



# CITY OF INGLEWOOD

## OFFICE OF THE CITY MANAGER



**DATE:** March 9, 2021

**TO:** Mayor and Council Members

**FROM:** Public Works Department

**SUBJECT:** Public Hearing – Ordinance Granting a Franchise to Golden State Water Company

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### **RECOMMENDATION:**

It is recommended that the Mayor and Council Members conduct a public hearing to consider an ordinance granting to Golden State Water Company a franchise to use or lay and use pipelines and appurtenances for transmitting and distributing water under, along, across or upon the public streets, ways, alleys and places within the City of Inglewood.

### **BACKGROUND:**

The City's Water Service area covers approximately 7.19 square miles within its corporate boundaries. The City's system provides water to about 80% of the residents and businesses in the City. The remaining residences & businesses receive water services from either Golden State Water Company (GSWC) or the Cal-American Water Company. GSWC service area is generally bounded by South of Century Boulevard, within City area, and covers approximately 1.90 square miles.

The Franchise Ordinance with Golden State Water Company expired on March 23, 2020. The Franchise granted GSWC the right to transmit and distribute water within specific portions of the City.

The Franchise intends to fulfill the City's obligation to provide potable water service, either directly or by contract, to all City portions. The proposed Franchise term is ten (10) years and provides water service to those portions served by GSWC. GSWC will be responsible for all maintenance, repair, installation, construction, and operation services and facilities' costs during the 10-year Franchise.

By renewing the Franchise, the City will continue to lawfully collect a 2% franchise fee of all gross annual receipts from the Franchise's operation. This franchise fee is payable to the City yearly. Additionally, a Utility Users Tax (UUT) of 10% will be collected from the customers by GSWC and forwarded to the City. GSWC will also submit to the City its annual reports and GIS map of their system. Further, Golden State will continue to be obligated to observe all regulations concerning, but not limited to, water purveying and distribution, street excavation, and obtaining the proper permits from the Public Works Department to do so.

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**DISCUSSION:**

On February 18, 2020, the City received the GSWC proposal for the franchise ordinance renewal. Public Works staff and the City Attorney reviewed the proposal comparing the terms stated in the existing GSWC Water Franchise Ordinance. Staff felt the ordinance should be in the City Attorney's terms and language.

On March 10, 2020, Public Works staff and the City Attorney initially sent the new GSWC Water Franchise Ordinance to GSWC general manager for review.

Due to the Covid-19 pandemic, GSWC general manager didn't respond with their comments on the initial draft of the new GSWC Water Franchise Ordinance until June 12, 2020. After reviewing GSWC comments for self-insured retention & deduction and technical languages, the City made changes to the ordinance and sent to GSWC versions two, three, and four of the document, respectively, on different occasions for their review.

On November 20, 2020, the Inglewood City Attorney called the GSWC general manager and its legal consultant/risk manager about the GSWC comments for self-insured retention & deduction and technical languages.

On December 1, 2020, the City and the GSWC general manager finally agreed to the terms stated in the GSWC Water Franchise Ordinance.

On January 26, 2021, the City Council adopted the resolution of intent to set a public hearing for March 9, 2021, to consider adoption of the Water Franchise Ordinance for the continuation of Golden State Water Company Service.

Once the public hearing is conducted, the City Council shall adopt the GSWC Water Franchise Agreement Ordinance (Attachment No. 1) to continue water service provided by GSWC.

**FINANCIAL/FUNDING ISSUES AND SOURCES:**

Water rates are established by the Public Utilities Commission (PUC) by Section 6231 of the Public Utilities Act. The franchise fee collected is set by the PUC and is currently at 2%. Previously collected franchise fees for the last four (4) years are shown below:

2016	\$354,899.26
2017	\$363,653.26
2018	\$373,522.75
2019	\$344,234.61

**Mayor and Council Members  
Public Hearing for Golden State Water Franchise  
March 9, 2021**

GSW bills the Utility Users Tax (UUT) to customers on their monthly bills. The money is collected by GSW and forwarded to the City. Currently, the UUT amount for water is 10%. The previously collected UUT for the last four (4) years is shown below:

2016	\$493,270.84
2017	\$534,902.20
2018	\$554,701.08
2019	\$531,192.60

**LEGAL REVIEW VERIFICATION:** YD

Administrative staff has verified that the legal documents accompanying this report have been reviewed and approved by the City Attorney's Office.

