



COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION

"Parks Make Life Better!"

John Wicker, Director

Norma E. Garcia, Chief Deputy Director

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

34 June 19, 2018

CELIA ZAVALA
ACTING EXECUTIVE OFFICER

June 19, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AGREEMENT TO PURCHASE RECYCLED WATER
AND TO LEASE WATER PRODUCTION RIGHTS AT
WHITTIER NARROWS RECREATION AREA AND
WHITTIER NARROWS GOLF COURSE
(SUPERVISORIAL DISTRICT 1) (3 VOTES)**

SUBJECT

Approval of the recommended actions will allow the purchase and use of recycled water for irrigation purposes at the Whittier Narrows Recreation Area and Whittier Narrows Golf Course, and lease of water production rights to the San Gabriel Valley Water Company.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the proposed Agreement for the purchase and utilization of recycled water at Whittier Narrows Recreation Area and Whittier Narrows Golf Course is not subject to the California Environmental Quality Act for the reasons stated herein and the reasons reflected in the record of the Agreement.
2. Approve and authorize the Director of Parks and Recreation, or his designee, to execute the proposed Agreement (Attachment A) with the San Gabriel Valley Water Company to purchase and utilize recycled water and to lease adjudicated water production rights to San Gabriel Valley Water Company for a term of 15 years with one automatic 15-year extension.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the recommended actions will allow the purchase and use of recycled water for irrigation

purposes at Whittier Narrows Recreation Area and Whittier Narrows Golf Course (Whittier Narrows). The original term of the current Agreement ended on June 30, 2017 and was extended for eight (8) months through February 28, 2018. On March 1, 2018, the term of the Agreement was extended for an additional four (4) months through June 30, 2018. The cost of water at the Whittier Narrows Golf Course is currently the responsibility of a contracted golf operator, pursuant to the current Agreement.

Based on the terms of the recommended Agreement, the Department of Parks and Recreation (Department) will purchase recycled water, and the San Gabriel Valley Water Company (SGVWC) agrees to lease from the Department one acre-foot of adjudicated Basin water production rights (production rights) for each acre-foot of recycled water purchased for Whittier Narrows, up to the Department's available production rights. In addition, the recommended Agreement requires SGVWC to purchase, at the Department's discretion, any excess or carryover production rights within the Main San Gabriel Basin (Basin) that the Department may have in any fiscal year.

The use of recycled water will assist in the conservation of potable water supplies within the Basin and provide a reliable and cost-effective source of water for the irrigation of Whittier Narrows. Without the recommended Agreement, the Department would not have access to the recycled water from SGVWC and the Department's wells would need to be recommissioned. The annual irrigation cost for Whittier Narrows without the recommended Agreement would be approximately \$1,211,000, including \$708,000 for the Golf Course and \$503,000 for the Recreation Area. This cost includes the use of both well water and potable water to meet the irrigation needs at Whittier Narrows and 1.0 budgeted position for the ongoing maintenance the wells. The cost of potable water is approximately 44% higher than recycled water. In addition, there will be significant funding required to recommission the Department's wells, which have been previously capped as a result of the current Agreement. By purchasing recycled water and leasing the available production rights, as provided in the recommended Agreement, the estimated net annual irrigation cost is reduced to approximately \$680,000. The recommended Agreement will not require the wells to be recommissioned and maintained since the leasing of the Department's production rights to SGVWC will authorize them to pump water from their own wells.

Implementation of Strategic Plan Goals

The recommended Agreement will further the County's Strategic Plan of Fostering Vibrant and Resilient Communities (Goal II) by Improving Water Quality, Reducing Water Consumption, and Increasing Water Supplies (Objective II.3.1).

FISCAL IMPACT/FINANCING

The water purchase and lease rights rates have negligible differences from the previous Agreement and the water usage is projected to be consistent from previous year's usage.

Based on the estimated water usage at Whittier Narrows, the cost to purchase recycled water would be approximately \$1,327,000. The revenue of approximately \$647,000 from the lease of the Department's available production rights would reduce the annual irrigation cost for the Whittier Narrows Recreation Area. The recommended Agreement will result in an estimated total net annual irrigation cost of approximately \$680,000, of which approximately 72% or \$488,000 will be the responsibility of the Whittier Narrows Golf Course contracted golf operator and approximately 28% or \$192,000 will be the responsibility of the County for the Whittier Narrows Recreation Area (see Attachment B).

Operating Budget Impact

The recommended Agreement will not require additional net County cost. The Department has sufficient appropriation and revenues in its Fiscal Year 2018-19 Operating Budget for the recommended Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The Board is authorized by the provision of Government Code Section 31000 to contract for special services that are consistent with public park and recreation purposes within Whittier Narrows and pursuant to the provisions of the Department of the Army Lease for Park and Recreational Purposes Whittier Narrows Flood Control Basin No. DAC W09-1-86-43 granted to the County by the Secretary of the Army under authority of the Flood Control Act of 1944, Section 4, as amended. The proposed Agreement is consistent with said purposes.

The recommended Agreement provides for mutual indemnification, which has been approved the CEO, Risk Management Division.

Production rights were awarded to the County in 1972 via the Upper San Gabriel Valley Municipal Water District vs. City of Alhambra et al. The Watermaster, as governing body of the Basin, allows for excess water production rights to be leased by the water producer, in this case the Department, to another agency.

