

Appendix A

Memorandum of Understanding

- Memorandum of Understanding (MOU) between the Castaic Lake Water Agency, Santa Clarita Valley Sanitation District of Los Angeles County, City of Santa Clarita, Los Angeles County Flood Control District, Newhall County Water District, Santa Clarita Water Division of the Castaic Lake Water Agency and the Valencia Water Company to Participate and Contribute to the Preparation of the Upper Santa Clara River Watershed

Memorandum of Understanding (MOU) between the Castaic Lake Water Agency, Santa Clarita Valley Sanitation District of Los Angeles County, City of Santa Clarita, Los Angeles County Flood Control District, Newhall County Water District, Santa Clarita Water Division of the Castaic Lake Water Agency and the Valencia Water Company to Participate and Contribute to the Preparation of the Upper Santa Clara River Watershed Integrated Regional Water Management Plan

This Memorandum of Understanding (“MOU”) is entered into and is made effective March, 2007, by and between the Castaic Lake Water Agency, including its Santa Clarita Water Division (SCWD)(collectively the “Agency”), Santa Clarita Valley Sanitation District of Los Angeles County (“Sanitation District”), City of Santa Clarita (City), Los Angeles County Flood Control District (“Flood Control District”), Newhall County Water District (“Water District”) and the Valencia Water Company (“Water Company”) (hereafter, collectively the “Parties” or individually as “Party”).

RECITALS

WHEREAS, the parties to this Agreement intend to establish and participate in a Regional Water Management Group (“Group”) under the California Water Code Division 6, part 2.2, known as the *Integrated Regional Water Management Planning Act of 2002* , hereinafter referred to as “Act”,

WHEREAS, Section 10531 of the California Water Code, herein after also referred to as “Act” includes the following declarations:

(a) Water is a valuable natural resource in California, and should be managed to ensure the availability of sufficient supplies to meet the state's agricultural, domestic, industrial, and environmental needs. It is the intent of the Legislature to encourage local agencies to work cooperatively to manage their available local and imported water supplies to improve the quality, quantity, and reliability of those supplies.

(b) Improved coordination among local agencies with responsibilities for managing water supplies and additional study of groundwater resources are necessary to maximize the quality and quantity of water available to meet the state's agricultural, domestic, industrial, and environmental needs.

(c) The implementation of the Act will facilitate the development of integrated regional water management Plans, thereby maximizing the quality and quantity of water available to meet the state's water needs by providing a framework for local agencies to integrate programs and projects that protect and enhance regional water supplies; and

WHEREAS, Section 10537 of the Act states that “Regional Water Management Group” means a group in which three or more local public agencies, at least two of which have statutory authority over water supply, participate by means of a joint powers agreement, memorandum of understanding, or other written agreement, as appropriate, that is approved by the governing bodies of those local public agencies; and

WHEREAS, under the Act, the Parties propose to collaboratively prepare an Integrated Regional Water Management Plan for the Upper Basin of the Santa Clara River, (the "Plan") as set forth in this MOU; and

WHEREAS, the Upper Basin of the Santa Clara River, as defined for the purposes of the Plan, is bounded by the San Gabriel Mountains to the south and southeast, the Santa Susana Mountains to the southwest, the Liebre Mountains and Transverse Ranges to the northeast and northwest, westward to the Ventura County Line; and

WHEREAS, the study area for the Plan includes all, or a portion of, the service areas of the Parties; and

WHEREAS, an Integrated Regional Watershed Management Plan for the Ventura County portion of the Santa Clara River Watershed has been developed and the development of a combined Integrated Regional Watershed Management Plan for the entire watershed is envisioned for project integration; and

WHEREAS, the Agency is willing to administer a contract (the “Plan Contract”) to engage a third-party consultant (“Plan Consultant”) to prepare the Plan, including award of the Contract and its general oversight; and

WHEREAS, the Sanitation District is willing to administer a contract (the “Facilitation Contract”) to engage a third-party consultant (“Facilitation Consultant”) to facilitate the Plan collaborative stakeholder process, including award of the Facilitation Contract and its general oversight; and

WHEREAS, the Agency, Flood Control District, City, Water District and Water Company (herein referred to as the “Plan Consultant Funding Parties”) have agreed to collectively pay for Plan Consultant costs, while the Sanitation District has agreed to pay for Facilitation Consultant Costs; and

