

**EASTERN MUNICIPAL WATER DISTRICT
AND
CITY OF MORENO VALLEY
CACTUS AVENUE REPAIR INTERAGENCY REIMBURSEMENT
AGREEMENT**

This Interagency Reimbursement Agreement (“Agreement”) is made and entered into this _____ day of _____, 2025, by and between **EASTERN MUNICIPAL WATER DISTRICT**, a public agency organized and existing under and by virtue of the Municipal Water District Law of 1911 (hereinafter referred to as “EMWD”), and the **CITY OF MORENO VALLEY**, a municipal corporation in the State of California (hereinafter referred to as “City”). EMWD and City are sometimes individually referred to herein as “Party” and may be collectively referred to herein as “Parties”.

RECITALS

WHEREAS, the EMWD is a public agency organized and existing under and by virtue of the Municipal Water District Law of 1911; and

WHEREAS, the City is a municipal corporation operating under the laws of the State of California; and

WHEREAS, EMWD owns, operates, and maintains water, wastewater and recycled water facilities and infrastructure within or in proximity to City’s limits in accordance with EMWD Resolution 3224 (Trench Repair), attached hereto by reference; and

WHEREAS, City owns, operates, and maintains roads, streets, storm drain and other similar facilities within or in proximity to EMWD’s service area; and

WHEREAS, on February 7, 2024, EMWD was notified of road subsidence along Cactus Avenue near the intersection of Wilmot Street (hereinafter referred to as “Subsidence”) resulting in a public safety concern requiring immediate attention; and

WHEREAS, EMWD owns an existing sewer line and City owns an existing storm drain facility within the vicinity of the Subsidence; and

WHEREAS, due to the public safety concern, EMWD installed traffic control features to safeguard the public; and

WHEREAS, the aforementioned traffic control features installed by EMWD were done so without EMWD acknowledging or accepting any responsibility or fault for the cause of the Subsidence; and

WHEREAS, City and EMWD agreed that EMWD would bid Subsidence repairs based EMWD's means and methods in compliance with EMWD Administrative Code.; and

WHEREAS, the purpose of this Agreement is to set forth the terms, conditions, and mutual understandings whereby EMWD agreed to complete Subsidence Repairs with reimbursement from City; and

WHEREAS, City and EMWD agree to equally split the repair costs incurred by EMWD for the Subsidence Repairs as specified in Exhibit B.

NOW, THEREFORE, in consideration of the promises and covenants herein contained, the Parties agree as follows:

AGREEMENT

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated into and are a part of this Interagency Agreement.
2. **Agreement.** EMWD solicited bids from four pre-approved contractors and on May 16, 2024, received three bids. On June 19, 2024, EMWD Board of Directors approved a contract with NPG Asphalt (hereinafter referred to as "Contractor") to complete subsidence repairs by installing geogrid soil reinforcement as specified in Exhibit A (hereinafter referred to as "Subsidence Repairs"). Staff from both EMWD and City met on July 9, 2024, prior to Contractor completing Subsidence Repair to obtain Subsidence Repair method approval. Contractor completed, and EMWD and City inspected, the Subsidence Repairs between July 15, 2024, and July 19, 2024. Contractor completed all Subsidence Repair work and EMWD accepted the work on July 19, 2024 (hereinafter referred as "Warranty Commencement Date").
3. **Construction and Inspection.** City and EMWD were responsible to inspect, at each Parties sole expense, Subsidence Repair by Contractor for compliance with approved repair method.
4. **Warranty.** EMWD shall warranty the Subsidence Repair for one-year following the Warranty Commencement Date. Thereafter, City hereby acknowledges and agrees that EMWD does not warranty or guarantee the Subsidence Repairs after the one-year warranty period expires. City shall, itself, be solely responsible for owning, operating, and maintaining the Subsidence Repair. EMWD shall assume and continue all liability and responsibility for the ongoing ownership, maintenance, and repair of EMWD sewer facility. The City shall assume and continue all liability and responsibility for the ongoing ownership, maintenance, and repair of City storm drain and road improvements.
5. **Effective Date; Term and Termination.** This Agreement shall be effective on the date of full execution of this Agreement by both parties ("Effective Date"). The term of this

Agreement shall commence on the Effective Date and remain in effect until payment is received by EMWD from City for City's share specified in Exhibit B.

