

**AGENDA**  
**SAN GABRIEL VALLEY MUNICIPAL WATER DISTRICT**  
**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**THURSDAY, FEBRUARY 18, 2021, 9:30 A.M.**

*Pursuant to Provisions of Executive order N-25-20 issued by Governor Gavin Newsom on March 12,2020, Any director may call into the Board of Directors meeting using the call-in number..... or via GoToMeeting Link....*

<https://global.gotomeeting.com/join/937737757>

You can also dial in using your phone.

United States: +1 (408) 650-3123

- One-touch: Tel:+14086503123,,937737757#

Access Code: 937-737-757

**ROLL CALL:** Knoles, Paulson, Placido, Prince, Wong

**AGENDA ACTION ITEMS:**

1. Purchase and Sale Agreement for Water Stored in the Main San Gabriel Basin
2. Office Status Due to Covid

**ADJOURNMENT**

THIS AGENDA WAS POSTED ON FEBRUARY 10, 2021 AT SGVMWD.  
THE NEXT REGULAR BOARD MEETING WILL BE MARCH 8, 2021.

**PURCHASE AND SALE AGREEMENT  
FOR WATER STORED IN MAIN SAN GABRIEL BASIN**

THIS PURCHASE AND SALE AGREEMENT (the “Agreement”) is entered into by and between the City of Sierra Madre, a California municipal corporation (“City”), and San Gabriel Valley Municipal Water District, a California special district (“District”) (collectively, “parties”).

**RECITALS**

A. The District has an obligation to furnish 14,500 acre-feet of water to the Main San Gabriel Basin Watermaster (“Watermaster”) to meet its adjudicated replenishment obligations.

B. The District maintains approximately 11,500 acre-feet of water in cyclic storage in the Main San Gabriel Basin.

C. The City currently maintains 2,970.74 acre-feet of water in cyclic storage in the Main San Gabriel Basin (“Surplus City Water”).

D. With a current State Water Project allocation of 10%, the District anticipates it will need to purchase supplemental water during this calendar year to satisfy its replenishment obligation.

E. In future years, when the District’s State Water Project allocation increases, the District will have water available that exceeds its replenishment obligation, including water that may be held in cyclic storage, and such surplus water is referred to herein as “Surplus District Water.”

F. The District estimates that the cost to purchase water imported through the State Water Project on the market is \$650-\$850 per acre-foot, with an additional transportation cost of \$200 per acre-foot to deliver the water to the Main San Gabriel Basin.

G. The City is able and willing to transfer the Surplus City Water to the District on the terms and conditions set forth herein, with the understanding that in future years it may purchase from the District Surplus District Water in accordance with the terms and conditions set forth herein.

In consideration of the mutual covenants, agreements and representations contained in this Agreement, City and District agree as follows:

**ARTICLE I  
TERM**

**1.1 Effective Date.** This Agreement will take effect upon the date of the last signature below.

**1.2 Termination Date.** This Agreement will terminate upon the completion of the City's purchase of 2,970.74 acre-feet of Surplus District Water, or the City informing the District in writing that it no longer wishes to purchase Surplus District Water.

## **ARTICLE II**

### **PURCHASE OF SURPLUS CITY WATER**

**2.1 Purchase and Sale.** Pursuant to the terms and conditions contained in this Agreement, City hereby agrees to sell the Surplus City Water to District and, District hereby agrees to purchase the Surplus City Water from City.

**2.2 Purchase Price.** The purchase price for the Surplus City Water will be \$2,376,592.00, calculated at \$800 per acre-foot, payable by District to City in cash within 30 days of the recordation of the transfer as described in Section 4.2.

**2.3 Additional Expenses.** Any additional expenses associated with the transfer or recordation of transfer under this Agreement will be borne by the District.

## **ARTICLE III**

### **PURCHASE OF SURPLUS DISTRICT WATER**

**3.1 Surplus District Water.** The District will provide notice to the City within 30 days of the District's determination that its cyclic storage of water exceeds 14,500 acre-feet and that Surplus District Water is available.

**3.2 Notice.** The notice will include the date of the determination, the amount of Surplus District Water in excess of 14,500 acre-feet that is available, and the total price of the Surplus District Water based on the rate set forth in Section 3.3, below.

**3.3 Rate.** From time to time, the City may purchase up to 2,970.74 acre-feet of Surplus District Water at the then-current groundwater replenishment rate charged by the District to its member agencies. The City may purchase the Surplus District Water in any increment at its discretion.

**3.4 Additional Expenses.** In the event the City purchases Surplus District Water, the City will be responsible for any additional expenses associated with the transfer or recordation of transfer of the Surplus District Water.

**3.5 Additional Expenses.** Any purchase of Surplus District Water will be subject to a subsequent purchase and sale agreement to be substantially similar, in form and substance, to this Agreement.