WHEREAS, the Parties also are willing to provide the Plan and Facilitation Consultants, collectively known as “Consultant(s),” with the necessary data to prepare the Plan and to review and comment on the draft versions of the Plan; and

WHEREAS, the "Consultant(s) Costs" for preparation of the Plan consist of all amounts paid to the Consultant(s) upon completion of the Plan; and

WHEREAS, the Plan Consultant Costs currently are estimated to be \$236,000, and with a contingency of an additional \$34,000, which sum will be shared amongst the Plan Consultant Funding Parties, with the Agency's share being a total of \$90,000 (\$45,000, each from the Agency and the Santa Clarita Water Division); Flood Control District's share being \$45,000, City's share being \$45,000, Water District's share being \$45,000, and Water Company's share being \$45,000; and

WHEREAS, the Facilitation Consultant Costs currently are estimated to be \$50,000, with the Sanitation District providing up to \$50,000 worth of facilitation consulting services.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by the Parties and of the promises herein contained, it is here by further agreed as follows:

- (1) All recitals set forth above are incorporated herein and constitute a part of the agreement among the Signatories;
- (2) AGENCY for itself and its SCWD agrees as follows:
 - a. Agency shall choose, contract with and administer a Plan Contract for the Plan and perform supervision and oversight of the Plan Consultant's services. Agency will ensure that all contracts entered into by the Agency pursuant to this MOU will contain provisions which require the Plan Consultant and any subcontractor(s) to maintain appropriate insurance, to name each Party as additional insureds and to indemnify, defend and hold the Parties harmless as permitted by law.
 - b. Agency shall have the ability to terminate this Memorandum of Understanding at any time upon 10 days prior written notice to the other Parties in the event that sufficient funding to prepare the Plan is not contributed by Group members. In such an event Agency shall refund to the Plan Consultant Funding Parties their proportionate share of unexpended funds which had been provided to the Agency minus any Agency and/or other party costs.
 - c. Agency and SCWD shall provide and share all of their necessary and relevant information, data, studies, and/or documentation for the Plan in its possession as may be requested by the Plan Consultant within thirty (30) calendar days of the request by the Plan Consultant for such information and data with the understanding that if such information, data, studies or documentation be provided later, it may not be incorporated in the Plan due to time constraints.
 - d. To review and comment on the draft and final versions of technical reports and the draft Plan within twenty-one (21) calendar days from the date of receipt of said documents or Agency and SCWD's comments may not be incorporated in the Final Plan.

- e. To provide its share of the total Plan Consultant Costs in the amount of \$90,000 (\$45,000 for Agency and \$45,000 from SCWD).
- f. To deposit \$30,000 into an account managed by the Agency for the purpose of paying the Plan Consultant within thirty (30) calendar days of execution of this MOU.
- g. To make two additional deposits of \$30,000 the first no later than June 1, 2007 for the first and the second no later than July 1, 2007.
- h. Once the Plan is adopted pursuant to the Act, to prepare, review, and consider approval of future grant applications for implementation of the Plan and administer grants for Plan preparation within the timeframes provided by law.
- i. To comply with all procedural requirements of the Act.

(3) SANITATION DISTRICT agrees as follows:

- a. To provide up to \$50,000 of in-kind consultant services (estimated to be 350 hours of consultant time plus other related expenditures) in order to facilitate stakeholder group meetings that would be performed by the Facilitation Consultant and to administer the contract of the facilitation services consultant. Sanitation District will maintain an accounting of Facilitation Consultant services rendered and other related expenditures, which will be made available in accordance of provision 5(c) of this MOU.
- b. Sanitation District shall provide and share all its necessary and relevant information, data, studies, and/or documentation for the Plan in its possession as may be requested by the Plan Consultant within thirty (30) calendar days of the request by the Consultant for such information and data, with the understanding that if such information, should it be provided at a later date, may not be incorporated in the Plan due to time constraints.
- c. Sanitation District shall review and comment on the draft and final versions of technical reports and the draft Plan within twenty-one (21) calendar days from the date of receipt of said documents or Sanitation District's comments may not be incorporated in the Final Plan.
- d. Once the Plan is adopted pursuant to the Act, to prepare, review, and consider for approval future grant applications for implementation of the Plan within the time frame provided by law.
- e. To comply with all procedural requirements of the Act.