**BUDGET REVIEW VERIFICATION:** YD

Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed, and approved by the Budget Division.

**FINANCE REVIEW VERIFICATION:** YD

Administrative staff has verified that this report, in its entirety, has been submitted to, reviewed, and approved by the Finance Department.

**DESCRIPTION OF ANY ATTACHMENTS:**

Attachment No. 1 - GSWC Water Franchise Ordinance

**PREPARED BY:**

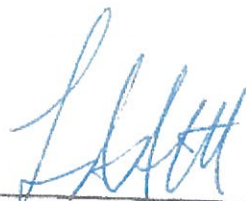
Louis A. Atwell, P.E., Public Works Director/Assistant City Manager  
Thomas C. Lee, P.E., Principal Engineer-Water Resources  
Angie Primm, Management Assistant  
Joi L. Aldridge, Management Assistant to Director

**COUNCIL PRESENTER:**

Louis A. Atwell, P.E., Public Works Director/Assistant City Manager

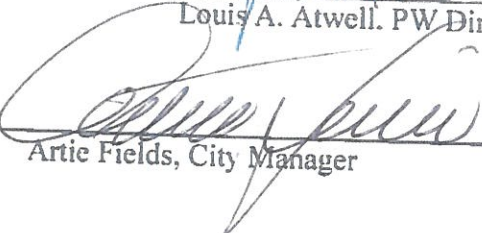
**APPROVAL VERIFICATION SHEET**

**DEPARTMENT HEAD/  
ASSISTANT CITY MANAGER APPROVAL:**



\_\_\_\_\_  
Louis A. Atwell, PW Director/Asst. City Mngr.

**CITY MANAGER APPROVAL:**



\_\_\_\_\_  
Artie Fields, City Manager

# **ATTACHMENT NO. 1**

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ORDINANCE NO.: \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF  
INGLEWOOD, CALIFORNIA GRANTING TO GOLDEN STATE  
WATER COMPANY, A CALIFORNIA CORPORATION, A  
FRANCHISE TO USE OR LAY AND USE PIPELINES AND  
APPURTENANCES FOR TRANSMITTING AND  
DISTRIBUTING WATER UNDER, ALONG, ACROSS OR UPON  
THE PUBLIC STREETS, WAYS, ALLEYS AND PLACES WITHIN  
THE CITY OF INGLEWOOD.**

**WHEREAS**, Golden State Water Company, formerly known as Southern California Water Company, a California corporation had a Franchise to use or lay and use pipes and appurtenances for transmitting and distributing water under along, across or upon public streets, ways, alleys and places in the City of Inglewood pursuant to Ordinance No. 2364, which has now expired; and

**WHEREAS**, pursuant to Sections 6201 through 6302 of the Public Utilities Code referred to as the Franchise Act (hereafter referred to as the "Act"), Golden State Water Company has made application for a Franchise to continue to use or lay and use pipes and appurtenances for transmitting and distributing water under, along, across or upon public streets in the City of Inglewood; and

**WHEREAS**, pursuant to Section 6232 of the Act, January 26, 2021 the City Council did declare its intention to grant a Franchise to said company; and did set a public hearing to consider objections to said Franchise; and

**WHEREAS**, pursuant to Section 6234 of the Act, the City Council did conduct said public hearing on March 9, 2021, where objections, if any, to said Franchise were considered overruled or denied; and

**WHEREAS**, pursuant to Section 6202 of the Act, at a regular Council meeting held on March 9, 2021, said Franchise was granted to Golden State Water Company following the public hearing on the matter.

1           **NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD, CALIFORNIA**  
2 **DOES HEREBY ORDAIN AS FOLLOWS:**

3                               **SECTION I – DEFINITIONS**

4           Whenever in this ordinance the words or phrases defined in this Section 1 are used,  
5 they shall have the respective meanings assigned to them in the following definitions (unless,  
6 in the given instance, the context wherein they are used shall clearly import a different  
7 meaning):

8           (a)     **“Act”** means the Franchise Act of 1937 as set forth in Sections 6201-6302 of the  
9 Public Utilities Code.

10          (b)     **“City”** means the City of Inglewood, a municipal corporation of the State of  
11 California, in its present incorporated form or in any later reorganized, consolidated or  
12 reincorporated form.

