dioxane, Trichloroethene and other volatile organic compounds. The cleanup project was constructed by Avocet with a \$1.42M grant from the State Water Resources Control Board. A subsequent grant of \$995,646 was awarded in 2012 to continue its operation through September 2018. Since that time grant funding from Proposition 68 has reimbursed WQA for those costs and provide additional funding for operations.

#### **Discussion**

Weaver's operation and maintenance duties include monthly well sampling, groundwater level measurements, laboratory analyses, quarterly National Pollution Discharge Elimination System (NPDES) permit reports and compliance monitoring, and general repair and system maintenance. The work is billed on a time and materials basis per Weaver's standard rates. Over the last ten years Weaver's portion of the WSGRF costs, that include laboratory expenses, has averaged approximately \$125,000 per year. The remainder of the operating costs, including utilities, peroxide, NPDES permit fees, site access fees and UV lamp replacement, averaged approximately \$45,000 per year and are paid directly by WQA and not included in Weaver's task order.

#### **Recommendation**

Approve a Task Order with Weaver Consultants Group for two years of treatment and remediation costs associated with the Whitmore Street Groundwater Remediation Facility.



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## AGENDA SUBMITTAL

**To:** WQA Administrative / Finance Committee  
**From:** Randy Schoellerman, Executive Director  
**Date:** March 11, 2026  
**Subject:** Monitoring Well MW5-18 License Agreement with Southern California Edison

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### **Summary**

Staff is recommending a five-year renewal of a site access license agreement with Southern California Edison (Edison) for Baldwin Park Operable Unit (BPOU) monitoring well MW5-18.

### **Discussion**

In the 1990's WQA managed the construction of several monitoring wells in the BPOU. WQA also executed long term site access agreements with the different entities that owned the property the wells were constructed on. Over the past few years there has been an effort to consolidate all of the BPOU monitoring well license agreements with WQA.

Monitoring well MW5-18 was constructed on a vacant portion of Edison's Dalton Substation property in the City of Irwindale. The current 5-year agreement is set to expire March 31, 2026 and Edison has offered another 5-year renewal (their maximum length) through March 31, 2031. The total fee is \$4,971.54. The agreement requires that WQA continue a \$15,000 performance bond for the restoration of the site should the agreement be terminated. The costs of this agreement are reimbursable to WQA under the BPOU Project Agreement.

### **Recommendation / Proposed Action**

Approve Monitoring Well MW5-18 License Agreement with Southern California Edison.

*Attachment: Draft Monitoring Well License Agreement with Southern California Edison*

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

L I C E N S E   A G R E E M E N T  
I N D E X   O F   A R T I C L E S

- 1. USE
- 2. TERM
- 3. CONSIDERATION
- 4. INSURANCE - **MODIFIED**
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- 9. ACCESS AND CLEARANCES
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- 32. LIMITATION OF LIABILITY
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- 35. AUTHORITY

Initial (\_\_\_\_)/(\_\_\_\_/\_\_\_\_)  
Licensor/Licensee

36. ELECTRIC AND MAGNETIC FIELDS

37. INDUCED VOLTAGES

38. NOTICES

39. RECORDING

40. COMPLETE AGREEMENT

41. SIGNATURE AUTHORITY

42. SURVIVAL

APPENDIX: GUIDELINES FOR STANDARD LICENSEE IMPROVEMENTS

ADDENDUM(S)

MONITORING WELLS

Initial (\_\_\_\_)/(\_\_\_\_/\_\_\_\_)  
Licensor/Licensee

LICENSE AGREEMENT

THIS AGREEMENT between SOUTHERN CALIFORNIA EDISON COMPANY, a corporation organized under the laws of the State of California, called "Licensor", and SAN GABRIEL BASIN WATER QUALITY AUTHORITY, called "Licensee";

WITNESSETH: That Licensor, for and in consideration of the faithful performance by Licensee of the terms, covenants and agreements hereinafter set forth to be kept and performed by Licensee, does hereby give to Licensee the license to use that certain real property solely for the purpose hereinafter specified, upon and subject to the terms, reservations, covenants and conditions hereinafter set forth, hereinafter designated as "Property" on the Exhibit "A" attached hereto and made a part hereof, being a portion of Assessor's Parcel Number 8619-019-800, situated in the City of Irwindale, County of Los Angeles, State of California, subject to any and all covenants, restrictions, reservations, exceptions, rights and easements, whether or not of record.

**Acknowledgment of License and Disclaimer of Tenancy**

Licensee acknowledges and agrees that the License constitutes a limited, revocable, non-possessory, personal, and non-assignable privilege to use the Property solely for those permitted uses and activities expressly identified in the Agreement (the "License Privilege"). Licensee further acknowledges and agrees that:

- The consideration paid by Licensee pursuant to Article 3 of the Agreement is consistent with the value of the rights comprising the License Privilege; the consideration is *not* consistent with the higher market value for a greater right, privilege, or interest (such as a lease) in the Property or similarly situated parcels.
- Licensee is not a tenant or lessee of Licensor and holds no rights of tenancy or leasehold in relation to the Property.
- The Agreement and/or any prior and/or future acts or omissions of Licensor shall not create (or be construed as creating) a leasehold, tenancy, or any other interest in the Property.
- Licensor may terminate the License and revoke the License Privilege at any time, subject, if applicable, to a notice period agreed upon by the parties, as more particularly set forth in the Agreement.
- In consideration of Licensor's grant of the License, Licensee specifically and expressly waives, releases, and relinquishes any and all right(s) to assert any claim of right, privilege, or interest in the Property other than the License.
- Licensee further acknowledges and agrees that without the representations and agreements set forth herein, Licensor would not enter into the Agreement.

Initial (\_\_\_\_)/(\_\_\_\_/\_\_\_\_)  
Licensor/Licensee

1. Use: Licensee will use the Property for monitoring well purposes only. Licensors makes no representation, covenant, warranty or promise that the Property, and any fixtures thereon, are fit or suitable for any particular use, including the use for which this Agreement is made, and Licensee is not relying on any such representation, covenant, warranty, or promise. Licensee's use of the property for any other purpose and/or failure to utilize the Property in accordance with this License as determined by the Licensor in its sole discretion will be deemed a material default and grounds for immediate termination of this Agreement in accordance with Articles 28 and/or 30.

2. Term: Unless otherwise terminated as provided herein, this Agreement will be in effect for a term of five (5) years commencing on the first day of April, 2026 and ending on the last day of March, 2031. Licensee acknowledges that this Agreement does not entitle Licensee to any subsequent agreement, for any reason whatsoever, regardless of the use Licensee makes of the Property, the improvements Licensee places on or makes to the Property, or for any other reason.

3. Consideration: Licensee will pay to Licensor the sum of Four Thousand Nine Hundred Seventy-One and 54/100 Dollars (\$4,971.54) upon the execution and delivery of this Agreement for the full term of this Agreement. Payment to Licensor must be in the form of a check or money order payable to Southern California Edison Company. No cash payments will be accepted by Licensor.

All accounts not paid by the agreed upon due date may be subject to a late fee of up to 20% of the amount that was due on the date.

All payments subsequent to the initial payment will be paid to the Southern California Edison Company, Post Office Box 800 Rosemead, California, 91770, and Attention: Corporate Accounting Department – Accounts Receivable.

4. Insurance: **(MODIFIED)** During the term of this Agreement, Licensee shall maintain the following insurance:

- (a) Workers' Compensation with statutory limits, under the laws of the State of California and Employer's Liability with limits of not less than \$1,000,000.00 each accident, disease/each employee, and disease/policy limit. Licensee shall require its insurer to waive all rights of subrogation against Licensor, its officers, agents, and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.
- (b) Commercial General Liability Insurance, including contractual liability and products liability, with limits not less than \$1,000,000.00 per occurrence and \$1,000,000.00 in the aggregate. Such insurance shall: (i) name Licensor, its officers, agents and employees as additional insureds, but only for Licensee's negligent acts or omissions; (ii) be primary for all purposes and (iii) contain separation of insureds or cross-liability clause, and (iv) require its insurer to waive all rights of subrogation against Licensor, its officers, agents and employees, except for any liability resulting from the willful or grossly negligent acts of the Licensor.
- (c) Commercial Automobile Liability insurance with a combined single limit of \$1,000,000.00. Such insurance shall cover the use of owned, non-owned and hired vehicles on the Property.

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Licensor/Licensee

(d) As applicable to the activities under this agreement, Licensee, and as applicable its subcontractors, will maintain either Environment Pollution Liability Insurance or Contractor Pollution Liability Insurance, or other similar so-called insurance policy as used by the insurance industry, providing coverage for (i) bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death;(ii) property damage on, under or migrating from Licensor's property, and including physical injury to or destruction of tangible property that has not been physically injured or destroyed, (iii) defense, including costs and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damage, and for losses caused by pollution conditions that arise from operations of San Gabriel Basin Water Quality. Such insurance shall cover both sudden and non-sudden events, including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, which results in clean-up costs, bodily injury, and property damage. The insurance shall be maintained with limits of no event less than five million dollars (\$5,000,000) per occurrence or per claim and five million dollars (\$5,000,000) in the annual aggregate. Such insurance shall name Licensor, its officers, agents and employees as additional insureds. Such insurance shall apply separately to each insured against whom a claim is made or brought, except with respect to the limits of insurance. If the coverage is on a claims-made basis, Licensor shall continue to maintain such coverage for a period of at least five (5) years after termination of this License.