**ARTICLE IV**  
**TRANSFER OF SURPLUS CITY WATER**

**4.1 Timeline.** The parties agree that time is of the essence for purposes of this Agreement. The District will agendaize a discussion of this Agreement for the February 8, 2021 regular meeting of its Board of Directors. The City will agendaize a discussion of this Agreement for the February 9, 2021 regular meeting of its City Council.

**4.2 Request of Watermaster.** Within 10 days of the Effective Date of this Agreement, the City will request that the Watermaster record the transfer of the Surplus City Water from the City to the District. The District will be responsible for making all other requests and applications and obtaining any other governmental approvals.

**4.3 Authorization.** The City authorizes its City Manager to facilitate the sale and transfer of the Surplus City Water. The District authorizes its General Manager to facilitate the purchase and transfer of the Surplus City Water.

**4.4 Condition of City Surplus Water.** District agrees to accept the Surplus City Water in its “as is” condition and may be subject to contamination or pollution. Except to the extent expressly represented by City in this Agreement, City will have no responsibility or liability with respect to any such condition of the Surplus City Water.

**ARTICLE V**  
**MISCELLANEOUS**

**5.1 Indemnification.** The District agrees to indemnify City, its officers, agents, employees and volunteers, to the fullest extent permitted by law, from any and all loss, injury, damage, claim, lawsuit, cost, expense, attorneys’ fees, litigation costs, taxes, or any other cost arising out of or in any way related to the performance of this Agreement, except such loss or damage which is caused by the sole active negligence or willful misconduct of the City.

**5.2 Attorneys’ Fees.** If any action, proceeding or arbitration is brought to interpret or enforce the terms of this Agreement, the prevailing party will be entitled to recover from the other party, in addition to all other damages, all costs and expenses of such action, proceeding or arbitration, including but not limited to actual attorneys’ fees (including the allocated costs of in-house counsel), witness fees’ and court costs. The phrase “prevailing party” as used in this Section will mean the party who receives substantially the relief desired whether by dismissal, summary judgment or otherwise. The terms of this Section will survive the Termination Date.

**5.3 Notices.** All notices and requests under this Agreement will be in writing and will be sent by personal delivery or e-mail (with hard copy to follow the next business day by overnight mail), by nationally recognized overnight mail carrier such as FedEx or delivered in person to the following street addresses:

If to City:

If to District:

Gabe Engeland  
City Manager  
232 West Sierra Madre Blvd.  
Sierra Madre, CA 91024  
Telephone: 626-355-7135  
E-mail: [GEngeland@cityofsierramadre.com](mailto:GEngeland@cityofsierramadre.com)

Darin Kasamoto  
General Manager  
1402 North Vosburg Drive  
P. O. Box 1299  
Azusa, CA 91702  
Telephone: 626-969-7911  
E-Mail: [DKasamoto@sgvmwd.com](mailto:DKasamoto@sgvmwd.com)

With courtesy copy to:

Aleks R. Giragosian, City Attorney  
Colantuono, Highsmith & Whatley, PC  
790 E. Colorado Blvd, Suite 8500  
Pasadena, California 91101  
Telephone: (213) 542-5700  
E-Mail: [AGiragosian@chwlaw.us](mailto:AGiragosian@chwlaw.us)

**5.4 Cooperation.** City and District acknowledge that it may be necessary to execute documents other than those specifically referred to in this Agreement to complete the transfer of the Surplus City Water. Each party will reasonably cooperate with the other in connection with the requirements imposed by this Agreement upon the other, to the end that neither party will act in any manner to impede the other in performing its obligations under this Agreement.

**5.5 Interpretation.** This Agreement will be construed and enforced in accordance with the laws of the State of California as applicable to contracts entered into in California among parties doing business therein. This Agreement contains the entire agreement between the parties respecting the purchase and sale of the Surplus City Water and supersedes all prior negotiations, discussions, understandings and agreements, both oral and written, between the parties with respect to such matters. This Agreement may not be modified or amended in any way except by a writing executed by both City and District.

**5.6 Successors and Assigns.** This Agreement will be binding upon and inure to the benefits of the successors and assigns of the parties to this Agreement.

**5.7 Severability.** If any term or provision of this Agreement is determined to be invalid or unenforceable, the remaining terms and provisions will not be affected thereby and will remain in full force and effect to the maximum extent permitted by law.

(Signature Page Follows Immediately)

IN WITNESS WHEREOF, the parties listed below are authorized to execute this Agreement on behalf of their respective entity.

**“CITY”**

By \_\_\_\_\_  
Gabe Engeland, City Manager

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

Attest:

By \_\_\_\_\_  
Laura Aguilar, Acting City Clerk

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

Approved as to form:

By \_\_\_\_\_  
Aleks R. Giragosian, City Attorney

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

**“DISTRICT”**

By \_\_\_\_\_  
Darin Kasamoto, General Manager

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