13          (c)     **“Code”** means the Public Utilities Code of the State of California.

14          (d)     **“CPUC”** means the California Public Utilities Commission or any successor  
15 thereto having jurisdiction over the supervision and regulation of public utilities (as defined in  
16 Section 216 of the Code).

17          (e)     **“Engineer”** means the City Engineer of the City of Inglewood.

18          (f)     **“Franchise”** means any authorization granted hereunder in terms of a  
19 franchise, privilege, permit, license, or otherwise to use, or lay and use, pipes and  
20 appurtenances for transmitting and distributing water for any and all purposes under, along,  
21 across or upon the streets in the City of Inglewood.

22          (g)     **“General Order No. 103-A”** means General Order No. 103-A adopted by the  
23 CPUC, as in effect on the date hereof or as it may hereafter be modified by the CPUC, setting  
24 standards of water service, including standards for the design and construction of pipes and  
25 appurtenances.

26          (h)     **“Grantee”** means Golden State Water Company, a California Corporation, and  
27 its successors and assigns.

28          (i)     **“Lay and use”** means to lay, construct, erect, install, operate, maintain, use,

1 repair, replace, or remove.

2 (j) "Pipes and appurtenances" means pipe, pipelines, main, service, trap, vent,  
3 vault, manhole, meter, gauge, regulator, valve, conduit, ditch, flume, appliance, attachment  
4 and other appurtenances located or to be located in, upon, along, across or under the streets  
5 of the City of Inglewood, and used or useful in transmitting and distributing water.

6 (k) "Streets" means the public streets, ways, alleys and places as the same now or  
7 may hereafter exist within the City of Inglewood.

8 (l) "Water" means water of any type, including, without limitation, potable water,  
9 reclaimed water and wastewater.

10 **SECTION 2 – GRANT OF FRANCHISE**

11 (a) Subject to each and all of the terms and conditions contained in this ordinance,  
12 and pursuant to the provisions of Article XXX of the Charter of the City of Inglewood and the  
13 Act, a Franchise is hereby granted to Grantee for a term of ten (10) years from the date of  
14 approval of this Ordinance granting said Franchise. However, this Franchise shall terminate  
15 prior to the end of the ten (10) year term for any of the reasons set forth in Section 4 of this  
16 Franchise Agreement.

17 (b) This Franchise grants to the Grantee the rights and privileges to use, or to lay  
18 and use pipes and appurtenances for transmitting and distributing water for any and all  
19 purposes under, along, across or upon the public streets, ways, alleys and places, as the same  
20 may hereafter exist, within the City of Inglewood.

21 (c) The Franchise granted hereby is subject to the terms and conditions set forth  
22 herein to the extent not inconsistent with the California Constitution, the Act, other applicable  
23 provisions of the Code and the rules, regulations, orders and decisions of the CPUC, including,  
24 without limitation, General Order No. 103-A, and to the terms and conditions set forth in the  
25 Act.

26 (d) This Franchise grant is made in lieu of all other franchises, rights or privileges  
27 owned by the Grantee, or by any successor of the Grantee to any rights under this Franchise,  
28 for transmitting and distributing water within the limits of the City, as such limits now or



1 hereafter may exist, except any franchise derived under Section 19 of Article XI of the  
2 Constitution of the State of California as that section existed prior to the amendment thereof  
3 adopted October 10, 1911, and the acceptance of the Franchise hereby granted shall operate  
4 as an abandonment of all such franchises within the limits of this City, as such limits now or  
5 may hereafter exist, in lieu of which this Franchise is granted.

6 (e) The granting of this Franchise shall not be construed to prevent the City from  
7 granting any identical or similar franchise to any person other than Grantee, so long as such  
8 grant does not interfere with the use of this Franchise by Grantee.

9 **SECTION 3 – ACCEPTANCE OF FRANCHISE**

10 (a) Pursuant to Section 6235 of the Act, this Franchise is granted and shall be held  
11 and enjoyed only upon the terms and conditions herein contained, and the Grantee must,  
12 within thirty (30) days after the passage of this Ordinance, file with the City Clerk of the City of  
13 Inglewood, a written acceptance of the Franchise including a statement to comply with the  
14 terms and conditions of this Ordinance.

15 (b) Pursuant to Section 6235 of the Act, the Franchise granted hereunder shall not  
16 become effective unless such written acceptance has been timely filed by the Grantee with  
17 the City Clerk of the City of Inglewood.