(e) Bond

(a) Prior to Licensee or Licensee's contractors or agents entering onto the Property pursuant to Section 5 of this Agreement, Licensee shall deliver to Licensor a payment and performance bond substantially in the form attached hereto as Exhibit "B", acceptable to Licensor and issued by an approved surety acceptable to Licensor in its reasonable discretion. Licensee shall maintain the bond in an amount equal to \$15,000 for 1 well installed. ("Bond Amount"), until Licensor notifies Licensee in writing that Licensee has acceptably completed all of its obligations under this Agreement and Licensee can terminate the bond. The surety must be a company that (A) is listed on the United States Department of Treasury's most recent and effective listing of Approved Sureties (as listed in Circular 570 or its successor); and (B) is an admitted surety insurer authorized to transact the business of surety in the State of California; and (C) has an A.M. Bests Insurance Rating of not less than A: and (D) is a writer of bonds of value not greater than surety's underwriting limitation, as set forth in Circular 570 or its successor.

(b) If all terms of this agreement are not faithfully and fully performed by Licensee, the bond filed with Licensor will be forfeited to the amount of damages determined by Licensor. If damages exceed the amount of the bond, Licensee hereby acknowledges Liability for such excess.

The failure to maintain such insurance may be deemed by Licensor a material default of this Agreement and grounds for immediate termination pursuant to Articles 28 and/or 30. Licensee shall provide Licensor with proof of such insurance by submission of certificates of insurance, pursuant to Article 38

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“Notices”, at least ten days prior to the effective date of this Agreement, and thereafter at least ten days prior to each insurance renewal date. Licensee must provide Licensor at least thirty (30) days notice before any such insurance will be canceled, allowed to expire, or materially reduced. However, in the event insurance is canceled for the non-payment of a premium, Licensee must provide to Licensor at least ten (10) days’ prior written notice before the effective date of cancellation. The required insurance policies shall be maintained with insurers reasonably satisfactory to Licensor and shall be primary and non-contributory with any insurance or self-insurance maintained by Licensor.

5. Licensor's Use of the Property: Licensee agrees that Licensor, its successors and assigns, have the right to enter the Property, at all times, for any purpose, and the right to conduct any activity on the Property. Exercise of these rights by Licensor, its successors and assigns, will not result in compensation to Licensee for any damages whatsoever to personal property, structures, and/or crops located on the Property, nor shall Licensee be entitled to any compensation for any loss of use of the Property or a portion thereof, and/or any related damages, as a result of Licensor’s activities under this Article.

6. Licensee's Improvements: Licensee must submit, for Licensor's prior written approval, complete improvement plans, including, but not limited to, grading, lighting, landscaping, grounding, and irrigation plans, - identifying all existing and proposed improvements, a minimum of sixty (60) days prior to making any use of the Property. Licensee’s conceptual plans for proposed improvements shall be developed in accordance with the guidelines contained in the Appendix to this License. It is understood and agreed that the general guidelines contained in the Appendix are intended to provide a framework for the development of conceptual plans only; and that Licensor may modify or add to the conditions contained in the Appendix hereto, based on individual site characteristics, Licensor’s existing or potential operating needs or Licensee’s proposed use(s). Licensee must submit, for Licensor's prior written approval plans for any modifications to such improvements. Written approval may be modified and/or rescinded by Licensor for any reason whatsoever.

To the extent Licensor reviews and/or approves any improvement plans, Licensor is doing so only for purposes of determining whether said improvements are compatible with Licensor’s use of the Property. Under no circumstances shall such review and/or approval be construed as a warranty, representation, or promise that the Property is fit for the proposed improvements, or that said improvements comply with any applicable city, state, or county building requirements, other legal requirements, or the generally accepted standard of care.

At any time, Licensor may require Licensee to modify and/or remove any or all such previously approved improvements at Licensee’s risk and expense and without compensation from Licensor. Licensor is not required, at any time, to make any repairs, improvements, alterations, changes, or additions of any nature whatsoever to the Property and/or any fixtures thereon. Licensee expressly acknowledges that any expenditures or improvements will in no way alter Licensor’s right to terminate in accordance with Articles 28, and/or 30.

7. Licensee's Personal Property: (i) Licensor grants Licensee permission to place Licensee’s personal property on the Property consistent with the use identified in Article 1 and other terms of this Agreement. Such permission granted by Licensor shall be revoked upon the earlier of the termination or expiration of this Agreement. All equipment and other property brought, placed, or erected on the Property by Licensee shall be and remain the property of Licensee, except as otherwise set forth herein. Licensee shall be responsible for any damage to the Property and/or Licensor’s personal property arising

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out of Licensee’s activities on the Property, including its use and/or removal of Licensee’s personal property. Licensee further acknowledges and agrees that Licensor is not responsible for Licensee’s personal property during the effectiveness of this Agreement, or upon termination or expiration. Licensor further assumes no duty or obligation to maintain or secure Licensee’s personal property at any time.

(ii) Unless as specifically provided for in an Addendum to this Agreement, Licensee shall not store on the Property, for a period longer than twenty-four (24) consecutive hours, any personal property owned by a non-party to this Agreement.

Licensee will defend and indemnify Licensor, its directors, officers, agents, subcontractors, and employees, and its successors and assigns, from any and all claims, loss, damage, actions, causes of action, expenses and/or liability arising from the storage of, damage to, and/or loss of use of such non-party’s personal property.

8. Height Limitations and Vertical Clearances: Any equipment used by Licensee or its agents, employees or contractors, on and/or adjacent to the Property, will be used and operated so as to maintain minimum clearances from all overhead electrical conductors as designated in the table below:

<b>Vehicle/ Equipment Vertical Clearance</b>	
500 kV	35 feet
220 kV – 66kV	30 feet
<66kV (Distribution facilities)	25 feet
Telecom	18 feet

All trees and plants on the Property will be maintained by Licensee at a maximum height of fifteen (15) feet. If requested by Licensor, Licensee will remove or relocate at Licensee’s expense, any tree and/or other planting.

9. Access and Horizontal Clearances: Licensee will provide Licensor with adequate access to all of Licensor’s facilities on the Property and at no time will there be any interference with the free movement of Licensor’s equipment, personnel, and materials over the Property. Licensor may require Licensee to provide and maintain access roads within the Property, at a minimum usable width of sixteen (16) feet, with commercial driveway aprons and curb depressions capable of supporting a gross load of forty (40) tons on a three-axle vehicle. The minimum width of all roads shall be increased on curves by a distance equal to 400/inside radius of curvature. All curves shall have a radius of not less than 50 feet measured at the inside edge of the usable road surface. Unless otherwise specified in writing by Licensor, Licensee will make no use of the area directly underneath Licensor’s towers and will maintain the following minimum clearances:

- a. A 50-foot-radius around suspension tower legs, H-Frames, and poles and 100-foot radius around dead-end tower legs, H-Frames, and poles.
- b. A 25-foot-radius around all other poles.

NOTE: Additional clearance may be required by Licensor for structures.

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10. Parking: Licensee will not park, store, repair or refuel any motor vehicles or allow parking, storage, repairing or refueling of any motor vehicles on the Property unless specifically approved in a writing executed by Licensor.

11. Weeds, Brush, Rubbish and Debris (Weed Abatement): Licensee will keep the Property clean, free from weeds, brush, rubbish, and debris and in a condition satisfactory to Licensor.

12. Flammables, Waste and Nuisances: Unless permitted by Licensor in writing, Licensee will not, or allow others, to place, use, or store any flammable or combustible materials or waste materials on the Property or commit any waste or damage to the Property or allow any to be done. Licensee will be responsible for the control of and will be liable for any damage or disturbance, caused by any trespasser, dust, odor, flammable or waste materials, noise, or other nuisance disturbances. Licensee will not permit dogs on the Property.

13. Pesticides and Herbicides: Any pesticide or herbicide applications and disposals will be made in accordance with all Federal, State, County, and local laws. Licensee will dispose of all pesticides, herbicides and any other toxic substances declared to be either a health or environmental hazard, and all materials contaminated by such substances, including but not limited to, containers, clothing, and equipment, in the manner prescribed by law.