(4) CITY, FLOOD CONTROL DISTRICT, WATER DISTRICT and WATER COMPANY each agrees as follows:

- a. To provide and share all necessary and relevant information, data, studies, and/or documentation for the Plan in each Party's possession as may be requested by the Plan Consultant within thirty (30) calendar days of the request by the Plan Consultant for such information and data, with the understanding that if such information, should it be provided at a later date, may not be incorporated in the Plan due to time constraints.
- b. To review and comment on the draft and final versions of technical reports and the draft Plan within twenty-one (21) calendar days from the date of receipt of said documents or comments from the City, Flood Control District, Water District or Water Company may not be incorporated in the Final Plan;
- c. To pay its share of the Plan Consultant's Costs of \$45,000 as set out herein;
- d. To deposit the initial payment of \$15,000 with the Agency within thirty (30) calendar days of execution of this MOU.
- e. To make two additional deposits of \$15,000, the first no later than June 1, 2007 and the second no later than July 1, 2007.
- f. Once the Plan is adopted pursuant to the Act, to prepare, review, and consider for approval future grant applications for implementation of the Plan within the time frames required by law.
- g. To comply with all procedural requirements of the Act.

(5) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. The Regional Water Management Group shall not formally adopt the Plan pursuant to Water Code Section 10541(d) until at least three member agencies in the Group have endorsed the Plan by resolution or other formal action of each entity's legislative body, including at least two agencies with statutory authority over water supply, those being Agency and Water District, as evidenced by resolutions duly adopted in substantial conformity to the form of resolution attached to this MOU as Exhibit A.
- b. If the governing body of any Party determines not to endorse the Plan, such action shall constitute automatic withdrawal from the Regional Water Management Group. No refund of amounts paid to the Agency shall be reimbursed to any withdrawing party. A Party which is deemed to have withdrawn from the Regional Water Management Group under this subsection shall automatically be reinstated when that Party adopts the Plan and accepts and executes any additions and/or amendments to this MOU.

- c. Upon adoption of the Plan pursuant to the Act, the Agency and the Sanitation District shall prepare a final accounting (the "Accounting") of all final actual Plan Consultant and Facilitation Consultant costs for review by the Parties.
- d. If the funds deposited with the Agency exceed the Plan Consultant Costs based upon the Accounting, the Agency will refund the excess funds to each Plan Consultant Funding Party in proportion to each Party's share of the Plan Consultant Costs, without interest, within sixty (60) days after adoption of the Plan by all Parties. If insufficient funds have been deposited with the Agency, Agency shall bill each Plan Consultant Funding Party for its proportionate additional share of excess costs, which amounts shall be paid to Agency within 45 days of receipt of such billing. The Agency understands and agrees that such further funding will require the authorization of the each Party's governing body. Thereafter, interest shall accrue on the amounts owing at the rate of 7% per annum simple interest. Additional costs shall be billed to the Sanitation District, only if the cost to finalize the Plan is greater than \$50,000 per Plan Consultant Funding Party, which is the Sanitation District's current maximum in-kind contribution for the Facilitation Consultant.
- e. This MOU may be amended or modified only by mutual written consent of all Parties at the time of such amendment or modification. No waiver of any term or condition of this MOU by any Party hereto shall be a continuing waiver thereof.
- f. This MOU shall terminate three years after the date of execution unless renewed by mutual written consent from all Parties prior to expiration.
- g. All Parties to this MOU mutually release each other from any and all liability, claims, demands or costs (including but not limited to reasonable attorneys' fees) in connection with all claims arising out of this MOU, including but not limited to that relating to the Contracts with the Consultants, and including any and all claims relating to a Consultant's performance or failure to perform under the Contracts and/or any violation or alleged violation of the Act as a result thereof.