18 (c) Pursuant to Section 6235 of the Act, when so filed, such acceptance shall  
19 constitute a continuing agreement of the Grantee that if and when the City shall thereafter  
20 annex or consolidate with additional territory, any and all franchise rights and privileges  
21 owned by Grantee therein, except a franchise derived under Section 19 of Article XI of the  
22 California Constitution as that section existed prior to the amendment thereof adopted  
23 October 10, 1911, shall likewise be deemed to be abandoned within the limits of such  
24 territory.

25 **SECTION 4 – TERMINATION OF FRANCHISE**

26 This Franchise shall terminate ten (10) years from the effective date of approval of this  
27 Ordinance granting said Franchise. However, pursuant to Section 6264 of the Act, this  
28 Franchise shall terminate prior to the end of the initial term if (i) Grantee voluntarily

1 surrenders or abandons the Franchise with the consent of the CPUC; (ii) the State or any  
2 municipal or public corporation duly authorized by law purchases by voluntary agreement or  
3 condemns and takes under the power of eminent domain all property actually used or useful  
4 in the exercise of this Franchise and located within its territorial limits; or (iii) the Franchise is  
5 forfeited for noncompliance with its terms by Grantee.

6 **SECTION 5 – AMOUNT OF FRANCHISE FEE**

7 (a) Pursuant to Section 6231(c) of the Act, Grantee shall pay to City at the times  
8 hereunder specified, in lawful money of the United States, a franchise fee annually which shall  
9 be equal to two percent (2%) of the gross annual receipts of the Grantee arising from the use,  
10 operation or possession of this Franchise, except that this payment shall be not less than one  
11 percent (1%) of Grantee's gross annual receipts derived from the sale of water within City  
12 limits.

13 (b) Grantee shall also pay to City a sum of money sufficient to reimburse it for all  
14 publication expenses incurred by it in connection with the granting of this Franchise, such  
15 payment to be made within thirty (30) days after the City shall furnish Grantee with a written  
16 statement of such expenses.

17 **SECTION 6 – PAYMENT OF FRANCHISE FEES**

18 (a) Pursuant to Section 6299 of the Act, within three (3) months after the expiration of  
19 each calendar year, or fractional calendar year, during the term of this Franchise, Grantee  
20 shall file with the City Clerk, a statement verified by an officer of Grantee showing the  
21 following:

22 (1) The total gross receipts under Section 5 received by the Grantee from  
23 the use, operation or possession of this Franchise during the preceding calendar year,  
24 or fractional calendar year;

25 (2) The total gross receipts under Section 5 received by the Grantee from  
26 the sale of water within City limits; and

27 (3) The method and supporting calculations used to calculate the franchise  
28 fees which are payable to the City in accordance with this Franchise.

1 (b) Pursuant to Section 6300 of the Act, within fifteen (15) days after the filing of  
2 the verified statement, the Grantee shall pay to City, at the office of the City Treasurer, in  
3 lawful money of the United States, the sum of money required to be paid by Grantee to City  
4 under Section 5 for the calendar year, or fractional calendar year, covered by the verified  
5 statement.

6 (c) Pursuant to Section 6300 of the Act, any neglect, omission or refusal by Grantee to  
7 file the verified statement required under subsection (a) above, or to pay any required  
8 payments under Section 5 at the time and in the manner specified shall be grounds for the  
9 declaration of a forfeiture of this Franchise and of all rights and privileges of Grantee  
10 hereunder, provided that Grantee shall not have cured said neglect, omission, or refusal to file  
11 or pay within ten (15) days following written notice from the City of Grantee's failure to file or  
12 pay the required amount, or, if such neglect, omission or refusal is not reasonably subject to  
13 cure within such ten (15) day period, Grantee has not commenced to cure such neglect,  
14 omission or refusal within such ten (15) day period and has not continued to prosecute such  
15 cure to completion.

#### 16 SECTION 7 – INSURANCE

17 (a) Grantee shall procure and maintain for the duration of this Franchise the  
18 following policies of insurance from companies authorized to transact business in the State of  
19 California by the Insurance Commissioner of California:

20 (1) Comprehensive general liability insurance with a combined single limit of  
21 not less than \$1,500,000 per occurrence and \$3,000,000 in the aggregate or its  
22 equivalent in coverage; and

23 (2) Comprehensive automobile liability insurance endorsed for all owned,  
24 non-owned and hired vehicles with a combined single limit of at least \$1,500,000 per  
25 occurrence; and

26 (3) Workers' compensation insurance as required by law.