14. Hazardous Material and Waste: Licensee will not engage in, or permit any other party to engage in, any activity on the Property that violates federal, state, or local laws, rules or regulations pertaining to the use, management, storage, or disposal of waste, including, but not limited to hazardous, toxic, or infectious materials. Unless permitted by Licensor in writing, Licensee will not, or allow others to, place, use, or store any hazardous, toxic, or infectious materials and/or waste on the Property. Licensee will indemnify and hold Licensor, its directors, officers, agents and employees, and its successors and assigns, harmless from all claims, loss, damage, actions, causes of action, expenses and/or liability arising from leaks of, spills of, and/or contamination by or from hazardous materials as defined by applicable laws or regulations, which may occur during and after the Agreement term, and are attributable to the actions of, or failure to act by, Licensee or any person claiming under Licensee.

15. Signs: Licensee must obtain written approval from Licensor prior to the construction or placement of any sign, signboard, or other form of outdoor advertising. Licensee shall within three (3) days from the date on which the Licensee learns of the graffiti remove any signs containing graffiti or shall otherwise remove such graffiti from the signs in a manner reasonably acceptable to Licensor. Notwithstanding any other language in this Article, Licensee shall not advertise on any sign any product, service, or good which is (i) not directly related to Licensee’s use of the Property, (ii) offensive to the public, or (iii) which Licensor, in its reasonable discretion, deems objectionable.

16. Fencing and Existing Fixtures: Licensor disclaims any and all express or implied warranties for any fencing and/or other fixtures affixed to the Property and further disclaims any liability arising from any disrepair of the same. Licensee may install fencing on the Property with prior written approval from Licensor. Such fencing will include double drive gates, in locations specified by Licensor, a minimum of twenty (20) feet in width and designed to accommodate separate Licensor and Licensee locks. Licensee will maintain and repair all fencing and other fixtures affixed to the Property, including any grounding of the same as deemed necessary by Licensor, in a manner acceptable to Licensor. Grounding plans must be prepared and stamped by a licensed electrical engineer and submitted to Licensor.

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17. Parkways and Landscaping: Licensee will keep parkway and sidewalk areas adjacent to the Property free of weeds, brush, rubbish, and debris. Licensee will maintain parkways on the Property and provide landscaping that is compatible with adjoining properties and that is satisfactory to Licensor.

18. Irrigation Equipment: Any irrigation equipment located on the Property prior to the commencement of this Agreement, including but not limited to pipelines, well pumping equipment, and other structures, is the property of Licensor and will remain on and be surrendered with the Property upon termination of this Agreement. Should Licensee desire to use the irrigation equipment, Licensee will maintain, operate, repair, and replace, if necessary, all irrigation equipment at its own expense.

19. Underground and Above-Ground Tanks: Licensee will not install underground or above-ground storage tanks, as defined by any and all applicable laws or regulations, without Licensor's prior written approval in accordance with Article 6.

20. Underground Facilities: Any underground facilities must be approved by Licensor pursuant to Article 6. Licensee must contact Dig Alert and comply with the applicable processes, policies and/or procedures of Dig Alert, prior to any underground installation. Any underground facilities installed or maintained by Licensee on the Property must have a minimum cover of three feet from the top of the facility and be capable of withstanding a gross load of forty (40) tons on a three-axle vehicle. Licensee will compact any earth excavated to a compaction of ninety percent (90%). Licensee will relocate its facilities at its own expense so as not to interfere with Licensor's proposed facilities.

21. Utilities: Licensee will pay all charges and assessments for, or in connection with, water, electric current or other utilities which may be furnished to or used on the Property.

22. Taxes, Assessments and Liens: Licensee will pay all taxes and assessments which may be levied upon any crops, personal property, and improvements, including but not limited to, buildings, structures, and fixtures on the Property. Licensee will keep the Property free from all liens, including but not limited to, mechanics liens and encumbrances by use or occupancy by Licensee, or any person claiming under Licensee. If Licensee fails to pay the above-mentioned taxes, assessments, or liens when due, Licensor may pay the same and charge the amount to the Licensee. All accounts not paid within thirty (30) days of the agreed upon due date will be charged a "late fee" on all amounts outstanding up to the maximum rate allowed by law.

23. Expense: Licensee will perform and pay all obligations of Licensee under this Agreement. All matters or things required by Licensee will be performed and paid for at the sole cost and expense of Licensee, without obligation by Licensor to make payment or incur cost or expense for any such matters or things.

24. Assignments: This Agreement is personal to Licensee, and Licensee will not assign, transfer, or sell this Agreement or any privilege hereunder in whole or in part, and any attempt to do so will be void and confer no right on any third party.

25. Compliance with Laws and Regulations: Licensee will comply with all applicable federal, state, county and local laws, all covenants, conditions and restrictions of record and all applicable ordinances, zoning restrictions, rules, regulations, orders, and any requirements of any duly constituted public authorities now or hereafter in any manner affecting the Property or the streets and ways adjacent

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thereto. Licensee will obtain all permits and other governmental approvals required in connection with Licensee's activities hereunder. Licensee shall also comply with the requirements of every addendum attached hereto. Licensee shall hold harmless, defend, and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or resulting from any violation of this provision.

26. Governing Law: The existence, validity, construction, operation, and effect of this Agreement and all of its terms and provisions will be determined in accordance with the laws of the State of California.

27. Indemnification; Assumption of Risk; Release: Licensee shall hold harmless, defend and indemnify Licensor, its officers, agents and employees, and its successors and assigns, from and against all claims, loss, damage, actions, causes of actions, expense and/or liability arising from or growing out of loss or damage to property, including that of Licensor, or injury to or death of persons, including employees of Licensor resulting in any manner whatsoever, directly or indirectly, by reason of this Agreement or the use or occupancy of the Property by Licensee or any person claiming under Licensee. Licensee agrees to assume all risk of loss by fire, flood, earthquake, theft, accident, or casualty of any kind, which may affect the Property, any improvements constructed or installed thereon by Licensee, Licensee's use of the Property, or exercise of the rights granted herein. Licensee releases and waives all claims against Licensor and each of the indemnified parties for loss or damage caused by, arising out of, or in any way connected with Licensor's or Licensee's use of the Property or the exercise of the rights granted herein.

28. Termination: Licensor or Licensee may terminate this Agreement, at any time, for any reason, upon thirty (30) days notice in writing. Additionally, Licensor may immediately terminate this Agreement pursuant to Article 30. Termination does not release Licensee from any liability or obligation (indemnity or otherwise) which Licensee may have incurred. Upon termination, Licensor may immediately recover from Licensee all amounts due and owing hereunder, plus interest at the maximum rate permitted by law on such amounts until paid, as well as any other amount necessary to compensate Licensor for all the detriment proximately caused by Licensee's failure to perform its obligations under this Agreement. Licensee's continued presence after termination shall be deemed a trespass. In the event of a termination for any reason other than non-payment of the License fee, Licensor shall refund any previously collected/pre-paid License fees covering the unused portion of the remaining term, to the extent such fees exceed any offset claimed by Licensor under the Agreement

29. Events of Default: In addition to material defaults otherwise described herein, the occurrence of any of the following shall constitute a material default and breach of this Agreement by Licensee:

- (a) Any failure by Licensee to pay the consideration due under Article 3, or to make any other payment required to be made by Licensee when due.
- (b) The abandonment or vacating of the Property by Licensee.
- (c) Any attempted assignment or subletting of this Agreement by Licensee in violation of Article 24.

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- (d) The violation by Licensee of any resolution, ordinance, statute, code, regulation, or other rule of any governmental agency applicable to Licensee’s activities under this Agreement.
- (e) Any attempt to exclude Licensor from the licensed premises.
- (f) The making by Licensee of any general assignment for the benefit of creditors; the appointment of a receiver to take possession of substantially all of Licensee’s assets located on the Property or of Licensee’s privileges hereunder where possession is not restored to Licensee within five (5) days; the attachment, execution or other judicial seizure of substantially all of Licensee’s assets located on the Property or of Licensee’s privileges hereunder, where such seizure is not discharged within five (5) days.
- (g) Any case, proceeding or other action brought against Licensee seeking any of the relief mentioned in "clause f" of this Article which has not been stayed or dismissed within thirty (30) days after the commencement thereof.
- (h) Any claim by Licensee that it has a possessory interest and/or irrevocable license in the Property.
- (i) With respect to items not otherwise listed in Article 29.a-h, the failure by Licensee to observe and perform any other provision of this Agreement to be observed or performed by Licensee. Licensor shall provide written notice of such failure and Licensee shall be considered in material default where such failure continues for a total of ten (10) or more consecutive days from the date of the notice. Further, with respect to items not otherwise listed in Article 29.a-h, Licensee shall be considered in material default should Licensee fail to observe or perform any other provision of this Agreement for more than fifteen (15) days during the entire Term of the Agreement in the aggregate, after Licensor provides an initial written notice of such failure. After providing initial notice under this provision, Licensor will not be required to provide any subsequent notice of breach of this Agreement.

30. Remedies: Notwithstanding the notice requirement in Article 28, in the event of any material default by Licensee, then in addition to any other remedies available to Licensor at law or in equity, Licensor shall have the option to immediately terminate this Agreement and all rights of Licensee hereunder by giving written notice of such immediate termination to Licensee.