The Agreement will be effective, July 1, 2018, after execution by the Director of the Department, or his designee, and will terminate on June 30, 2033. After the initial term, the Agreement will automatically renew for one additional 15-year period unless either party elects to terminate by written notice 60 days in advance of the renewal term.

The U. S. Army Corps of Engineers has reviewed and approved the proposed Agreement.

County Counsel has reviewed and approved this Agreement as to form.

ENVIRONMENTAL DOCUMENTATION

The proposed Agreement for the purchase and utilization of recycled water at Whittier Narrows is not subject to the California Environmental Quality Act (CEQA) in that the actions do not meet the definition of a project according to Section 15378 (b)(5) of the State CEQA Guidelines, because the actions are administrative activities which by their terms do not involve any commitments to any specific projects which may result in a potentially significant physical impact on the environment.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There are no negative impacts on current services and projects associated with the proposed action.

CONCLUSION

It is requested that two adopted copies of this letter be forwarded to the Department and one adopted copy be provided to the Chief Executive Office.

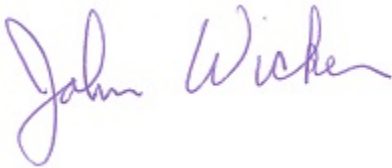
The Honorable Board of Supervisors

6/19/2018

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Should you have any questions, please contact Matthew Green at (626) 588-5259 or mgreen@parks.lacounty.gov, Cindy Chang at (626) 588-5254 or cchang@parks.lacounty.gov, Ruben Lopez at (626) 588-5278 or rlopez@parks.lacounty.gov, Nicole Melkonian at (626) 588-5367 or nmelkonian@parks.lacounty.gov, or Aram Pirjanian at (626) 588-5368 or apirjanian@parks.lacounty.gov.

Respectfully submitted,



JOHN WICKER

Director

JW:NEG:MRRL:CC:MG:rc

Enclosures

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

REVISED

Attachment A



**AGREEMENT
BY AND BETWEEN**

**COUNTY OF LOS ANGELES
DEPARTMENT PARKS AND RECREATION**

AND

SAN GABRIEL VALLEY WATER COMPANY

TO

**PURCHASE RECYCLED WATER
AND TO LEASE WATER PRODUCTION RIGHTS**

AT

**WHITTIER NARROWS RECREATION AREA AND
WHITTIER NARROWS GOLF COURSE**

**AGREEMENT PROVISIONS
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STANDARD EXHIBITS

EXHIBIT A EXISTING METERED RECYCLED WATER CONNECTIONS

**AGREEMENT TO PURCHASE RECYCLED WATER AND
TO LEASE WATER PRODUCTION RIGHTS
AT WHITTIER NARROWS RECREATIONAL AREA AND
WHITTIER NARROWS GOLF COURSE**

This Agreement to Purchase Recycled Water and to Lease Water Production Rights at Whittier Narrows Recreational Area and Whittier Narrows Golf Course (“Agreement”) is entered into as of the ___ day of _____, 2018, between San Gabriel Valley Water Company (“San Gabriel”), a California public water utility corporation subject to the jurisdiction of the California Public Utilities Commission (“Commission”), and the County of Los Angeles through its Department of Parks and Recreation (“LADPR”). (San Gabriel and LADPR are at times referred to herein as “Party” or collectively as “Parties.”)

RECITALS

WHEREAS, San Gabriel and LADPR recognize the environmental benefits of using recycled water. The Parties acknowledge that the California Legislature has declared that the use of potable domestic water for non-potable uses such as irrigating parks, landscaped areas and golf courses is a waste or an unreasonable use of water within the meaning of Section 2 of Article X of the California Constitution when recycled water is available for use pursuant to state rules and regulations; and

WHEREAS, since January 2014 and in response to California’s severe drought conditions, Governor Brown issued several Proclamations declaring a drought State of Emergency and in response, the State Water Resources Control Board mandated a number of drought–related actions including, but not limited to, setting aggressive conservation targets and calling on water suppliers to expand the use of local renewable recycled water; and

WHEREAS, LADPR operates a regional park and recreational area known as the Whittier Narrows Recreational Area (“Recreational Area”) and the Whittier Narrows Golf Course (“Golf Course”), both requiring substantial landscape irrigation; and

WHEREAS, LADPR currently subleases the Golf Course to a private entity under a separate agreement; and

WHEREAS, on June 27, 2006, the Parties and Upper San Gabriel Valley Municipal Water District entered into Agreement Number 10279, referred to as the “Whittier Narrows Agreement,” providing for the purchase and sale of recycled water from the Whittier Narrows Water Reclamation Plant (“Water Reclamation Plant”) owned and operated by the County Sanitation Districts of Los Angeles County, to irrigate the Recreational Area which by its terms would terminate on June 30, 2017, unless extended by mutual consent; and

WHEREAS, on March 3, 2010, the Parties and Upper San Gabriel Valley Municipal Water District amended Agreement Number 10279 (“Amendment Number 1”) providing for construction, operation and maintenance of recycled water facilities and for the purchase and sale of recycled water to irrigate the Golf Course; and

WHEREAS, on June 18, 2013, the Board of Supervisors authorized the Director of the Department of Parks and Recreation to enter into a 10-year Water Production Agreement effective July 1, 2013 with the California Department of Toxic Substances Control (DTSC) and the Main San Gabriel Basin Watermaster by which, among other things, LADPR agreed to report to Watermaster the production of groundwater by DTSC that is delivered to the Recreation Area’s Legg Lakes as production by LADPR up to a fixed amount of 1,300 acre-feet per Fiscal Year; and