27 (b) Grantee shall furnish the City prior to the commencement of any work  
28 pursuant to this Franchise Agreement, and immediately after the issuance of any replacement

1 of any insurance policy required hereunder, either:

2 (1) Certified copies of insurance policies or certificates of insurance from  
3 the company issuing the insurance policy with respect to the insurance required to be  
4 carried by Grantee pursuant to subsection (a) hereof, including additional insured  
5 endorsements and notice of cancellation endorsements; or

6 (2) A certificate of consent to self-insure, issued by the Department of  
7 Industrial Relations of the State of California or any successor thereto.

8 (c) Each insurance policy obtained by Grantee pursuant to the provisions hereof  
9 shall be primary to and not contributing with any other insurance maintained by the City, shall  
10 name the City and the members of the City Council and the officials and employees of the City  
11 as additional insureds, and shall require that written notice be given to the City at least thirty  
12 (30) days in advance of any material modification or termination of any program of insurance  
13 required hereunder.

14 (d) The Grantee declares that it has a self-insured retention in the amount of  
15 \$500,000 for General Liability and a self-insured deduction in the amount of \$350,000 for  
16 Auto Liability. The Grantee shall be responsible for providing verification of the self-insured  
17 limits at the time of the approval of the Franchise Ordinance Agreement and that the Grantee  
18 has an unsecured debt rating of A- from the Standard & Poor's rating system.

19 (e) Insurance shall be placed with insurers with a current A.M. Best rating of not less  
20 than A:VII.

21 **SECTION 8 – INDEMNIFICATION AND REMEDIES**

22 (a) Grantee shall defend, indemnify, and hold harmless the City and its officers,  
23 employees, agents, representatives, and volunteers from and against all claims, demands,  
24 damages, liabilities, losses, costs, expenses including attorney fees, liens, or judgments arising  
25 out of the performance of any operations under this Franchise caused in whole or part by any  
26 negligent act or omission of the Grantee, any of its subcontractors, or anyone directly or  
27 indirectly employed by any of them or anyone of them or anyone for whose acts any of them  
28 may be liable, except where caused by the negligent or willful misconduct of the City.

1 (b) If any portion of any street or other public property shall be damaged by  
2 reason of defects in any of the pipes and appurtenances maintained or constructed under this  
3 Franchise, or the operation thereof, Grantee shall, at its own cost and expense, immediately  
4 repair any such damage and restore such portion of the street, or other public property, to as  
5 good condition as existed before such defect or other damage caused by Grantee occurred to  
6 the reasonable satisfaction of the Director of Public Works or his/her designee.

7 (c) In the event that Grantee neglects or fails to remove or relocate any pipelines  
8 and appurtenances in a timely manner after receipt of all permits necessary from the City or  
9 any other governmental agency that Grantee may be required to obtain in connection  
10 therewith in accordance with the provisions of Section 10 or fails to immediately repair any  
11 damage to any portion of the streets of the City as required by Section 8(b), the City shall have  
12 the right to remove or relocate such pipelines and appurtenances or repair such damage to  
13 the streets so long as such removal or relocation does not unreasonably interfere with the  
14 ability of the Grantee to provide water service to its customers and the Grantee shall  
15 reimburse City for all reasonable costs or expenses incurred by the City in connection with  
16 such removal, relocation or repair promptly after the receipt of a bill therefore.

17 (d) If the Grantee shall fail, neglect or refuse to comply with any of the provisions  
18 or conditions hereof, and shall not, within ten (10) days after written demand for compliance,  
19 begin the work of compliance, or after such beginning shall not prosecute the same with due  
20 diligence to completion, then the City Council may declare this Franchise forfeited as provided  
21 herein, and the City may thereafter sue in its own name for the forfeiture of this Franchise.