31. Licensee’s Personal Property Upon Termination or Expiration: In the event that this Agreement is terminated, whether termination is effected pursuant to Article 28 and/or 30, or in the event this Agreement expires pursuant to Article 2, Licensee shall, at Licensee’s sole cost and expense and prior to the earlier of the effective termination date or expiration date, remove all weeds, debris, and waste from the Property and peaceably quit, surrender and restore the licensed Property to the condition it was in prior to the Licensee’s use of the Property, in a manner satisfactory to Licensor.

If Licensee fails or refuses to remove any of Licensee’s personal property, building(s), fixture(s) or structure(s) from the Property prior to the earlier of the termination date or expiration date, said personal property, building(s), fixture(s) or structure(s) shall be deemed abandoned by the Licensee, and the Licensor shall have the right, but not the obligation, to remove, destroy, sell or otherwise dispose of them with no further notice to Licensee. Licensor shall not be required to seek and/or obtain judicial relief

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(including, but not limited to, the filing of an unlawful detainer action), nor shall Licensor be responsible for the value of Licensee’s personal property.

Licensor shall have the right to charge and recover from Licensee all costs and expenses incurred by Licensor related to (i) the removal, disposal or sale of Licensee’s personal property, building(s), fixture(s) or structure(s), (ii), the removal of any waste, weeds, or debris on the Property, (iii) environmental studies and environmental remediation and/or cleanup attributable to Licensee’s use of the Property, and (iv) the restoration of the Property to the condition it was in prior to Licensor’s initial use of the Property. Licensee agrees to pay such expenses to Licensor upon demand.

32. Limitation of Liability:

**IN ORDER FOR LICENSEE TO OBTAIN THE BENEFIT OF THE FEE IDENTIFIED IN ARTICLE 3, WHICH INCLUDES A LESSER ALLOWANCE FOR RISK FUNDING FOR LICENSOR, LICENSEE AGREES TO LIMIT LICENSOR’S LIABILITY PURSUANT TO THIS AGREEMENT. AS SUCH, IF LICENSEE IS ENTITLED TO ANY RELIEF FOR LICENSOR’S NEGLIGENCE, INCLUDING GROSS NEGLIGENCE, FOR DAMAGE OR DESTRUCTION OF LICENSEE’S PERSONAL PROPERTY, BUILDING(S), STRUCTURE(S) OR FIXTURE(S), THE TOTAL LIABILITY OF LICENSOR SHALL NOT EXCEED THE TOTAL FEES ACTUALLY PAID BY LICENSEE TO LICENSOR DURING THE TERM OF THIS AGREEMENT.**

**FURTHER, IN NO EVENT SHALL LICENSOR BE LIABLE UNDER ANY CIRCUMSTANCES FOR INJURY OR DAMAGE TO LICENSEE’S BUSINESS, IF ANY, INCLUDING, BUT NOT LIMITED TO, LOSS OF PROFITS, LOSS OF RENTS OR OTHER EVENTS, LOSS OF BUSINESS OPPORTUNITY, LOSS OF GOODWILL OR LOSS OF USE, IN EACH CASE, HOWEVER OCCURRING, RELATED TO THIS AGREEMENT. THE PROVISIONS OF THIS SECTION 32 SHALL EXPRESSLY SURVIVE THE TERMINATION OR EXPIRATION OF THIS AGREEMENT.**

33. Non-Possessory Interest: Licensor retains full possession of the Property and Licensee will not acquire any possessory interest, whether temporary, permanent, or otherwise by reason of this Agreement, or by the exercise of the permission given herein. Licensee will make no claim to any such interest and Licensee will not claim that it has or ever had an irrevocable license in the Property.

34. Waiver: Licensor shall not be deemed to waive any provision of this Agreement orally or by conduct. Any waiver by Licensor of any provision of this Agreement must be in a writing signed by Licensor. No waiver by Licensor of any provision shall be deemed a waiver of any other provision or of any subsequent breach by Licensee of the same or any other provision. Licensor's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Licensor's consent to or approval of any subsequent act by Licensee. Licensor’s acceptance of payment after providing notice of termination to Licensee shall not constitute a waiver of Licensor’s termination of the Agreement.

35. Authority: This Agreement is executed subject to General Order No. 69-C of the Public Utilities Commission of the State of California dated and effective July 10, 1985, incorporated by this reference. As set forth in General Order 69-C, this License is made conditional upon the right of the Licensor either on order of the Public Utilities Commission or on Grantor’s own motion to resume the use of that property (including, but not limited to the removal of any obstructions) whenever, in the interest of Licensor’s service to its patrons or consumers, it shall appear necessary or desirable to do so. Licensee agrees to comply with all federal, state, and local laws and regulations. This Agreement should

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not be construed as a subordination of Licensor’s rights, title, and interest in and to its fee ownership, nor should this Agreement be construed as a waiver of any of the provisions contained in said License or a waiver of any costs of relocation of affected Licensor facilities.

36. Electric and Magnetic Fields (“EMF”): There are numerous sources of power frequency electric and magnetic field (“EMF”), including household or building wiring, electrical appliances and electric power transmission and distribution facilities. There have been numerous scientific studies about the potential health effects of EMF. Interest in a potential link between long-term exposures to EMF and certain diseases is based on this scientific research and public concerns.

While some 40 years of research have not established EMF as a health hazard, some health authorities have identified magnetic field exposures as a possible human carcinogen. Many of the questions about diseases have been successfully resolved due to an aggressive international research program. However, potentially important public health questions remain about whether there is a link between EMF exposures in homes or work and some diseases including childhood leukemia and a variety of other adult diseases (e.g. adult cancers and miscarriages). While scientific research is continuing on a wide range of questions relating to exposures at both work and in our communities, a quick resolution of the remaining scientific uncertainties is not expected.

Since Licensee plans to license or otherwise enter Licensor property that is in close proximity to Licensor electric facilities, Licensor wants to share with Licensee and those who may enter the property under this agreement, the information available about EMF. Accordingly, Licensor has attached to this document a brochure that explains some basic facts about EMF and that describes Licensor policy on EMF. Licensor also encourages Licensee to obtain other information as needed to assist in understanding the EMF regarding the planned use of this property.

37. Induced Voltages: Licensee hereby acknowledges that any structures (including, but not limited to, buildings, fences, light poles) that exist or may be constructed on the Property licensed herein, (hereinafter, the “Structures”) in close proximity to one or more high voltage (66 kilovolt or above) electric transmission lines and/or substation facilities may be susceptible to induced voltages, static voltages and/or related electric fault conditions (hereinafter collectively referred to as “Induced Voltages”) unless appropriate grounding or other mitigation measures are incorporated into the Structures. If not properly mitigated, Induced Voltages can cause a variety of safety and/or nuisance conditions including, but not limited to, electric shocks or other injuries to individuals contacting the Structures or other utilities connected to the Structures (including, but not limited to, natural gas lines, water lines or cable television lines), or interference with or damage to sensitive electronic equipment in or around the Structures. Measures to mitigate Induced Voltages, if required, will vary from case to case because of factors such as electric facility configuration and voltage, other utilities involved, or sensitivity of electronic equipment. Licensee will be responsible to determine what Induced Voltages mitigation measures should be undertaken regarding the Structures and to implement such mitigation measures at its sole cost and expense.

Licensee agrees for itself and for its contractors, agents, licensees, invitees, and employees, to save harmless and indemnify Licensor, its parent, subsidiaries and affiliated entities and their respective officers and employees against all claims, loss, damage, actions, causes of action, expenses and/or liability arising from or growing out of loss or damage to property, including Licensor’s own personal property, or injury to or death of persons, including employees of Licensor caused by or resulting from or connected to Induced Voltages on or related to the Structures.

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38. Notices: All notices required to be given by either party shall be made in writing and shall be deemed to have been given and received (a) when personally delivered, or delivered by same-day courier; or (b) on the third business day after mailing by registered or certified mail, postage prepaid, return receipt requested; or (c) upon delivery when sent by prepaid overnight express delivery service (e.g., FedEx, UPS); or (d) when sent by email and upon the receipt by the sending party of written confirmation by the receiving party. Notices shall be addressed as follows:

To Licensor: Southern California Edison Company  
Real Properties and Permitting  
Land Management – Metro Region East  
3 Innovation Way  
Pomona, CA 91768  
Email: landuse@sce.com

To Licensee: San Gabriel Basin Water Quality Authority  
1720 West Cameron Avenue, Suite 100  
West Covina, CA 91790  
Email: Randy@wqa.com

Business Telephone No. (626) 338-5555

Notice will be deemed effective on the third calendar day after mailing. A party will immediately notify the other party in writing of any address change.

39. Recording: Licensee will not record this Agreement.

40. Complete Agreement: Licensor and Licensee acknowledge that the foregoing provisions and any appendix, addenda and exhibits attached hereto constitute the entire Agreement between the parties. Any appendices, addenda and exhibits attached hereto are incorporated herein and made an integral part hereof. This Agreement may not be modified, amended, contradicted, supplemented, or altered in any way by any previous written or oral agreements or any subsequent oral agreements or unsigned written agreements. This Agreement may be modified or amended only by way of a writing executed by both parties. In case any provision in this Agreement shall be deemed invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and such provision shall be ineffective only to the extent of such invalidity, illegality or unenforceability.