6. Insurance. Throughout the period of construction, EMWD shall require Contractor to provide policies of Workers' Compensation and General Liability Insurance in an amount and type deemed suitable by EMWD, and naming City as an additional insured on EMWD's general liability insurance policy relating to the EMWD Project and coverage shall be primary and non-contributory.
7. Prevailing Wage. EMWD and City acknowledges that any work that qualifies as a "public work" within the meaning of California Labor Code section 1720 shall cause City, and its sub-consultants, to comply with the provisions of the California Labor Code section 1775 et seq. EMWD hereby warrants its compliance with all applicable provisions of the aforementioned Code for purposes of the City Project.
8. Invoicing and Payment. EMWD shall maintain a detailed accounting of the project costs and expenses under EMWD contract, and shall invoice City for City's agreed upon participation amounts as specified in Exhibit B within 60 days following Effective Date of this Agreement. City shall remit payment for the agreed amount to EMWD within sixty (60) calendar days following the date of such invoice.
9. Mutual Indemnification. Each Party hereto (the "Indemnitor") shall indemnify, defend, and hold harmless the other Party and its directors, officers, employees, and agents (collectively, the "Indemnified Parties") from and against any and all claims, demands, causes of action, liability, loss, damage, or injury to property or persons, including wrongful death (collectively, "Claims"), whether imposed by a court of law or by administrative action of any federal, state, or local governmental body or agency, arising out of or in any way related to the Indemnitor's performance or non-performance of this Agreement; provided, however, that the Indemnitor's obligations shall not cover Claims to the extent due to the gross negligence or intentional acts of the Indemnified Parties. Each Party's indemnification obligation under this section shall survive the expiration or termination of this Agreement.
10. Disputes. In the event that any dispute between the Parties arises under this Agreement the Parties shall first attempt to resolve such dispute at the project management level as quickly as possible. If the dispute is not resolved by project managers within a mutually acceptable period of time (not to exceed 45 calendar days from the date written notice of such dispute is delivered by any Party), the Parties shall escalate the dispute to senior management at both Eastern and City. If this process and the involvement of senior management does not result in resolution of the dispute within 60 days from the date of referral to senior management, then the dispute shall be referred to and finally resolved through legal proceedings. Both parties will make every effort to resolve disputes expeditiously. The use of the foregoing procedure is a condition precedent to the commencement of any legal proceedings hereunder.
11. Entire Agreement. This Agreement is intended by the Parties as a complete and exclusive

statement of the terms of their agreement and supersedes all prior agreements, written or oral, as to this subject matter. This Agreement may be amended only in writing signed by both parties. No waiver of any term or condition of this Agreement shall be a continuing waiver thereof.

12. Governing Law. This Agreement shall be construed and governed in accordance with the laws of the State of California. Venue of any action brought hereunder will be in Riverside County, California, and the parties hereto consent to the exercise of personal jurisdiction over them by any such courts for purposes of any such action or proceeding.
13. Notices. Any notice required by this Interagency Agreement to be given or delivered to any Party shall be deemed to have been received when personally delivered or mailed in the United States mail addressed as follows. A courtesy copy of all hardcopy communications shall be sent concurrently, as well, to the email addresses below, but all times for performance and notice provided herein shall be linked to the date of the personal delivery or hardcopy mailing by United States mail.

EMWD Eastern Municipal Water District
Post Office Box 8300
Perris, Ca. 92572-8300
Attn: General Manager

City City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92553
Attn: City Manager

14. Preparation of This Agreement. This Agreement shall not be construed against the party preparing it, but shall be construed as if both parties prepared it.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date last executed.

CITY OF MORENO VALLEY

EASTERN MUNICIPAL WATER DISTRICT

By: _____
City Manager

By: _____
Joe Mouawad, General Manager

Dated: _____

Dated: _____

Attest:

Exhibit A
Subsidence Repair Method and Location

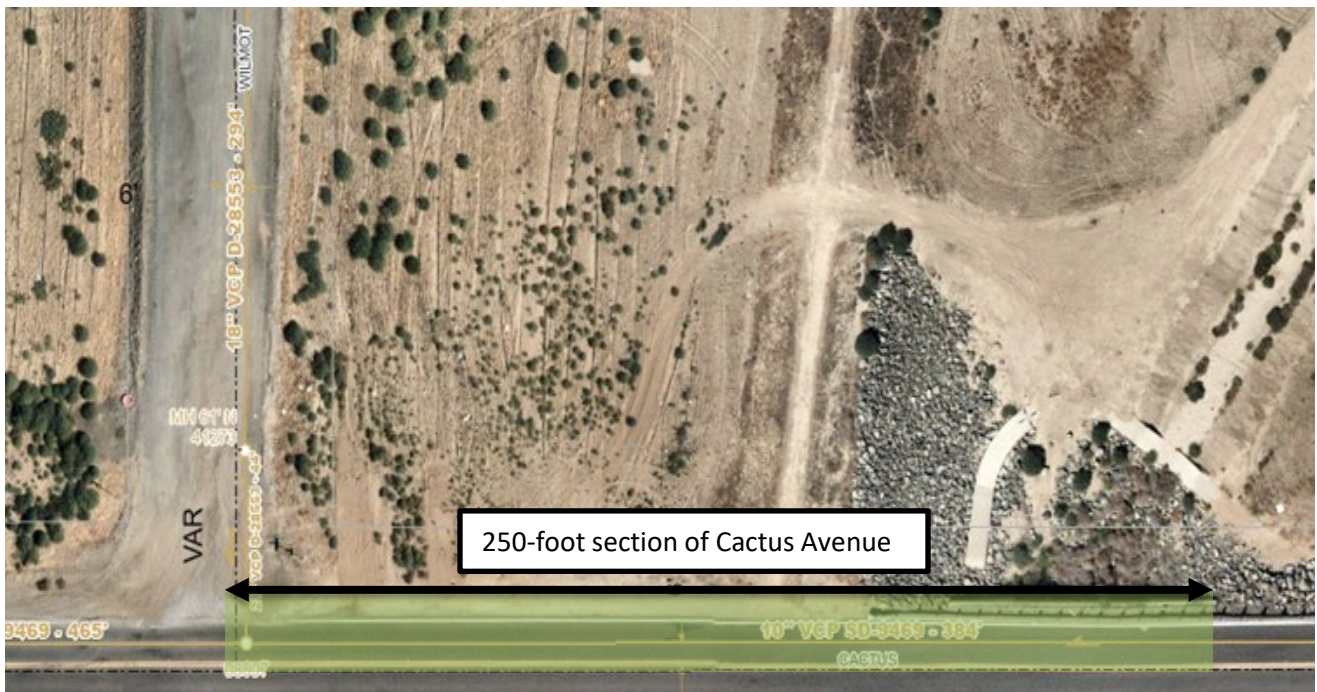
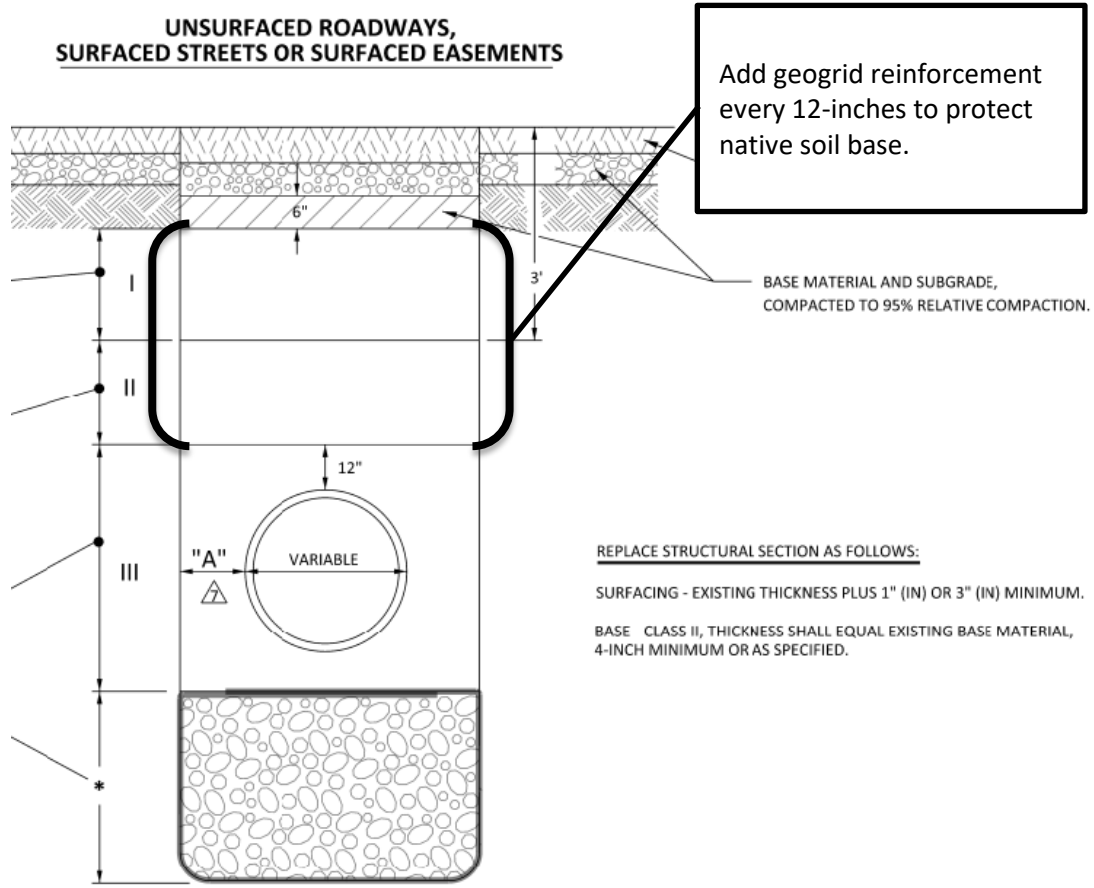


Exhibit B
Repair Cost Breakdown

| Description | EMWD Share | City Share | Total Cost |
|---------------------------|--------------|--------------|--------------|
| Traffic Control | \$16,348.80 | \$16,348.80 | 32,697.60 |
| Road Subsidence Repair | \$89,807.50 | \$89,807.50 | \$179,615.00 |
| Road Striping | \$625.00 | \$625.00 | \$1,250.00 |
| Totals | \$106,781.30 | \$106,781.30 | \$213,562.60 |