## 22 SECTION 9 – CONSTRUCTION, INSTALLATION, MAINTENANCE, AND REPAIRS

23 (a) Pursuant to Section 6294 of the Act, Grantee shall construct, install, maintain,  
24 and perform any necessary repairs of all pipes and appurtenances and in accordance with all  
25 applicable federal, state and local rules or regulations in effect at the time of granting of the  
26 Franchise, or as may be later prescribed by the City Council, in the exercise of its police  
27 powers and in accordance with the terms and conditions of any permit issued by the Public  
28 Works Department. Any ordinances, rules and regulations theretofore, or hereafter adopted

1 by the City Council of the City in the exercise of its police powers shall be followed unless they  
2 are in conflict with the paramount authority of the State of California, including the Code and  
3 the rules, regulations, orders and decisions of the CPUC, and, as to State highways, subject to  
4 the provisions of general laws relating to the location and maintenance of such facilities.

5 (b) Grantee and the City of Inglewood shall mutually enter into an agreement  
6 whereby the Grantee shall continue to: install, operate, maintain, repair and replace  
7 emergency connections between the City water system and the water system of the Grantee  
8 for the purpose of continuing delivery of water during emergency situations.

9 (c) Grantee shall continue to: construct, install, maintain, repair and replace the  
10 water lines with the least possible hindrance to the use of the streets for the purposes of  
11 travel, to the extent reasonably practicable and not unduly burdensome, and as soon as such  
12 work is completed, all portions of the streets which have been excavated or otherwise  
13 damaged thereby, shall be placed in as good condition as the same were before the  
14 commencement of such work, to the reasonable satisfaction of the Public Works Department.  
15 The Public Works Department shall have the right to give the Grantee such directions for the  
16 location of any pipes and appurtenances as may be reasonably necessary to avoid sewers,  
17 water pipes, conduits or other structures lawfully in or under the streets to the extent not  
18 inconsistent with General Order No. 103-A or other rules, regulations, orders or decisions of  
19 the CPUC; and before the work of constructing any pipes and appurtenances is commenced by  
20 Grantee, the Grantee shall file with the Public Works Department plans showing the location  
21 thereof.

22 (d) All street coverings or openings of traps, vaults, and manholes shall be  
23 constructed flush with the surface of the streets; provided, however, the vents for  
24 underground traps, vaults and manholes may be constructed above the surface of the streets  
25 if such vents are located in parkways, between the curb and the property line, and are not, in  
26 the reasonable opinion of the Public Works Department, hazardous to the public.

27 (e) Grantee shall make such deposits of money or shall file such bonds upon  
28 request of the City, with the City as may be reasonably required to insure satisfaction and

1 completion of all construction within public rights of way.

2 **SECTION 10 – REMOVAL AND RELOCATION**

3 City shall have the right to change the grade, alignment or width of any street,  
4 including the construction of any subway or viaduct by the City. Pursuant to Section 6297 of  
5 the Act, Grantee shall remove or relocate any facilities installed, used or maintained under  
6 this Franchise if and when made necessary by any such lawful change in grade, alignment or  
7 width of the street, without expense to the City; provided, however, that Grantee shall not be  
8 required to bear the expense of such work done at the request of the City if and to the extent  
9 that such request is on behalf, or for the benefit, of any private developer or other non-  
10 governmental entity.

11 **SECTION 11 – STREET EXCAVATION REQUIREMENTS**

12 (a) Except in an emergency, the Grantee shall not excavate in a City street without  
13 having first obtained a Construction-Excavation Permit from the Public Works Department.  
14 The Grantee shall pay any fees required by such permit.

15 (b) Where it is necessary to lay any underground pipes through, under or across  
16 any portion of a paved or macadamized street, the same, where practicable and economically  
17 reasonable and not inconsistent with General Order No. 103-A or other rules, regulations,  
18 orders and decisions of the CPUC, shall be done by a tunnel or bore, so as not to disturb the  
19 foundation of such paved or macadamized street; and in the event that the same cannot be  
20 done, such work shall be done under a Construction-Excavation Permit to be granted by the  
21 Public Works Department upon application therefore, and Grantee shall restore such street,  
22 or portion of such street, to as good a condition as existed before such work to the reasonable  
23 satisfaction of the Public Works Department.

24 (c) In no event may any permit granted by the Director of Public Works or his/her  
25 designee contain any terms or provisions inconsistent with the California Constitution, the  
26 Act, other applicable provisions of the Code and the rules, regulations, orders and decisions of  
27 the CPUC, including, without limitation, General Order No. 103-A, or the terms of this  
28 Franchise. In no event may any fees charged by the City in connection with obtaining such

1 permit exceed the actual costs to the City in processing the permit application, including but  
2 not limited to administrative and/or inspection costs. Nor shall any costs be otherwise  
3 unreasonable or discriminatory.