WHEREAS, on July 1, 2017, the Parties and Upper San Gabriel Valley Municipal Water District amended Agreement Number 10279 (“Amendment Number 2”) providing for an extension of the original term in the Agreement on a month-to-month basis not to exceed eight (8) months; and

WHEREAS, on March 1, 2018, the Parties and Upper San Gabriel Valley Municipal Water District amended Agreement Number 10279 (“Amendment Number 3”) providing for an extension of the original term in the Agreement on a month-to-month basis not to exceed four (4) months; and

WHEREAS, Upper San Gabriel Valley Municipal Water District, the wholesale provider of recycled water, has adopted rates and charges which apply to San Gabriel’s purchase and delivery of recycled water to LADPR’s Recreational Area and Golf Course and other San Gabriel customers within its service area; and

WHEREAS, San Gabriel is the largest provider of recycled water in the San Gabriel Valley and actively promotes the use of recycled water by customers in its service area who are able to put it to beneficial use, and has adopted Commission approved rules and regulations applicable to the sale and distribution of recycled water for various non-potable uses; and

WHEREAS, LADPR formerly produced groundwater pursuant to its adjudicated rights in the Main San Gabriel Basin as determined under the judgment in the case of Upper San Gabriel Valley Municipal Water District vs. City of Alhambra, et al., Los Angeles Superior Court Number 924128 (“Judgment”), with the right to extract water from various groundwater wells (“Production Right”) to irrigate the Recreational Area and Golf Course; and

WHEREAS, LADPR desires to cooperate with San Gabriel to conserve local potable water supplies from the Main San Gabriel Basin and purchase recycled water from San Gabriel in lieu of pumping LADPR’s Production Right previously used to irrigate the Recreation Area and Golf Course; and

WHEREAS, San Gabriel will continue to lease from LADPR its available Production Right, from year to year at the rates and under the terms set forth herein, enabling San Gabriel to extract water from the Main San Gabriel Basin and sell said water to its customers for potable use; and

WHEREAS, to further the goals of expanding the use of recycled water and conserving local groundwater for potable use, the Parties wish to enter into a new Agreement that continues delivery of high quality recycled water for non-potable uses at the Recreational Area and Golf Course.

NOW, THEREFORE, in consideration of the mutual benefits of this Agreement, the Parties agree as follows:

Section 1: Definitions

Fiscal Year: July 1 of any given calendar year to June 30 of the following calendar year.

Judgment: Adjudication of Main San Gabriel Basin water rights under Judgment Number 924128, under *Upper San Gabriel Valley Municipal Water District vs. City of Alhambra et. al.*, by the Superior Court of the State of California for the County of Los Angeles

LADPR's Production Right: LADPR's right to extract water from the Main San Gabriel Basin pursuant to the Judgment.

Available Production Right: an amount equal to the Pumping Right plus Surface Diversion Right plus the Carryover Right as these terms are defined in the Judgement minus the amount of treated water discharged to the Recreation Area's Legg Lakes by DTSC up to a maximum of 1,300 acre-feet per Fiscal year, minus the amount of water (estimated in May of each Fiscal Year) produced by LADPR's Santa Fe Well Number 1 and Well Number 2.

Watermaster: The nine-person board appointed as the Main San Gabriel Watermaster by the Los Angeles County Superior Court to administer and enforce the provisions of the Judgment.

Director: the Director of the County of Los Angeles Department of Parks and Recreation or his/her authorized representative.

Recreation Area: the Whittier Narrows Recreation Area.

Golf Course: the Whittier Narrows Golf Course.

Cyclic Storage Rate: the supplemental water rate charged for cyclic storage under the then current Cyclic Storage Agreement between the Metropolitan Water District of Southern California, Upper San Gabriel Valley Municipal Water District, and Main San Gabriel Basin Watermaster.

Potable Water Rate: San Gabriel Valley Water Company's general metered service quantity rate as published in the San Gabriel Valley Water Company's Tariff Schedule Number LA-1 in the Los Angeles County Tariff Area.

Replacement Water Assessment: the assessment collected by the Watermaster on production in excess of a party's Diversion Rights, Pumper's Share or Integrated Production Right, computed at the applicable rate established by the Watermaster consistent with the Watermaster Operating Criteria, and other relevant factors, including the projected cost and availability of Supplemental Water supplies. This rate is adjusted and adopted annually by resolution of the Watermaster Board of Directors.

Section 2: Quantity of Recycled Water Available to LADPR

Subject to the provisions set forth in this Agreement, San Gabriel agrees to deliver and sell to LADPR, whenever available and LADPR agrees to purchase from San Gabriel, quantities of recycled water sufficient to irrigate the Recreational Area and Golf Course of not less than 1,100 acre feet, per Fiscal Year, at such times as determined by LADPR, through various metered connections referred to in Section 3 of this Agreement. The maximum daily rate of delivery shall not exceed the rate of delivery of recycled water available to San Gabriel from Upper San Gabriel Valley Municipal Water District.

Section 3: Facilities for Delivery of Recycled Water

San Gabriel shall utilize the existing metered recycled water connections to deliver recycled water to the Recreational Area and Golf Course. A list of existing metered recycled water connections is attached hereto and made a part hereof as **Attachment A**. LADPR agrees to allow reasonable access during regular business hours, or as directed by LADPR, to San Gabriel and its contractors to enter the Recreational Area and Golf Course in order to perform scheduled operations, maintenance, emergency repairs, and any other service San Gabriel deems necessary to perform under this Agreement.