41. Signature Authority: Each of the persons executing this Agreement warrants and represents that he or she has the full and complete authority to enter into this Agreement on behalf of the Party for which he or she is signing, and to bind said party to the agreements, covenants and terms contained herein.

42. Survival: Any provision of this Agreement that imposes an obligation after termination or expiration of this Agreement shall survive the termination or expiration of this Agreement.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed in duplicate.

LICENSOR:

SOUTHERN CALIFORNIA EDISON COMPANY

By \_\_\_\_\_

ARYN REYNOLDS  
Real Estate & Facilities Specialist  
Land Management – Metro Region East  
Real Properties and Permitting

\_\_\_\_\_  
Date

LICENSEE:

SAN GABRIEL BASIN WATER QUALITY AUTHORITY

By \_\_\_\_\_

Randy Schoellerman, Executive Director

\_\_\_\_\_  
Date

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**APPENDIX**

Guidelines for Standard Licensee Improvements

The following criteria are provided to aid in developing a conceptual plot plan to be submitted to Southern California Edison Company herein after referred to as “Licensor” for consideration and approval *prior to the start of any construction on “Licensor” property.*

Plans should be developed indicating the size and location of all planned improvements. The plan should specify the dimensions of all planned improvements and the distance of all planned improvements from property lines and all adjacent “Licensor” towers, poles, guy wires or other “Licensor” facilities.

The plan must show the locations of all “Licensor” towers and poles, 16-foot-wide access roads, main water lines and water shut-off valves, electrical service lines and parking areas. All plans must indicate adjacent streets and include a “north arrow” and the Licensee’s name.

SHADE STRUCTURES

*(Definition: A non-flammable frame covered on the top with a material designed to provide shade to aid in growing plants)*

1. Shade structures must maintain minimum spacing of 50 feet between shade structure locations, should be placed perpendicular to Licensor’s overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
  - a. 100 feet in length
  - b. 50 feet in width
  - c. 15 feet in height
2. Shade structures will not be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot-wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames, and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames, and poles
  - d. 25-foot radius around anchors/guy wires, poles, and wood poles
3. Shade structures must utilize the following design:
  - a. Temporary/slip joint construction only.
  - b. Non-flammable frame only
  - c. Adequately grounded in accordance with plans approved and stamped by a California electrical engineer.
  - d. Shade covering must be non-flammable and manufactured with non-hydrocarbon materials.

Initial (\_\_\_\_)/(\_\_\_\_/\_\_\_\_)  
Licensor/Licensee

SHADEHOUSES/HOTHOUSES

*(Definition: A simple, non-flammable, enclosed structure designed to control temperature **without** the benefit of heating and/or air conditioning units to aid in propagating and/or growing plants)*

1. Shadehouses/hothouses must maintain minimum spacing of 50 feet between shadehouse/hothouse locations, should be placed in perpendicular to Licensor’s overhead electrical conductors (wires) unless otherwise approved in writing by Licensor, and should not exceed maximum dimensions of:
  - a. 100 feet in length
  - b. 50 feet in width
  - c. 15 feet in height
2. Shadehouses/hothouses will not be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot-wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames, and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames, and poles
  - d. 25-foot radius around anchors/guy wires, poles, and wood poles
3. Shadehouses/hothouses must utilize the following design:
  - a. Temporary/slip joint construction only
  - b. Non-flammable frame only
  - c. Adequately grounded in accordance with plans approved and stamped by a California electrical engineer
  - d. Covering must be non-flammable and manufactured with non-hydrocarbon materials

GREENHOUSES

*(Definition: An enclosed structure designed to control temperature and/or humidity by the use of heating and/or air conditioning units to aid in propagating and/or growing plants)*

Greenhouses will be considered on a case-by-case basis.

IRRIGATION SYSTEMS / WELLS

1. Maximum diameter of pipe: 3 inches
2. All pipes must be plastic Schedule 40 or better.
3. No irrigation system will be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot-wide access roads
  - b. 50 -foot radius around suspension tower legs, H-Frames, and poles

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Licensor/Licensee

- c. 100-foot radius around dead-end tower legs, H-Frames, and poles
- 4. Sprinkler and drip irrigation controllers must be located at the edge of the right of way.
- 5. Suitable identification markers will be required on main controllers and valves.
- 6. Locations of main shut off valve will be provided and shown on a plot plan.
- 7. Underground facilities must have a minimum cover of three feet.
- 8. Earth disturbed must be compacted to ninety percent (90%)

LANDSCAPING

- 1. No trees will be permitted under the overhead electrical conductors or within 20 feet of the area directly located under the outer circumference of the overhead conductors, which is commonly known as the “drip line.”
- 2. Trees must have slow to moderate growth and must be of a variety that grows to a maximum height of only 40 feet and must be maintained by the Licensee at a height not to exceed 15 feet.
- 3. Placement of large rocks (boulders) must be approved in writing by Licensor.
- 4. Any mounds or change of grade must be approved in writing by Licensor.
- 5. No cactus or thorny shrubs will be permitted.
- 6. Retaining walls, planters, etc. may be considered on a case-by-case basis and must be approved in writing by Licensor.
- 7. No crushed or freshly laid asphalt will be permitted.

TRAILERS *(Definition: Removable / portable office modules are not permitted without Licensor’s prior permission. Trailers must meet the following criteria to be considered:* Trailers must meet the following criteria:

- a. Must have axles and wheel and be able to be moved
- b. Maximum length: 40 feet
- c. Maximum height: 15 feet
- d. Maximum width: 12 feet
- 2. No trailers will be permitted within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot-wide access roads
  - b. 50-foot radius around suspension tower legs, H-Frames, and poles
  - c. 100-foot radius around dead-end tower legs, H-Frames, and poles
  - d. 25-foot radius around anchors/guy wires, poles, and wood poles

Initial (\_\_\_\_)/ (\_\_\_\_/\_\_\_\_)  
Licensor/Licensee

- e. Under or within 10 feet of the conductor “drip lines”
- 3. Sewer or gas lines to trailers must be approved in writing by Licensor.
- 4. Location of all electrical and telephone lines must be approved in writing by Licensor.
- 5. Electrical lines must be installed by a licensed -general contractor.
- 6. Trailers shall not be used for residential purposes.
- 7. Toxic or flammable materials will not be permitted in trailers.
- 8. Adequately grounded in accordance with plans approved and stamped by a California electrical engineer.

PARKING AREAS

Parking areas should not be designed under the overhead electrical conductors or within 10 feet of the “drip lines” without Licensor’s prior written approval. Parking spaces to be identified under the approved site plan. “No Parking” striping may be required in areas where additional clearance is required.

MATERIAL STORAGE

- 1. If an emergency occurs, Licensee must immediately relocate all materials specified by Licensor to provide Licensor clear access to its facilities.
- 2. Licensee must provide Licensor with a list of material stored on the right of way.
- 3. No toxic or flammable materials will be permitted.
- 4. No materials shall be stored within the following areas reserved for Licensor’s access:
  - a. Within 2 feet from edge of 16-foot-wide access roads
  - b. 50 - foot radius around suspension tower legs, H-Frames, and poles
  - c. 100 - foot radius around dead-end tower legs, H-Frames, and poles
  - d. 25 feet from anchors/guy wires, poles, and wood poles
- 5. Storage of materials not to exceed a maximum height of 15 feet.
- 6. No storage of gasoline, diesel or any other type of fuel will be permitted.
- 7. Any fencing around the storage areas must have Licensor’s prior written approval.

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Licensor/Licensee

A D D E N D U M

**MONITORING WELLS**

- A. Licensee shall, at its sole expense, provide to Licensor, copies of all results of testing performed on samples from the Property in the possession of Licensee.
- B. Licensee shall, at its sole expense, carry out all activities necessary to comply with laws and regulations applicable to such monitoring wells, and upon termination or expiration of this Agreement, Licensee shall, at its sole expense, remove the monitoring well(s) from the Property, backfill all excavation to 90% of soil density, and carry out such additional activities necessary to comply with laws and regulations applicable to such removal.

Initial (\_\_\_\_)/ (\_\_\_\_/\_\_\_\_)  
Licensor/Licensee



# SAN GABRIEL BASIN WATER QUALITY AUTHORITY

1720 W. Cameron Ave., Suite 100, West Covina, CA 91790 • 626-338-5555 • info@wqa.com • wqa.com

## AGENDA SUBMITTAL

**To:** WQA Administrative / Finance Committee  
**From:** Randy Schoellerman, Executive Director  
**Date:** March 11, 2026  
**Subject:** Update of Administrative Procedures No. 10  
– Professional Services Consultant Selection

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### **Summary**

Staff is recommending the update of Administrative Procedure No. 10 – Professional Services Consultant Selection. This procedure describes the process for selecting and hiring professional services consultants and defines procedures for issuing contracts when required for contracting with consultants for professional services. Procedure No. 10 had been previously updated on August 18, 2021 to comply with the Federal Office of Management and Budget (OMB) guidelines. The OMB regulations have recently been revised, and accordingly, Policy No. 10 needs to be updated to comply with the revised guidance regarding acquisitions.

