ORDINANCE NO.: 21-05

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.
NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INGLEWOOD, CALIFORNIA

DOES HEREBY ORDAIN AS FOLLOWS:

SECTION I – DEFINITIONS

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

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

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

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

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

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

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

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

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

(i) “Lay and use” means to lay, construct, erect, install, operate, maintain, use,
repair, replace, or remove.

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

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

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

SECTION 2 – GRANT OF FRANCHISE

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

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

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

(d) This Franchise grant is made in lieu of all other franchises, rights or privileges owned by the Grantee, or by any successor of the Grantee to any rights under this Franchise, for transmitting and distributing water within the limits of the City, as such limits now or
hereafter may exist, except any franchise derived under Section 19 of Article XI of the
Constitution of the State of California as that section existed prior to the amendment thereof
adopted October 10, 1911, and the acceptance of the Franchise hereby granted shall operate
as an abandonment of all such franchises within the limits of this City, as such limits now or
may hereafter exist, in lieu of which this Franchise is granted.

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

SECTION 3 – ACCEPTANCE OF FRANCHISE

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

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

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

SECTION 4 – TERMINATION OF FRANCHISE

This Franchise shall terminate ten (10) years from the effective date of approval of this
Ordinance granting said Franchise. However, pursuant to Section 6264 of the Act, this
Franchise shall terminate prior to the end of the initial term if (i) Grantee voluntarily
surrenders or abandons the Franchise with the consent of the CPUC; (ii) the State or any
municipal or public corporation duly authorized by law purchases by voluntary agreement or
condemns and takes under the power of eminent domain all property actually used or useful
in the exercise of this Franchise and located within its territorial limits; or (iii) the Franchise is
forfeited for noncompliance with its terms by Grantee.

SECTION 5 – AMOUNT OF FRANCHISE FEE

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

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

SECTION 6 – PAYMENT OF FRANCHISE FEES

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

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

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

(3) The method and supporting calculations used to calculate the franchise
fees which are payable to the City in accordance with this Franchise.
(b) Pursuant to Section 6300 of the Act, within fifteen (15) days after the filing of the verified statement, the Grantee shall pay to City, at the office of the City Treasurer, in lawful money of the United States, the sum of money required to be paid by Grantee to City under Section 5 for the calendar year, or fractional calendar year, covered by the verified statement.

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

SECTION 7 – INSURANCE

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

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

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

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

(b) Grantee shall furnish the City prior to the commencement of any work pursuant to this Franchise Agreement, and immediately after the issuance of any replacement
of any insurance policy required hereunder, either:

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

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

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

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

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

SECTION 8 – INDEMNIFICATION AND REMEDIES

(a) Grantee shall defend, indemnify, and hold harmless the City and its officers,
employees, agents, representatives, and volunteers from and against all claims, demands,
damages, liabilities, losses, costs, expenses including attorney fees, liens, or judgments arising
out of the performance of any operations under this Franchise caused in whole or part by any
negligent act or omission of the Grantee, any of its subcontractors, or anyone directly or
indirectly employed by any of them or anyone of them or anyone for whose acts any of them
may be liable, except where caused by the negligent or willful misconduct of the City.
(b) If any portion of any street or other public property shall be damaged by reason of defects in any of the pipes and appurtenances maintained or constructed under this Franchise, or the operation thereof, Grantee shall, at its own cost and expense, immediately repair any such damage and restore such portion of the street, or other public property, to as good condition as existed before such defect or other damage caused by Grantee occurred to the reasonable satisfaction of the Director of Public Works or his/her designee.