- a. If LADPR determines that additional recycled water metered services are needed on its property, San Gabriel will furnish and install the meter or meters at no cost to LADPR. LADPR is responsible for the cost of installing required facilities, which include but are not limited to pipelines, service laterals and other appurtenances, to connect and deliver recycled water from the existing recycled water distribution system to the location of the new meter or meters. However, conditioned upon reimbursement of costs and upon the execution of a separate agreement between the Parties, San Gabriel will install the required facilities and complete construction of this work in accordance with applicable Commission approved tariff rules and schedules.
- b. LADPR will designate an on-site supervisor to oversee on-site construction of recycled water facilities, and the operation and maintenance of the recycled water facilities.
- c. The Parties shall hold bi-annual meetings on the first Monday of February and the first Monday of August in every year, at such a place as may be fixed by the Parties, to further facilitate the purpose of this Agreement and to address any operational issues that may arise in performance of this Agreement.

Section 4: Rates for Service

San Gabriel will provide recycled water service to LADPR subject to and in accordance with San Gabriel's applicable tariff rules and schedules including Tariff Schedule Number LA-6 **except** that in consideration of LADPR's long-term commitment to use recycled water and the significant quantity of local drinking water supplies thereby conserved, the applicable quantity and metered service rates will be equal to:

- a. Recreational Area: one hundred twenty-five percent (125%) of the then wholesale price for recycled water San Gabriel must pay to Upper San Gabriel Valley Municipal Water District for the supply of recycled water).

- b. Golf Course: eighty percent (80%) of San Gabriel's then current General Metered Rate (excluding surcharges and surcredits) that would otherwise apply to the potable water service.
- c. Irrespective of the actual number of existing meters or connections, LADPR is nonetheless obligated only to pay meter charges equal to San Gabriel's Tariff Schedule Number LA-6 monthly service charge for one 2-inch meter at each of the Recreational Area and the Golf Course.

Section 5: Lease of LADPR Production Right

- a. LADPR shall temporarily lease to San Gabriel, up to its Available Production Right, an amount of production right equal to the number of acre-feet of recycled water purchased from San Gabriel by LADPR at a price equal to ninety percent (90%) of the then current Cyclic Storage Rate charged by Watermaster.
- b. In addition, San Gabriel will temporarily lease from LADPR and pay for any of the remaining amount of LADPR's Available Production Right that LADPR opts to lease to San Gabriel at a price equal to ninety percent (90%) of the then Cyclic Storage Rate charged by Watermaster.
- c. Consideration for the lease shall be paid by San Gabriel by September 20 of each year pursuant to a fully executed Offer to Lease, signed by both Parties on or before June 30 of each Fiscal Year.
- d. In the event LADPR proposes to sell, lease, license or otherwise transfer or encumber all or any portion of its annual Available Production Right to any person or entity, San Gabriel shall have the Right of First Refusal with respect to all (and not less than all) of such available Production Right.

Section 6. Water Rights

- a. San Gabriel acknowledges and agrees that it may not assert against the LADPR, including in any administrative or judicial proceeding, that LADPR has dedicated or transferred ownership or use of any water to the public or permanently to San Gabriel or to any third party by the leasing of LADPR's adjudicated water rights under this Agreement. San Gabriel will fully cooperate with LADPR to avoid dedication or alienation of LADPR's adjudicated water rights to the public or otherwise in any manner except as explicitly set forth in this Agreement.
- b. LADPR has the option to resume use of its adjudicated water rights in the event recycled water provided by San Gabriel does not satisfy the water reuse conditions enumerated in the California Water Code Division 7, Chapter 7, Article 7, Section 13550, subsection a, sub-subsections 1-4.
- c. San Gabriel shall pay all Watermaster assessments for the quantity of Production Right leased by San Gabriel from LADPR under this Agreement. LADPR and San Gabriel shall take the required steps, including executing the form titled "Lease of Water Right" as prescribed by Watermaster, in a manner to allow leasing of LADPR's Production Right pursuant to this Agreement and pursuant to all legal requirements, including requirements under the Judgment and as may be required by Watermaster.

Section 7: Billing and Payment

Each month, San Gabriel will bill LADPR, and any other successor public agency, lessee, sub-lessee, or concessionaire of LADPR, as directed by LADPR, for the recycled water service and LADPR or sub-lessee, or concessionaire shall pay San Gabriel in accordance with San Gabriel's Commission approved billing and payment procedures.