The revised procedure provides for an increase in the simplified acquisition threshold of an additional \$100,000.

Section 2, Class IV and Class V both increase the threshold limit from \$250,000 to \$350,000.

### **Recommendation**

Approve the updated Administrative Procedure No. 10 – Professional Services Consultant Selection to ensure compliance and alignment with the updated OMB guidelines.

**Attachment:** *Administrative Procedures No. 10 draft v1*

**DRAFT**  
**SAN GABRIEL BASIN WATER QUALITY AUTHORITY**  
Policy and Procedures Manual

ADMINISTRATIVE PROCEDURE

No. 10

Date: 7/92

Revised: 8/18/21, Revised 03/18/26

Page 1 of 5

**Professional  
Services Consultant Selection**

Approved:

**1. Purpose**

To describe the Authority's policies and procedures for securing professional consulting services and to define procedures for issuing contracts when required for contracting with consultants for professional services.

Professional services are those activities that are essentially analytical in nature and typically require specialized training, knowledge, skill and/or certification, including but not limited to training, knowledge, skill and/or certification attained through the completion of recognized course instruction. Such services may be performed by individuals or consulting firms composed of individuals possessing these qualities. The following is a non-exhaustive list of services considered professional services: engineering services, environmental services, accounting/auditing services, design services, technical services and other administrative services.

**2. Procedure**

All work carried out by consultants is governed by this policy, as adopted by the San Gabriel Basin Water Quality Authority Board of Directors. In general, contracts for professional services are executed in the form of task orders.

**2.1 Classification<sup>1</sup>**

Proposed professional services are assigned to seven separate classes. The procedure for consultant selection and approval of contracts / task orders is determined by the classifications as described below and on the following pages.

**Class I - \$5,000 or less<sup>2</sup>**

These services do not require competitive offers and the Executive Director has the

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<sup>1</sup> Task Order Classifications III, IV, V, and VII as well as items 2.2, 2.3, 2.4 and 2.5 follow guidance as established by the OMB so that all Authority Task Orders for Services will be in compliance with federal guidelines as well as Authority Policy.

<sup>2</sup> Class I- dollar limit set by Authority Procedure No.18 - Purchasing.

discretion to obtain verbal quotations from consultant staff determines to be qualified. The Executive Director will select a consultant and authorize issuance of a Class I contract / task order.

**Class II - Greater than \$5,000 up to \$25,000<sup>3</sup>**

These services do not require competitive offers, and the Executive Director has the discretion to obtain informal proposals from consultants that staff determines to be qualified. The Executive Director will select a consultant and authorize issuance of a Class II contract / task order, with a notification to the WQA Chairperson.

**Class III - Greater than \$25,000 up to \$50,000<sup>4</sup>**

These services do not require competitive offers, and the Executive Director has the discretion to obtain informal proposals from qualified consultants. If informal proposals are received staff will recommend a consultant based upon evaluation of these proposals. A Class III contract / task order may be awarded without soliciting competitive pricing or rate quotations if the Executive Director considers the price to be reasonable. A recommendation will be made by the Executive Director to the Board of Directors for approval before issuance of a Class III contract / task order. The Board shall approve the contract in a public meeting.

**Class IV Greater than \$50,000 up to \$350,000<sup>5</sup>**

At least three informal quotes should be obtained to ensure a competitive price is received, while avoiding the additional time and expense involved with a formal RFP solicitation. If three quotes are not received, staff shall document what steps were taken, what vendors were contacted that declined to quote and if applicable, why it is not practicable to obtain three quotes.

Staff shall evaluate the informal quotes received and determine the best value procurement.

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<sup>3</sup> Class II - dollar limit set by Authority Procedure No.18 - Purchasing.

<sup>4</sup> Class III falls within the federal procurement method guidelines known as "Informal Procurement Methods" and are considered Micro-Purchases. The Micro-Purchase aggregate limit for non-federal entities is \$50K (from 2CFR Part 200.320(ii) to (iv)). Entity may self-certify up to a threshold of \$50k on an annual basis and must maintain documentation - self-certification must include a justification, clear identification of threshold and supporting documentation of any of the following (see actual guidance for further details). WQA qualifies as a low-risk auditee and is therefore qualified to use this method. Micro Purchases may be awarded without soliciting competitive price or rate quotations if the entity considers the price to be reasonable.

<sup>5</sup> Class IV falls within the federal procurement method guidelines of "Informal Procurement Methods", these follow small purchase procedures and have a simplified acquisition threshold of \$350,000 ((200.320(2)(i) and (ii)), FAR 2021-01 Inflation Adjustment of Acquisition-Related Thresholds). Rates and quotations must be obtained from an adequate number of qualified sources as determined by the non-federal entity. Use of an RFP is encouraged when appropriate, but not required. If quote is obtained from only one source, then the Form "Authority Single/Sole Source Justification" must be completed explaining the reason for the non-competitive service.

Because unique services are requested, cost is not considered the primary selection criteria. A recommendation will be made by the Executive Director to the Board of Directors for approval before issuance of a Class IV contract / task order. The Board shall approve the contract in a public meeting.

**Class V Greater than \$350,000<sup>6</sup>**

A formal RFP should be undertaken to assure all possible vendors are given the opportunity to submit competitive proposals to perform Authority services. A formal RFP process should be used, thereby assuring that the Authority has engaged the most qualified consultant for the engagement. A staff committee formed by the Executive Director will review all proposals, ranking them on the basis of experience, prior projects, qualifications of key personnel assigned, technical merit of the proposal, cost and any other relevant criteria. Because unique services are requested, cost is not considered the primary selection criteria. The committee will make a recommendation to the Executive Director for submittal to the Board for final selection and authorization to issue a Class V contract / task order. The Board shall approve the contract in a public meeting.

**Class VI Continuing Services**

The Board will select consultants for certain continuing professional services such as the annual audit and general counsel.

**Class VII Sole Source<sup>7</sup>**

Sole source is a procurement method used when only one viable source exists. Examples include technical expertise or continuation of work to an existing contract. A sole source contract is justified when it is determined that no other party can perform the services without incurring additional costs; or no other party has the knowledge or expertise to perform the services in an efficient and cost-effective manner. The sole source shall be authorized by the Board as part of the approval process of the services.

A Single/Sole source justification form must be completed for Class IV and V contracts when requesting procurement of services without providing for full and open competition.

**2.2 Time and Material Contract<sup>8</sup>**

A time-and-materials type contract may be used if no other contract is suitable and if the contract includes a ceiling price that the contractor exceeds at its own risk.

**2.3 Conflict of Interest<sup>9</sup>**

No employee, officer or agent may participate in the selection, award or administration of a contract / task order if he or she has a real or apparent conflict of interest.

**2.4 Termination Process**

Contracts in excess of \$10,000 must address termination for cause and convenience

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<sup>6</sup> Class V falls within the formal procurement method - 2 CFR 200.320(b).

<sup>7</sup> 2 CFR 200.320(c) non-competitive procurement

<sup>8</sup> 2 CFR 200.318(j) (1) and (2)

<sup>9</sup> 2 CFR 200.318(c) 1 and (2)

including the manner in which it will be affected and the basis for settlement.

**2.5 Suspension and Debarment<sup>10</sup>**

A contract must not be made with parties that are debarred, suspended or otherwise excluded by agencies as well as parties declared ineligible under statutory or regulatory authority.

**3. Scheduling of Work**

Authority policy requires that an official contract / task order be issued and fully executed before commencement of work. Permission to proceed may not be granted by verbal agreement between staff and consultants unless it is an extension or renewal of an existing contract.

**4. Insurance Requirements**

The amounts of comprehensive general, automobile, and professional liability and workers compensation insurance required of the consultant will be determined by the Executive Director or designee according to the established Authority Procedure No. 28.

**5. Preparation and Execution of Contract**

Upon completion of the steps required according to the contract classification, staff will prepare the contract which contains the appropriate program specifications, funding, and summary of tasks to be performed.

The contract must be accompanied by copies of written proposals that were either approved by the Executive Director and/or Board of Directors.

A digital list of contracts / task orders will be maintained by the Director of Finance.

**6. Amendments**

A contract / task order may be amended to authorize additional funds, to extend the time for completion of work, for changes in scope of work, or other alterations in the original contract. The Executive Director shall be authorized to execute amendments to a contract / task order, provided that the increase does not exceed \$10,000. Amendments to a contract / task order that do not meet this criterion shall require Board approval.

**7. Federal, State and Other Grant Programs**

Federal, State or grant programs may require special conditions that are more stringent than the Authority procedures. It is the responsibility of the Authority to ensure that all grant provisions are complied with.