Such release shall extend to that pursuant to Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Initial: CLWA/ SCWD _____
Sanitation District _____
City _____
Flood Control District _____
Water District _____
Water Company _____

- h. Notwithstanding any provision of law, including but not limited to California Government Code Sections 895 et. seq., therein, any and all liability or expenses (including attorneys' and experts' fees and related costs) incurred by any party to this MOU as a result of claims by third parties and injury to third parties, arising from or relating to this MOU shall be equally allocated among the Parties. The parties shall not be responsible for any expenses that are as the result of the sole negligent or intentional acts or omission of another Party. The term "injury" shall have the meaning prescribed by Section 810.8 of the Government Code. This provision shall survive termination of this Agreement for a period not to exceed five years.
- i. If any provision of this MOU is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the Parties agree that the remainder of this MOU shall be given effect to the fullest extent possible.
- j. The Parties' respective obligations under this agreement, in connection with the preparation and adoption of the Plan, are contingent upon and subject to the Group's compliance with the applicable procedural requirements of Section 10541 of the Act.
- k. If after the public hearing required by subsection (b) of Section 10541 of the Act, the minimum members needed to constitute a RWMG have not determined to prepare the Plan, all remaining funds deposited with the Agency by other Parties, for the preparation of the Plan, shall be refunded to the respective Parties in proportion to each Party's share of the Plan Consultant Costs, within sixty (60) days after the public hearing.

- I. Notice: Any correspondence, communication, or contact concerning this MOU shall be directed to the following:

Castaic Lake Water Agency:

Mr. Dan Masnada
General Manager
27234 Bouquet Canyon Road
Santa Clarita, CA 91350
Fax Number: (661) 297-1610

Santa Clarita Water Division of the Castaic Lake Water Agency:

Mr. Mauricio Guardado
Retail Manager
22722 W. Soledad Canyon Road
Santa Clarita, CA 91350
Fax Number: (661) 286-4333

City of Santa Clarita:

Mr. Ken Pulskamp
City Manager
23920 Valencia Blvd., Suite 300
Santa Clarita, CA 91355
Fax Number: (661) 259-8125

Newhall County Water District

Mr. Steve Cole
General Manager
23780 North Pine Street
Newhall, CA 91321
Fax Number: (661) 259-8137

Los Angeles County, Flood Control District

Los Angeles County Department of Public Works
Mr. Donald L. Wolfe
Director of Public Works
900 South Fremont Avenue
Alhambra, CA 91803
Fax Number: (626) 458-4022

Santa Clarita Valley Sanitation District of Los Angeles County

Mr. Stephen R. Maguin
Chief Engineer and General Manager
Santa Clarita Valley Sanitation District of Los Angeles County
1955 Workman Mill Road
Whittier, CA 90601
Fax Number: (562) 695-8660

Valencia Water Company

Mr. Robert DiPrimio
President
24631 Avenue Rockefeller
Valencia, CA 91355
Fax Number: (661) 294-3806

Notice shall be deemed given upon personal delivery or fax confirmation of receipt or 5 days after deposit in the U.S. mail, first class, postage prepaid, addressed as set out above.

Each person signing this MOU represents to have the necessary power and authority to bind the entity on behalf of which said person is signing and each of the other Parties can rely on that representation.

This MOU may be executed in counterparts, each counterpart being an integral part of this MOU.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed by their respective officers, duly authorized:

Castaic Lake Water Agency/SCWD

By _____
Dan Masnada, General Manager

APPROVED AS TO FORM:
McCormick, Kidman and Behrens

By _____
Legal Counsel

SANTA CLARITA VALLEY SANITATION DISTRICT OF
LOS ANGELES COUNTY

By _____
Stephen R. Maguin, Chief Engineer
and General Manager

APPROVED AS TO FORM:
Lewis, Brisbois, Bisgaard & Smith

By _____
Legal Counsel

CITY OF SANTA CLARITA:

By _____
Ken Pulskamp, City Manager

Attest: City Clerk

APPROVED AS TO FORM:
Burke, Williams & Sorensen, LLP

By _____
Legal Counsel

LOS ANGELES COUNTY FLOOD
CONTROL DISTRICT

By _____
Donald L. Wolfe, Director of Public Works

APPROVED AS TO FORM:

By _____
County Counsel

VALENCIA WATER COMPANY

By _____
Robert DiPrimio, President

NEWHALL COUNTY WATER DISTRICT

By _____
Steve Cole, General Manager

APPROVED AS TO FORM:

By _____
Legal Counsel

Such release shall extend to that pursuant to Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Initial: CLWA/ SCWD