Section 8: Special Conditions

- a. The parties will comply with the Judgment and the Watermaster's Rules and Regulations, which shall prevail in case of a conflict with any term or provision pertaining to the lease of LADPR's Production Right in this Agreement.
- b. San Gabriel acknowledges that LADPR's continued use of recycled water pursuant to this Agreement is conditioned upon: 1) the Watermaster's written confirmation that LADPR use of recycled water and the leasing of its water rights to San Gabriel as contemplated in this Agreement will not prejudice LADPR's existing water rights and 2) LADPR being fully satisfied that its use of recycled water is fully permitted and complies with all applicable laws, rules, and regulations.
- c. Recycled water service available to the Recreational Area and Golf Course under this Agreement is interruptible service and is limited to the recycled water which actually is produced at the Water Reclamation Plant and supplied solely by Upper San Gabriel Valley Municipal Water District. San Gabriel has no control over the Water Reclamation Plant operations. Subject to the requirements of State Water Resources Control Board/Division of Drinking Water, when recycled water is not available, San Gabriel will provide potable water to LADPR in accordance with San Gabriel's then current General Metered Rate (excluding surcharges and surcredits) that would otherwise apply to the potable water service.
- d. If the supply of recycled water from the Water Reclamation Plant is interrupted, curtailed, limited, or terminated for any reason, San Gabriel will have no other recycled water supply from which it can supply the Recreational Area and Golf Course, and San Gabriel shall have no responsibility or liability to LADPR in the event the supply of recycled water from the Water Reclamation Plant is interrupted, curtailed, limited or terminated. San Gabriel shall give LADPR notice of interruption, curtailment, limitation, or termination of recycled water service only upon reasonable notice to San Gabriel from Upper San Gabriel Valley Municipal Water District or the Sanitation Districts of Los Angeles County, if any.
- e. LADPR will use reasonable efforts to ensure that the recycled water purchased from San Gabriel is used in a manner consistent with the procedures and Best Management Practices for the use of recycled water that may be approved and adopted in advance by LADPR, as set forth in the most recent "Recycled Water Irrigation Customer's Guide.

- f. LADPR assumes all risk of loss, damage, or liability which might result from any interruption, curtailment, limitation, or termination of supply, and LADPR hereby waives and releases any claim, action, or right against San Gabriel or its directors, officers, employees, agents, or contractors for loss or damage arising from such interruption, curtailment, limitation, or termination of the supply of recycled water.

Section 9: Effective Date and Termination

- a. Provided that the Agreement has been approved by the Commission, the Agreement will become effective on July 1, 2018, expiring June 30, 2033.
- b. After the initial term, this Agreement shall automatically renew for one additional fifteen (15) year period unless either party elects to terminate this Agreement by giving the other party written notice not less than sixty (60) days in advance of the renewal term.

Section 10: California Public Utilities Commission Jurisdiction

This Agreement shall at all times be subject to such changes or modifications by the Commission as the Commission may, from time to time, order in the exercise of its jurisdiction.

Section 11: Non-Assignability

Neither Party may assign this Agreement to any other Party without the prior express written consent of the other Party. Notwithstanding the foregoing, LADPR may assign any of its rights or obligations herein to any successor public agency or to any lessee, sub-lessee, or concessionaire. The terms and covenants of this Agreement shall inure to the successors and assigns of each of the Parties.

Section 12: Notices

Any notice, billing, payment, demand, modification, or request provided for in this Agreement, or served, given, or made in connection with it shall be in writing and shall be deemed properly served, given, or made upon the earlier of (a) personal delivery, (b) three (3) business days following deposit in the United States mail, postage prepaid, certified or registered, return receipt requested, (c) the next business day after deposit with a nationally recognized overnight courier, in each instance addressed to the recipient as set forth below:

San Gabriel Valley Water Company:

Mr. Robert W. Nicholson
President
San Gabriel Valley Water Company
11142 Garvey Avenue
El Monte, CA 91733

LADPR (For Billing & Payment):

Accounting Section
County of Los Angeles Department of Parks and Recreation
1000 South Fremont Avenue, Unit #40
Building A-9 West, Second Floor
Alhambra, CA 91803

LADPR (Other Correspondence):

Budget and Fiscal Services Division
County of Los Angeles Department of Parks and Recreation
1000 South Fremont Avenue, Unit #40
Building A-9 West, Second Floor
Alhambra, CA 91803

Either Party may at any time, by written notice to the other Party, change the designation or address of the person specified herein.

Section 13: Modification

The terms of this Agreement may be modified only in writing by mutual agreement approved by both Parties and if required, by the Commission.

Section 14: Litigation

Should litigation be necessary to enforce or interpret any term or provision of this Agreement or to collect any portion of any amount payable under this Agreement, the prevailing Party shall be entitled to recover its litigation expenses, including, without limitation, its reasonable attorney fees and expert witness fees in addition to any other relief to which the prevailing Party should otherwise be entitled.

Section 15: Severability

If any of the terms and conditions of this Agreement or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect any of the other terms and conditions or applications hereof that can be given effect without the invalid provision or applications, and to this end, the provisions of this Agreement are severable.

Section 16: Integration

This Agreement and the attachments hereto, constitute the entire agreement between the Parties concerning the subject matter hereof. All prior agreements, discussions, representations, warranties and covenants are merged herein. There are no warranties, representations, covenants or agreements, expressed or implied, between the parties except those expressly set forth in this agreement. Any amendments or modifications of this agreement shall be in writing and executed by the Parties.

Section 17: Indemnification

- a. San Gabriel shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents from and against any and all liability, including but not limited to; demands, claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with: (a) San Gabriel's acts and/or omissions arising from and/or relating to this Agreement, or (b) San Gabriel's default hereunder; or (c) San Gabriel's use of or access to the Recreation Area and/or the Golf Course. San Gabriel's duty to indemnify the County and its Special Districts, elected and appointed officers, employees, and agents shall survive the expiration or other termination of this Agreement. San Gabriel shall not be obligated to indemnify for liability and expense arising from the active or passive negligence of County.
- b. County shall indemnify, defend and hold harmless San Gabriel, its officers, directors, employees, and agents from and against any and all liability, including but not limited to; demands, or claims, actions, fees, costs, and expenses (including attorney and expert witness fees), arising from or connected with: (a) County's acts and/or omissions arising from and/or relating to this Agreement, (b) County's default hereunder; or (c) County's use of or access to the Recreation Area and/or the Golf Course. County's duty to indemnify the San Gabriel, its officers, directors, employees, and agents shall survive the expiration or other termination of this License Agreement. County shall not be obligated to indemnify for liability and expense arising from the active or passive negligence of San Gabriel.