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<sup>10</sup> 2 CFR 180 (OMB guidelines); 2 CFR Appendix II to Part 200 (H)

**EXHIBIT A- AUTHORITY SINGLE/SOLE SOURCE JUSTIFICATION FORM**

When a request is made for a non-competitive service and the solicitation of services is limited to a single source, the requesting staff must complete the following sole source justification if the service dollar amount falls within Classes IV or V. The sole source shall be authorized by the Board as part of the approval process of the services.

Service: \_\_\_\_\_

Vendor: \_\_\_\_\_

Estimated Dollar Amount \_\_\_\_\_

Please check all applicable categories below and provide additional information where indicated:

1. The requested services require unique knowledge, technical skills, design and/or performance specifications or quality requirements that have not been found or are not available from similar consultants. Identify unique features and why they are required (not merely preferred):

Have you contacted other consultants or vendors to evaluate services with similar capabilities? If no, explain why not. If yes, list vendors/consultants and explain why their services do not meet the department's needs.

2. The services to be provided are a continuation of an existing contract, or a follow-up to work previously performed.
3. Services are available only from the manufacturer or designated service representative. Describe the unique qualifications, rights, licenses, etc. this vendor possesses and the distinctive service to be provided.
4. These services are requested in order to respond to an emergency declared by the Authority, by the state, a state agency, or political subdivision of the state and the reasons for the finding of the emergency are contained in the public records of the WQA.
5. Other:

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I am aware of the policy for Vendor Selection and certify that the above information is accurate to the best of my knowledge.

Executive Director: \_\_\_\_\_

Date: \_\_\_\_\_



# SAN GABRIEL BASIN WATER QUALITY AUTHORITY

1720 W. Cameron Ave., Suite 100, West Covina, CA 91790 • 626-338-5555 • info@wqa.com • wqa.com

## AGENDA SUBMITTAL

**To:** WQA Administrative/ Finance Committee  
**From:** Randy Schoellerman, Executive Director  
**Date:** March 11, 2026  
**Subject:** Discussion of Draft Budget for FY 26/27

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### Discussion

The budget for FY 26/27 involves the participation of several interested parties – the WQA Board of Directors, the Water Producers, the Responsible Parties (RPs), the Prescriptive Pumping Rights Holders and the public.

The budget summary of the draft budget for FY 26/27 is being submitted today to the Administrative/Finance Committee. The budgeted assessment is \$2,371,320, which is \$12/acre foot of prescriptive pumping rights. There will most likely be comments and recommendations for changes, which may be incorporated in subsequent budget drafts.

The WQA will hold its first Budget Workshop on April 15, 2026, at the Administrative/Finance Committee Meeting. At this time the full version of the draft budget for FY 26/27 along with a 5-year budget projection will be presented. A second Budget Workshop is scheduled for the regular WQA Board Meeting on April 22, 2026.

Any comments or changes received by the WQA after April 22 may result in a revised version of the draft budget. If there are additional changes, the budget will be presented and discussed at the May 13, 2026, Administrative/Finance Committee meeting. At this point, the draft budget should be in its final version, and it is anticipated that the Administrative/Finance Committee will recommend submittal to the full Board for approval at the May 20<sup>st</sup> Board Meeting.

### Recommendations / Proposed Actions

- Staff requests that the Committee provide comments on the draft Budget Summary

### Attachments:

*Budget Summary of FY 26/27 Draft Budget v1, dated 3/11/2026*

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY  
BUDGET SUMMARY  
FOR FISCAL YEAR ENDING JUNE 30, 2027**

*Draft v1 March 11, 2026*

LINE ITEMS	Other Projects	Baldwin Park Operable Unit	El Monte Area Operable Unit	So. El Monte Operable Unit	Puente Valley Operable Unit	Area Three Operable Unit	Prop 68	Operating	Total Project Budget
<b>CAPITAL COSTS</b>	<b>\$10,948,362</b>	<b>\$14,235,550</b>	<b>\$6,039,300</b>	<b>\$4,577,450</b>	<b>\$1,622,347</b>	<b>\$18,800</b>	<b>\$0</b>	<b>\$0</b>	<b>\$37,441,809</b>
WQA Salaries	0	0	0	15,000	6,000	0			21,000
WQA Benefits	0	0	0	5,000	2,000	0		0	7,000
WQA Overhead	0	0	0	7,500	3,000	0		0	10,500
Government Relations	98,200	242,700	25,300	69,500	23,900	10,400		0	470,000
Community Relations	16,800	33,600	14,000	33,500	14,000	8,400		0	120,300
Project Construction	0	0	0	0	0	0		0	0
Contractors/Grants	10,833,362	13,959,250	6,000,000	4,446,950	1,573,447	0		0	36,813,009
Site Acquisition	0	0	0	0	0	0		0	0
<b>OPERATING EXPENSES</b>	<b>\$10,993,597</b>	<b>\$24,380,127</b>	<b>\$4,595,268</b>	<b>\$8,986,014</b>	<b>\$749,833</b>	<b>\$4,501,237</b>	<b>\$283,333</b>	<b>\$1,445,081</b>	<b>\$55,934,491</b>
WQA Salaries	17,000	113,500	31,000	252,000	25,000	6,500		584,000	1,029,000
Prop 68-WQA Salaries	0	0	0	0	0	0	100,000	0	100,000
WQA Benefits	5,667	37,458	10,250	84,000	8,333	2,100	33,333	136,858	318,000
WQA Overhead	8,500	56,750	15,500	126,000	12,500	3,300	50,000	724,223	996,773
Prop 68 - WQA Benefits	0	0	0	0	0	0	0	0	0
Prop 68 - WQA Overhead	0	0	0	0	0	0	0	0	0
Legal/Consultants	0	100,000	0	0	0	0	0	0	100,000
Utilities	0	0	0	20,000	0	0	0	0	20,000
Other (See attached pages)	0	12,000	500	0	0	0	0	0	12,500
Prop 68-Consultants	0	0	0	0	0	0	100,000	0	100,000
Prop 68-Treatment & Remediation	10,962,430	920,840	4,106,983	6,510,397	700,000	4,489,337	0	0	27,689,987
Treatment & Remediation Costs	0	23,139,579	431,035	1,993,617	4,000	0	0	0	25,568,231
<b>TOTAL CAPITAL &amp; OPERATING</b>	<b>\$21,941,959</b>	<b>\$38,615,677</b>	<b>\$10,634,568</b>	<b>\$13,563,464</b>	<b>\$2,372,180</b>	<b>\$4,520,037</b>	<b>\$283,333</b>	<b>\$1,445,081</b>	<b>\$93,376,299</b>
<b>REVENUES</b>	<b>\$21,941,959</b>	<b>\$38,615,677</b>	<b>\$10,634,568</b>	<b>\$13,564,014</b>	<b>\$2,372,180</b>	<b>\$4,520,037</b>	<b>\$283,333</b>	<b>\$1,445,081</b>	<b>\$93,376,850</b>
Rest. Fund/Title XVI/PRPs/Producers									
Restoration Funds (RF)	2,000,000	1,344,657	0	1,043,962	1,022,740	0	0	0	5,411,359
Potentially Responsible Parties	0	29,258,844	6,431,035	0	538,462	0	0	0	36,228,341
Water Producers (PROD)	1,937,712	6,919,903	0	562,134	12,245	0	0	0	9,431,994
State - SWRCB/Prop 84/Prop	6,896,567	0	0	2,855,854	0	0	0	0	9,752,421
SEMOU EPA / DTSC	0	0	0	1,993,617	0	0	0	47,942	2,041,559
Interest income	0	0	0	0	0	0	0	601,500	601,500
SWRCB DFA Proposition 68	10,962,430	920,840	4,106,983	6,532,397	700,000	4,489,337	200,000	0	27,911,987
WQA Assessment	145,250	171,433	96,550	576,050	98,733	30,700	83,333	795,639	1,997,689
<b>ASSESSMENT RESERVE</b>									
<i>Reserve balance from FY 2024-25</i>									3,810,955
<i>WQA 25-26 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>WQA 25-26 Projected Costs Funded By Assessments</i>									(1,872,169)
<i>Projected reserve balance for FY 2025-26</i>									<b>4,310,106</b>
<i>Proposed WQA 26-27 Assessments Collected @ \$12 acre foot</i>									2,371,320
<i>Projected WQA 26-27 Budgeted Costs Funded By Assessments</i>									(1,997,689)
<i>Projected Assessment Reserve for FY 26-27</i>									<b>4,683,737</b>
<b>WQA ASSESSMENT SUMMARY - "See Annotation 33, page 52"</b>									
WQA ASSESSMENT FOR FY 2025-26									<b>\$2,371,320</b>
WQA ASSESSMENT PER ACRE FOOT									<b>\$12</b>

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY**  
**OPERATING EXPENSE BUDGET**  
**FISCAL YEAR ENDING JUNE 30, 2027**