DM

Sanitation District

City

Flood Control District

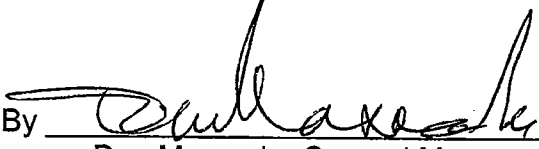
Water District

Water Company

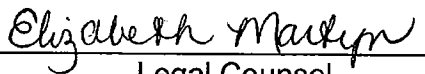
- h. Notwithstanding any provision of law, including but not limited to California Government Code Sections 895 et. seq., therein, any and all liability or expenses (including attorneys' and experts' fees and related costs) incurred by any party to this MOU as a result of claims by third parties and injury to third parties, arising from or relating to this MOU shall be equally allocated among the Parties. The parties shall not be responsible for any expenses that are as the result of the sole negligent or intentional acts or omission of another Party. The term "injury" shall have the meaning prescribed by Section 810.8 of the Government Code. This provision shall survive termination of this Agreement for a period not to exceed five years.
- i. If any provision of this MOU is held, determined or adjudicated to be illegal, void, or unenforceable by a court of competent jurisdiction, the Parties agree that the remainder of this MOU shall be given effect to the fullest extent possible.
- j. The Parties' respective obligations under this agreement, in connection with the preparation and adoption of the Plan, are contingent upon and subject to the Group's compliance with the applicable procedural requirements of Section 10541 of the Act.
- k. If after the public hearing required by subsection (b) of Section 10541 of the Act, the minimum members needed to constitute a RWMG have not determined to prepare the Plan, all remaining funds deposited with the Agency by other Parties, for the preparation of the Plan, shall be refunded to the respective Parties in proportion to each Party's share of the Plan Consultant Costs, within sixty (60) days after the public hearing.

IN WITNESS WHEREOF, the Parties hereto have caused this MOU to be executed by their respective officers, duly authorized:

Castaic Lake Water Agency/SCWD

MBH
By 
Dan Masnada, General Manager

APPROVED AS TO FORM:
McCormick, Kidman and Behrens

By 
Legal Counsel

Such release shall extend to that pursuant to Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Initial: CLWA/ SCWD _____
Sanitation District _____
City _____
Flood Control District _____
Water District _____
Water Company RJD

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VALENCIA WATER COMPANY

By Robert DiPrimio
Robert DiPrimio, President

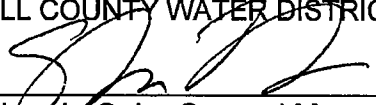
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Initial: CLWA/ SCWD _____
Sanitation District _____
City _____
Flood Control District _____
Water District *hmc*
Water Company _____

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NEWHALL COUNTY WATER DISTRICT

By



Stephen L. Cole, General Manager

Such release shall extend to that pursuant to Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Initial: CLWA/ SCWD

Sanitation District

_____ SM _____

City

Flood Control District

Water District

Water Company

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SANTA CLARITA VALLEY SANITATION DISTRICT OF
LOS ANGELES COUNTY

By Stephen R. Maguin
Stephen R. Maguin, Chief Engineer
and General Manager

APPROVED AS TO FORM:
Lewis, Brisbois, Bisgaard & Smith


By B. Richard Marsh
Legal Counsel

Such release shall extend to that pursuant to Civil Code Section 1542, which states: "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR."

Initial: CLWA/ SCWD _____
Sanitation District _____
City  _____
Flood Control District _____
Water District _____
Water Company _____

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LOS ANGELES COUNTY FLOOD
CONTROL DISTRICT

By 
for Donald L. Wolfe, Director of Public Works

APPROVED AS TO FORM:

By 
County Counsel

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Initial: CLWA/ SCWD

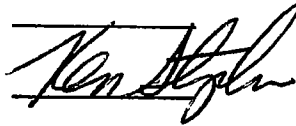
Sanitation District

City

Flood Control District

Water District

Water Company



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CITY OF SANTA CLARITA:

By Ken Pulskamp
Ken Pulskamp, City Manager

Shirley A. Jansen
Attest: City Clerk 5/7/07

APPROVED AS TO FORM:
Burke, Williams & Sorensen, LLP

By B. Williams
Legal Counsel