Section 18 : General Provisions for All Insurance Coverage

Without limiting San Gabriel's indemnification of County, and in the performance of this Agreement and until all of its obligations pursuant to this Agreement have been met, San Gabriel shall provide and maintain at its own expense insurance coverage satisfying the requirements specified in this Subsection 18 and Subsection 19 of this Agreement. These minimum insurance coverage terms, types and limits (the "Required Insurance") also are in addition to and separate from any other contractual obligation imposed upon San Gabriel pursuant to this Agreement. The County in no way warrants that the Required Insurance is sufficient to protect San Gabriel for liabilities which may arise from or relate to this Agreement.

a. Evidence of Coverage and Notice to County

- Certificate(s) of insurance coverage (Certificate) satisfactory to County, and a copy of an Additional Insured endorsement confirming the Indemnified Parties (defined below) has been given Insured status under San Gabriel's General Liability policy, shall be delivered to County at the address shown below and provided prior to commencing services under this Agreement.
- Renewal Certificates shall be provided to County not less than 10 days prior to San Gabriel's policy expiration dates. The County reserves the right to obtain complete, certified copies of any required San Gabriel and/or Sub-Consultant insurance policies at any time.

- Certificates shall identify all Required Insurance coverage types and limits specified herein, reference this Agreement by name or number, and be signed by an authorized representative of the insurer(s). The Insured party named on the Certificate shall match the name of San Gabriel identified as the contracting party in this Agreement. Certificates shall provide the full name of each insurer providing coverage, its NAIC (National Association of Insurance Commissioners) identification number, its financial rating, the amounts of any policy deductibles or self-insured retentions exceeding fifty thousand (\$50,000.00) dollars, and list any County required endorsement forms.
- Neither the County's failure to obtain, nor the County's receipt of, or failure to object to a non-complying insurance certificate or endorsement, or any other insurance documentation or information provided by San Gabriel, its insurance broker(s) and/or insurer(s), shall be construed as a waiver of any of the Required Insurance provisions.

Certificates and copies of any required endorsements shall be sent to:

County of Los Angeles Department of Parks and Recreation
1000 South Fremont Avenue, Unit #40
Building A-9 West, Second Floor
Alhambra, CA 91803
Attention: Chief, Contracts Division

San Gabriel also shall promptly report to County any injury or property damage accident or incident, including any injury to a San Gabriel employee occurring on County property, and any loss, disappearance, destruction, misuse, or theft of County property, monies or securities entrusted to San Gabriel. San Gabriel also shall promptly notify County of any third party claim or suit filed against San Gabriel or any of its Sub-Contractors which arises from or relates to this Agreement, and could result in the filing of a claim or lawsuit against San Gabriel and/or County.

b. Additional Insured Status and Scope of Coverage

The County, its Special Districts, elected and appointed officials, the Board of Supervisors, officers, employees, agents, and trustees (collectively the Indemnified Parties) shall be provided additional insured status under San Gabriel's General Liability policy with respect to liability arising out of San Gabriel's ongoing and completed operations performed on behalf of the County. County and its Agents additional insured status shall apply with respect to liability and defense of suits arising out of San Gabriel's acts or omissions, whether such liability is attributable to San Gabriel or to the County. The full policy limits and scope of protection also shall apply to the Indemnified Parties as an additional insured, even if they exceed the County's minimum Required Insurance specifications herein. Use of an automatic additional insured endorsement form is acceptable providing it satisfies the Required Insurance provisions herein.

c. Cancellation of or Changes in Insurance

San Gabriel shall provide County with, or San Gabriel's insurance policies shall contain a provision that County shall receive, written notice of cancellation or any change in Required Insurance, including insurer, limits of coverage, term of coverage or policy period. The written notice shall be provided to County at least ten (10) days in advance of cancellation for non-payment of premium and thirty (30) days in advance for any other cancellation or policy change. Failure to provide written notice of cancellation or any change in Required Insurance may constitute a material breach of the Agreement, in the sole discretion of the County, upon which the County may suspend or terminate this Agreement.

d. Failure to Maintain Insurance

San Gabriel's failure to maintain or to provide acceptable evidence that it maintains the Required Insurance shall constitute a material breach of the Agreement, upon which County immediately may withhold payments due to San Gabriel, and/or suspend or terminate this Agreement. County, at its sole discretion, may obtain damages from San Gabriel resulting from said breach. Alternatively, the County may purchase the Required Insurance, and without further notice to San Gabriel, deduct the premium cost from sums due to San Gabriel or pursue San Gabriel reimbursement.

e. Insurer Financial Ratings

Coverage shall be placed with insurers acceptable to the County with A.M. Best ratings of not less than A:VII unless otherwise approved by County.

f. Subcontractor Insurance Coverage Requirements

San Gabriel shall include all Sub-Contractors as insureds under San Gabriel's own policies, or shall provide County with each Sub-Contractor's separate evidence of insurance coverage. San Gabriel shall be responsible for verifying each Sub-Contractor complies with the Required Insurance provisions herein, and shall require that each Sub-Contractor name the County and San Gabriel as additional insureds on the Sub-Contractor's General Liability policy. San Gabriel shall obtain County's prior review and approval of any Sub-Contractor request for modification of the Required Insurance.