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

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

SECTION 9 – CONSTRUCTION, INSTALLATION, MAINTENANCE, AND REPAIRS

(a) Pursuant to Section 6294 of the Act, Grantee shall construct, install, maintain, and perform any necessary repairs of all pipes and appurtenances and in accordance with all applicable federal, state and local rules or regulations in effect at the time of granting of the Franchise, or as may be later prescribed by the City Council, in the exercise of its police powers and in accordance with the terms and conditions of any permit issued by the Public Works Department. Any ordinances, rules and regulations theretofore, or hereafter adopted
by the City Council of the City in the exercise of its police powers shall be followed unless they
are in conflict with the paramount authority of the State of California, including the Code and
the rules, regulations, orders and decisions of the CPUC, and, as to State highways, subject to
the provisions of general laws relating to the location and maintenance of such facilities.

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

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

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

(e)  Grantee shall make such deposits of money or shall file such bonds upon
request of the City, with the City as may be reasonably required to insure satisfaction and
completion of all construction within public rights of way.

SECTION 10 – REMOVAL AND RELOCATION

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

SECTION 11 – STREET EXCAVATION REQUIREMENTS

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

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

(c) In no event may any permit granted by the Director of Public Works or his/her designee contain any terms or provisions inconsistent with the California Constitution, the Act, other applicable provisions of the Code and the rules, regulations, orders and decisions of the CPUC, including, without limitation, General Order No. 103-A, or the terms of this Franchise. In no event may any fees charged by the City in connection with obtaining such
permit exceed the actual costs to the City in processing the permit application, including but
not limited to administrative and/or inspection costs. Nor shall any costs be otherwise
unreasonable or discriminatory.

SECTION 12 – EMINENT DOMAIN

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

SECTION 13 – VALUATION OF FRANCHISE

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

SECTION 14 – TRANSFER OF FRANCHISE

Pursuant to Section 6298 of the Act, the Grantee shall file with the City Council of the
City within thirty (30) days after any sale, transfer, assignment or lease of this Franchise, or
any part hereof, or of any of the rights or privileges granted hereby, written evidence of the
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.
(d) If any Section, subsection, paragraph, sentence, clause or phrase of this Franchise Agreement is for any reason determined to be invalid or unconstitutional, such determination shall not affect the validity of the remaining portions of this Franchise Agreement. The City Council of Inglewood declares that it would have passed each Section, subsection, paragraph, sentence, clause or phrase, as the case may be, irrespective of the fact that any one or more of such Sections, subsections, paragraphs, sentences, clauses or phrases have been determined to be invalid or unconstitutional.

SECTION 17 – GOVERNING LAW; VENUE

This Franchise Agreement shall be interpreted, construed and governed according to the laws of the State of California. In the event of litigation between the parties, venue in state trial courts shall lie exclusively in the County of Los Angeles, Superior Court, Southwest District, located at 825 Maple Avenue, Torrance, California 90503-5058 or, if the Southwest District is relocated, to the Superior Court to which the Southwest District has been relocated. In the event of litigation in the United States District Court, venue shall lie exclusively in the Central District of California, in Los Angeles.
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 9th day of March, 2021.

Passed and Adopted at a regular meeting of the Inglewood City Council, this 16th day of March, 2021.

CITY OF INGLEWOOD:

[Signature]
James T. Butts, Jr., Mayor

ATTEST:

[Signature]
Aisha Thompson,
City Clerk
STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES) SS.
CITY OF INGLEWOOD )

I, AISHA L. THOMPSON, City Clerk of the City of Inglewood, California do hereby certify that the whole number of members of the CITY COUNCIL of said city is five; that the foregoing ordinance being Ordinance No. 21-05 is the full, true and correct original of Ordinance No. 21-05 of the said City of Inglewood, California entitled;

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

which was duly passed and adopted by the said City Council, approved and signed by the Mayor of said city, and attested by the City Clerk of said City, all at a meeting of said Council held on the 16th day of March, 2021 and that the same was so passed and adopted by the following vote:

Ayes: Council Members, Dotson, Padilla, Morales, Franklin and Mayor Butts, Jr.; and

Noes: None.

WITNESS my hand and the seal of said City the 19th day of January, 2021.

(SEAL)

City Clerk of the City of Inglewood