ACCOUNT NAME	F Yr 24-25 <u>Actual</u>	FY 25-26 <u>Budget</u>	FY 25-26 <u>Projected</u>	FY 2026-27 <u>Budget</u>
<b><u>OPERATING EXPENSES</u></b>				
<u>Board Member Fees</u>	<u>43,350</u>	<u>66,800</u>	<u>44,898</u>	<u>66,800</u>
<u>Insurance</u>	<u>199,773</u>	<u>208,000</u>	<u>208,597</u>	<u>220,000</u>
-General Liability/Cyber/Property Insurance	47,261	48,000	51,549	60,000
-Group Insurance	146,303	150,000	150,000	150,000
-Workers Compensation	6,209	10,000	7,048	10,000
<u>Office Expenses</u>	<u>63,918</u>	<u>85,500</u>	<u>61,734</u>	<u>85,500</u>
- Supplies	15,489	18,000	12,000	18,000
- Printing/Mailings	0	1,500	1,500	1,500
- Dues & Subscriptions	36,527	40,000	35,796	40,000
- Postage	59	1,500	1,000	1,500
- Telephone	8,075	11,000	7,788	11,000
- Graphics/Photo	335	10,000	150	10,000
- Plant & Water Service	3,433	3,500	3,500	3,500
<u>Rents &amp; Leases</u>	<u>131,956</u>	<u>140,796</u>	<u>139,582</u>	<u>143,748</u>
- Office Facilities <b>"See Annotation 41a"</b>	122,274	127,596	127,596	130,548
- Equipment: Postage Machine	1,279	2,500	1,708	2,500
- Security System	3,173	5,000	5,048	5,000
- Copy Machine	5,230	5,700	5,230	5,700
<u>Equipment O &amp; M</u>	<u>30,712</u>	<u>44,900</u>	<u>38,520</u>	<u>46,700</u>
- Car Allowance	16,825	16,200	18,000	18,000
- Computer Systems <b>"See Annotation 41b"</b>	11,683	25,000	18,000	25,000
- Copier Machine	1,686	2,000	2,000	2,000
- Phone System	0	0	0	0
- Postage Machine	0	500	0	500
- Web Hosting/Internet Service	518	1,200	520	1,200
<u>Outside Consulting Services</u>	<u>121,122</u>	<u>440,000</u>	<u>153,582</u>	<u>440,000</u>
- Computer Consultant <b>"See Annotation 41c"</b>	27,552	40,000	30,000	40,000
- Engineering/Technical	0	50,000	0	50,000
- Working Group Activities <b>"See Annotation 41d"</b>	25,000	25,000	25,000	25,000
- Database & Mapping		90,000		90,000
- Legal (General Counsel)	19,150	60,000	20,000	60,000
- Legal (Special Counsel)		10,000		10,000
- Management Services	3,000	35,000	10,000	55,000
- Accounting/Audit/Finance	27,431	40,000	30,000	40,000
- Accounting	2,187	25,000	5,000	5,000
- Public Information/Relations <b>"See Annotation 41e"</b>	16,802	60,000	33,582	60,000
- General Outside Services <b>"See Annotation 41f"</b>	0	5,000	0	5,000
<u>Education &amp; Training</u>	<u>6,110</u>	<u>5,000</u>	<u>2,500</u>	<u>5,000</u>
- Tuition Reimbursement	0	0	0	0
- Training	6,110	5,000	2,500	5,000
<u>Travel, Meetings &amp; Conference Expenses</u>	<u>43,213</u>	<u>50,000</u>	<u>42,000</u>	<u>50,000</u>
<b>"See Annotation 41g"</b>				
- Board Member Travel, Meeting & Conferences	11,562	25,000	12,000	20,000
- Regular Employee Travel, Meeting & Conferences	31,651	25,000	30,000	30,000

**SAN GABRIEL BASIN WATER QUALITY AUTHORITY**  
**OPERATING EXPENSE BUDGET**  
**FISCAL YEAR ENDING JUNE 30, 2027**

ACCOUNT NAME	F Yr 24-25 <u>Actual</u>	FY 25-26 <u>Budget</u>	FY 25-26 <u>Projected</u>	FY 2026-27 <u>Budget</u>
Administrative Salaries & Benefits "See Annotation 41h"	877,689	859,382	945,500	749,000
-Salaries - FT (6) Employees	1,094,494	1,168,836	1,250,000	1,150,000
-Payroll Taxes	23,723	25,000	21,500	25,000
-Retirement Plan	134,472	148,746	159,000	140,000
-Salaries Allocated to Projects "See Annotation 41i"	(375,000)	(483,200)	(485,000)	(566,000)
Fixed Assets	45,895	60,000	45,000	60,000
- Office Improvements / Furniture	0	25,000	10,000	25,000
- Computer Systems/Equipment	45,895	35,000	35,000	35,000
Contingency	0	50,000		50,000
<b>TOTAL OPERATING EXPENSES</b>	<b><u>\$1,563,738</u></b>	<b><u>\$2,010,378</u></b>	<b><u>\$1,681,913</u></b>	<b><u>\$1,916,748</u></b>
<b>REVENUES</b>	<b><u>\$1,563,738</u></b>	<b><u>\$2,010,378</u></b>	<b><u>\$1,681,913</u></b>	<b><u>\$1,916,748</u></b>
Interest income "See Annotation 42"	878,782	701,670	643,766	601,500
Other Income (Agenda//Proj Reimb)/DTSC		47,942	31,961	47,942
Benefits & Overhead Allocated to Projects	311,180	402,667	485,000	471,667
SEMOU Settlement Funding / FFPA Funds		0		0
WQA Assessment "See Annotation 43"	373,776	858,099	521,186	795,639



# SAN GABRIEL BASIN WATER QUALITY AUTHORITY

1720 W. Cameron Ave., Suite 100, West Covina, CA 91790 • 626-338-5555 • info@wqa.com • wqa.com

## AGENDA SUBMITTAL

**To:** WQA Administrative / Finance Committee  
**From:** Randy Schoellerman, Executive Director  
**Date:** March 11, 2026  
**Subject:** **FY 25-26 Administrative Budget Line-Item Transfers for**

- **Salaries – Full Time Employees**
- **Retirement Plan**

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### **Background and Discussion**

In accordance with WQA procedures, staff is submitting a request for budget line-item transfers as detailed on the attached Line-Item Transfer Form SGBWQA A-15.

The WQA Operating Expense Budget for the expense accounts “Salaries – Full Time Employees” and “Retirement Plan” were approved at \$1,168,836 and \$148,746, respectively for the FY 25-26. These amounts were based on projected staffing for the fiscal year.

The Director of Finance is retiring at the end of April 2026, and the replacement Director of Finance was hired as of January 7, 2026. There are four months of overlapping services due to the transition and training for the new Director of Finance as well as costs for pay-outs of vacation accruals. As a result of this staffing change the costs related to both “Salaries – Full Time Employees” and the related expense account “Retirement Plan” increased to \$1,250,000 and \$159,000, respectively.

### **Recommendation / Proposed Action**

Staff requests that the Committee recommend approval of the budget line-item transfers for “Salaries – Full Time Employees” and for “Retirement Plan”.

### **Attachments:**

*Line-Item Transfer Form – SGBWQA A-15*



# SAN GABRIEL BASIN WATER QUALITY AUTHORITY

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## LINE ITEM TRANSFER FORM SGBWQA A-15

**DATE:** MARCH 18, 2026  
**TO:** EXECUTIVE DIRECTOR  
**FROM:** ACCOUNTANT  
**SUBJECT:** ADMINISTRATIVE BUDGET LINE ITEM TRANSFER REQUEST - **FY 25/26**  
*Salaries - Full Time Employees*  
*Retirement Plan*

In accordance with Administrative Procedure 15, the following budget line item transfer for the Fiscal Year 25/26 is hereby requested:

	<u>Line Item Account No.</u>	<u>Line Item Description</u>	<u>Line Item Budget</u>	<u>Increase (Decrease)</u>	<u>Revised Line Item Budget</u>
<b>TRANSFER TO:</b>	6100-00-000	Salaries - FT Employees	1,168,836	81,164	1,250,000
	6200-00-000	Retirement Plan	148,746	10,254	159,000
				<u>91,418</u>	
<b>TRANSFER FROM:</b>	N/A	Contingency	50,000	(50,000)	0
	6640-00-000	Accounting	25,000	(15,000)	10,000
	6630-00-000	Public Relations	60,000	<u>(26,418)</u>	33,582
				<u>(91,418)</u>	

**Explanation:**

A Budget Line Item Transfer Request is hereby submitted to accommodate the costs related to the retirement of the current Finance Director as of April 30, 2026, and the hiring of a new Director of Finance effective January 7, 2026. Costs are specific to overlapping positions for 4 months (to accommodate training), Vacation Cash-outs, and the effect on the WQA Retirement Plan.

**Approval:**

**Board Approval (for items in excess of \$5,000)**

\_\_\_\_\_  
Randy Schoellerman: Executive Director

\_\_\_\_\_  
Lynda Noriega: Board Chairman