g. Deductibles and Self-Insured Retentions (SIRs)

San Gabriel's policies shall not obligate the County to pay any portion of any San Gabriel deductible or SIR. The County retains the right to require San Gabriel to reduce or eliminate policy deductibles and SIRs as respects the County, or to provide a bond guaranteeing San Gabriel's payment of all deductibles and SIRs, including all related claims investigation, administration and defense expenses. Such bond shall be executed by a corporate surety licensed to transact business in the State of California.

h. Claims Made Coverage

If any part of the Required Insurance is written on a claims made basis, any policy retroactive date shall precede the effective date of this Agreement. San Gabriel understands and agrees it shall maintain such coverage for a period of not less than three (3) years following Agreement expiration, termination or cancellation.

i. Application of Excess Liability Coverage

San Gabriel may use a combination of primary, and excess insurance policies which provide coverage as broad as the underlying primary policies, to satisfy the Required Insurance provisions.

j. Separation of Insureds

All liability policies shall provide cross-liability coverage as would be afforded by the standard ISO (Insurance Services Office, Inc.) separation of insureds provision with no insured versus insured exclusions or limitations.

k. Alternative Risk Financing Programs

The County reserves the right to review, and then approve, San Gabriel use of self-insurance, risk retention groups, risk purchasing groups, pooling arrangements and captive insurance to satisfy the Required Insurance provisions. The County and its Agents shall be designated as an Additional Covered Party under any approved program.

l. County Review and Approval of Insurance Requirements

The County reserves the right to review and adjust the Required Insurance provisions, conditioned upon County’s determination of changes in risk exposures.

Section 19: Insurance Coverage

a. Commercial General Liability insurance (providing scope of coverage equivalent to ISO policy form CG 00 01), naming County and its Agents as an additional insured, with limits of not less than:

General Aggregate:	\$2 million
Products/Completed Operations Aggregate:	\$1 million
Personal and Advertising Injury:	\$1 million
Each Occurrence:	\$1 million

b. Automobile Liability insurance (providing scope of coverage equivalent to ISO policy form CA 00 01) with limits of not less than \$1 million for bodily injury and property damage, in combined or equivalent split limits, for each single accident. Insurance shall cover liability arising out of San Gabriel’s use of autos pursuant to this Agreement, including owned, leased, hired, and/or non-owned autos, as each may be applicable.

c. Workers Compensation and Employers’ Liability insurance or qualified self-insurance satisfying statutory requirements, which includes Employers’ Liability

coverage with limits of not less than \$1 million per accident. If San Gabriel will provide leased employees, or, is an employee leasing or temporary staffing firm or a professional employer organization (PEO), coverage also shall include an Alternate Employer Endorsement (providing scope of coverage equivalent to ISO policy form WC 00 03 01 A) naming the County as the Alternate Employer, and the endorsement form shall be modified to provide that County will receive not less than thirty (30) days advance written notice of cancellation of this coverage provision. If applicable to San Gabriel's operations, coverage also shall be arranged to satisfy the requirements of any federal workers or workmen's compensation law or any federal occupational disease law.

Section 20: County's Insurance Obligations to San Gabriel

- a. The conditions, covenants, coverages, and obligations applicable to San Gabriel for the benefit of the County in Section 18 and 19 of this Agreement shall also flow to and apply to the County for the benefit of San Gabriel to the extent that the County is a self-insured public agency.
- b. As a self-insured public agency, the County shall provide San Gabriel with the same insurance coverages and protections from liability and defense of suits as would be afforded by first-dollar insurance and by the provisions listed in Section 18 and 19 of this Agreement.
- c. The County shall submit evidence of self-insurance and amounts of coverages as required in Section 19 of this Agreement by submitting to San Gabriel a Certificate of Self-Insurance to:

San Gabriel Valley Water Company
Attn: Robert J. DiPrimio
11142 Garvey Avenue
El Monte, CA 91733

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Agreement to be executed by the Director of the Department of Parks and Recreation, or his/her designee, and approved by County Counsel, and San Gabriel has caused this Agreement to be executed in its behalf by its duly authorized officer, this _____ day of _____, 2018.