4 **SECTION 12 – EMINENT DOMAIN**

5 Pursuant to Section 6262 of the Act, the Franchise granted hereunder shall not in any  
6 way or to any extent impair or affect the right of the City to acquire the property of the  
7 Grantee hereof either by purchase or through the exercise of the right of eminent domain,  
8 and nothing herein contained shall be construed to contract away or to modify or to abridge  
9 the City's right of eminent domain in respect to the Grantee.

10 **SECTION 13 – VALUATION OF FRANCHISE**

11 Pursuant to Section 6263 of the Act, this Franchise shall not be given any value before  
12 any court or other public authority in any proceeding of any character in excess of the cost to  
13 the Grantee of the necessary publication and any other sum paid by it to the City therefore at  
14 the time of the acquisition thereof.

15 **SECTION 14 – TRANSFER OF FRANCHISE**

16 Pursuant to Section 6298 of the Act, the Grantee shall file with the City Council of the  
17 City within thirty (30) days after any sale, transfer, assignment or lease of this Franchise, or  
18 any part hereof, or of any of the rights or privileges granted hereby, written evidence of the  
19 same, certified thereto by the Grantee or its duly authorized officers.

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**SECTION 15 – NOTICES**

Any notices under this Section Fifteen shall be in writing and be delivered by courier service or by certified mail, return receipt requested, to the other party at the address shown below or at such other address as the party may designate by written notice delivered in the manner provided for herein:

City Clerk  
City of Inglewood  
One Manchester Boulevard  
Inglewood, CA 90301

with a copy to:

City Attorney  
with a copy to:  
City Administrator  
Golden State Water Company  
Southwest General Manager  
Golden State Water Company  
630 East Foothill Blvd.  
San Dimas, CA 91773

**SECTION 16 – MISCELLANEOUS PROVISIONS**

(a) No party shall be deemed to be the drafter of this Agreement, or of any particular provision or provisions, and no part of this Franchise Agreement shall be construed against any part on the basis that the particular party is the drafter of this Franchise Agreement.

(b) This Franchise Agreement may be executed in several counterparts, each of which is an original, and all of which together constitute but one and the same document.

(c) The captions are for convenience and reference only and are not a part of this Franchise Agreement and do not in any way limit, define or amplify the terms and provisions hereof.

1 (d) If any Section, subsection, paragraph, sentence, clause or phrase of this  
2 Franchise Agreement is for any reason determined to be invalid or unconstitutional, such  
3 determination shall not affect the validity of the remaining portions of this Franchise  
4 Agreement. The City Council of Inglewood declares that it would have passed each Section,  
5 subsection, paragraph, sentence, clause or phrase, as the case may be, irrespective of the fact  
6 that any one or more of such Sections, subsections, paragraphs, sentences, clauses or phrases  
7 have been determined to be invalid or unconstitutional.

8 **SECTION 17 – GOVERNING LAW; VENUE**

9 This Franchise Agreement shall be interpreted, construed and governed according to  
10 the laws of the State of California. In the event of litigation between the parties, venue in  
11 state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest  
12 District, located at 825 Maple Avenue, Torrance, California 90503-5058 or, if the Southwest  
13 District is relocated, to the Superior Court to which the Southwest District has been relocated.  
14 In the event of litigation in the United States District Court, venue shall lie exclusively in the  
15 Central District of California, in Los Angeles.

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**SECTION 18 – EXECUTION**

The Mayor of the City shall sign and the City Clerk shall attest to the passage of this Ordinance. This Ordinance shall take effect thirty (30) days after its adoption, provided that Grantee has filed written acceptance thereof as provided in Section 3 of this Ordinance. The City Clerk shall certify to the adoption of this Ordinance and shall cause the same to be published as required by law.

**Introduced** at a regular meeting of the Inglewood City Council, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**Passed and Adopted** at a regular meeting of the Inglewood City Council, this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

**CITY OF INGLEWOOD:**

\_\_\_\_\_  
**James T. Butts, Jr.,**  
Mayor

**ATTEST:**  
  
\_\_\_\_\_  
**Aisha Thompson,**  
City Clerk

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