SAN GABRIEL VALLEY WATER COMPANY

Robert W. Nicholson
President


Date

COUNTY OF LOS ANGELES

John Wicker, Director
Department of Parks and Recreation

Date

APPROVED AS TO FORM:
MARY C. WICKHAM
County Counsel

By 
Christina Angeles
Principal Deputy County Counsel

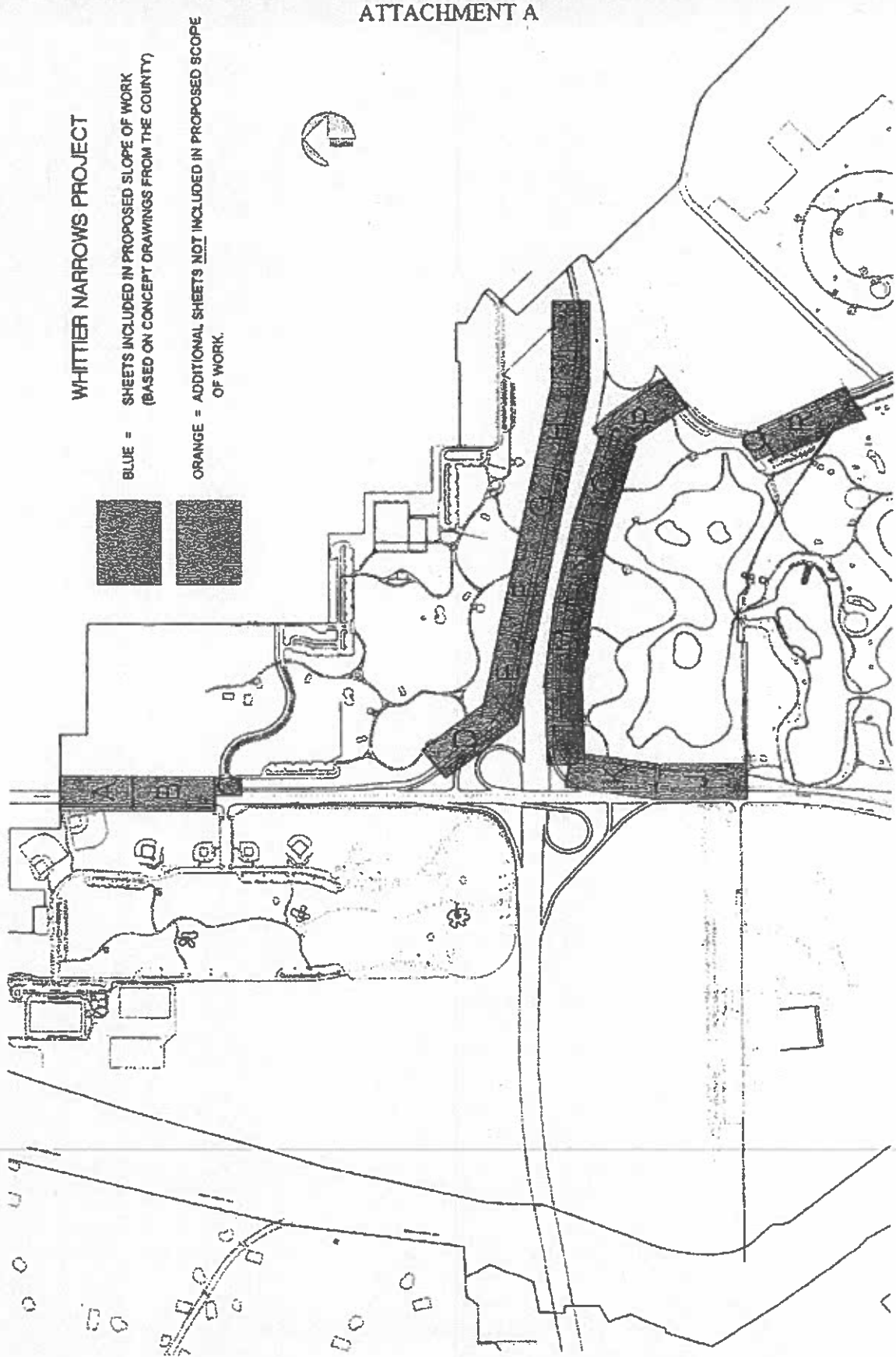
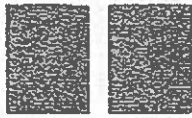
Date

ATTACHMENT A

WHITTIER NARROWS PROJECT

BLUE - SHEETS INCLUDED IN PROPOSED SCOPE OF WORK
(BASED ON CONCEPT DRAWINGS FROM THE COUNTY)

ORANGE - ADDITIONAL SHEETS NOT INCLUDED IN PROPOSED SCOPE
OF WORK.



**Agreement for Recycled Water Service at
Whittier Narrows Recreation Area and Whittier Narrows Golf Course
Cost Analysis**

Annual Irrigation Cost (per Recommended Agreement)		
Whittier Narrows Recreation Area: 883.97 acre-feet @ \$934 (Replacement Fee plus fees)	\$	839,370
Whittier Narrows Golf Course: 414.80 acre-feet @ \$1,155.65 (General Meter Rate plus fees)		<u>488,259</u>
Total Annual Irrigation Cost	\$	1,327,629
Less: Revenue from Lease of Production Right for Whittier Narrows Recreation Area		
Equivalent to Available Production Right: 862.38 acre-feet @ \$750.60 (90% of Cyclic Storage Rate of \$834)	\$	<u>(647,302)</u>
Total Revenue from Lease of Production Right	\$	(647,302)
Net Annual Irrigation Cost		
Whittier Narrows Recreation Area	28%	\$ 192,068
Whittier Narrows Golf Course	72%	<u>488,259</u>
Total Net Annual Irrigation Cost	100%	\$ 680,327

**COUNTY OF LOS ANGELES
DEPARTMENT OF PARKS AND RECREATION
AWARD BOARD LETTER
MINORITY VERIFICATION SHEET**

DIVISION	Parks and Recreation - Contracts Division
AGENDA DATE	June 12, 2018
SUBJECT:	Agreement to purchase recycled water and to lease water production rights at Whittier Narrows Recreation Area and Whittier Narrows Golf Course
How many of the proposers are certified local small business enterprises (LSBE) or certified minority, women, disadvantaged, or disabled veteran businesses (CBE)?	
Answer:	None.
How many of the contract awards are going to certified local small business enterprises (LSBE) or certified minority, women, disadvantaged, or disabled veteran businesses (CBE)?	
Answer:	None.