

DATE: March 9, 2023

TO: WCA Governing Board

FROM: Mark Stanley, Executive Officer

THROUGH: N/A

SUBJECT: Item 10: Receive and file a report to transfer from the Azusa-RMC Joint Powers Authority to the Watershed Conservation Authority in fee 201 acres in the City of Azusa.

RECOMMENDATION: That the Watershed Conservation Authority Governing Board receive and file a report to transfer from the Azusa-RMC Joint Powers Authority to the Watershed Conservation Authority in fee 201 acres in the City of Azusa.

PROJECT DESCRIPTION: In December 2016, the Azusa-RMC Joint Powers Authority (JPA) was formed pursuant to the provisions of Title 1, Division 7, Chapter 5, Article 1 (Section 6500 et seq) of the Government Code relating to the joint exercise of powers to accept the conveyance of real property within the foothills of Azusa, Assessor Parcel Nos. 8625-001-050, 8625-001-054 and 8625-001-059 and portions of 8625-001-053, 8625-001-058, and 8625-001-060, from the City of Azusa. The member agencies include the City of Azusa and the San Gabriel and Lower Los Angeles and Mountains Conservancy (RMC).

The Authority was created to acquire, develop, maintain, manage, and operate the “Rosedale” subdivision, a dedication of approximately 201 acres of open space land in the hillsides of north Azusa, and to retain title to said land as permanent open space. Rosedale Land Partners (RLP) contributed an initial \$50,000 to cover the operational costs of the JPA. The Authority Board consists of five directors: two members selected by the Azusa City Council, one chosen by the Azusa Planning Commission and two members selected by the RMC Board. At the July 22, 2021, board meeting, the board received a report recommending the dissolution of the Azusa-RMC JPA, transferring subject property to the Watershed Conservation Authority (WCA) and the establishment of a Technical Advisory Committee. Th

The Azusa-RMC JPA Board of Directors requested staff to explore three options:

- 1) City takes back the land
- 2) Create a new JPA to manage the land
- 3) Transfer land to the Watershed Conservation Authority and create a Technical Advisory Committee (TAC) composing of two (2) staff members of the City of Azusa, one (1) at-large community member selected by the Azusa City Council, two (2) staff members from the RMC. To ensure that the City Council is kept up to date on related matters and that proposals impacting the former property are thoroughly vetted, Azusa city staff recommends adding an additional member seat for the Azusa City Manager or designee to occupy on the TAC.

Of the three options, option 3 was most favorable.

The 201 acres owned by the Azusa-RMC JPA would be transferred in fee to the WCA. The WCA would assume all liability, ongoing maintenance, and operations. WCA’s mission is to an is to connect

communities with nature, increase access to open space and recreational opportunities within the San Gabriel and Lower Los Angeles Rivers watersheds.

Receival of the property advances the goal of the San Gabriel Mountains Foothills Open Space Acquisition Master Plan. The Plan purpose is to establish a coordinated open space conservation program for the purpose of establishing a priority acquisition plan and propose a land resource management structure. As public demand for passive recreational access to our foothills and mountains grows, there is a need for a Master Plan approach to establish a collaborative strategy for the sustainable and effective management of open space in our foothills and mountains.

BACKGROUND: On July 5, 2022, the RMC provided a Notice of Intent to Withdraw from the Azusa-RMC JPA (Exhibit A, NOI) in accordance with the Joint Exercise of Powers Agreement (“Agreement”) in Section 1.2 and the withdrawal provisions of Section 7.3:

“Notwithstanding any other provision of this Agreement, any Member Agency may withdraw from the Authority by providing the Authority with written notice of its intent to withdraw within the first seven (7) days of each Fiscal Year. Such notice shall not become effective until the last day of fiscal year in which notice was given; provided, however, that any Member Agency may withdraw, effective on the first anniversary of the Effective Date, by providing the Board of Directors with written notice of such withdrawal at least thirty (30) days before the first anniversary of the Effective Date. A withdrawal from the Authority constitutes a withdrawal of that Member Agency's representatives from the Board of Directors.”

With the RMC Governing Board’s approval, staff will continue discussions to negotiate the terms of a mutually acceptable JPA dissolution agreement with the City of Azusa and executed prior to the effective date of the RMC’s withdrawal of July 1, 2023 (Exhibit B, Draft Dissolution Agreement).

FISCAL INFORMATION: There is no fiscal impact to the WCA associated with the recommendation to receive and file the report.

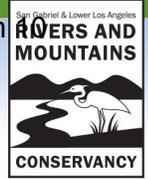
Should the WCA acquire the property in fee, the WCA would assume operations and maintenance of the property. The cost of services such as property insurance, directors’ insurance, attorney fees, and audit service, basic cost for all property WCA owns, will be absorbed as part of current property management requirements, including an marginal cost for property specific tasks, such as weed abatement.



California Natural Resources Agency

San Gabriel & Lower Los Angeles Rivers and Mountains Conservancy

Item



Governing Board of Directors:

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Governor Appointed Public Member

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Central Basin Water Association

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US Forest Service

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Los Angeles County Department of
Public Works

[Executive Officer](#)

Mark Stanley

07-01-2022

City of Azusa
213 E. Foothill Blvd.
Azusa, CA 91702

RE: Notice of Intent to Withdrawal from Azusa-RMC JPA

Dear Mr. Sergio Gonzalez,

The San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy ("RMC") is hereby submitting a notice of intent to withdraw from the Azusa-RMC Joint Powers Authority as a Member Agency.

As stated in the Joint Exercise of Powers Agreement ("Agreement") in Section 1.2, the RMC will comply with the withdrawal provisions of Section 7.3 and work with the City of Azusa on a Dissolution Agreement that will describe the rights and responsibilities of termination between both parties.

In compliance with Section 7.3 of the Agreement, this letter is the RMC's formal written notice of intent to withdrawal from the Azusa-RMC JPA and is being submitted within the first seven (7) days of Fiscal Year 2022-2023. We hope to come to a mutual consent to the termination of the Agreement quickly.

The RMC continues to advance and promote open space conservation, habitat improvements, and passive recreation within the San Gabriel and Lower Los Angeles Rivers watersheds and will continue to strongly support the City of Azusa's continued sustainable management of this important open space.

Respectfully,

Mark Stanley
Executive Officer

**AZUSA-RMC JOINT POWERS AUTHORITY
DISSOLUTION AGREEMENT**

THIS DISSOLUTION AGREEMENT (“Agreement”) is made and entered into this ____ day of _____, 202X by and between the CITY OF AZUSA, (hereinafter “The City”), a California municipal corporation, and the SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY, (hereinafter “RMC”) a state agency organized within the California Natural Resources Agency pursuant to California Public Resources Code (PCC § 32600 et seq.). For the purposes of this Agreement, the City and the RMC may be referred to collectively by the capitalized term “Parties.” The capitalized term “Party” may refer to the City and RMC interchangeably, as appropriate.

RECITALS

WHEREAS, the Parties entered into that certain Joint Powers Agreement dated December 7, 2016 (“JPA”), establishing the Azusa-RMC Joint Powers Authority, a joint powers authority (“Authority”), pursuant to Chapter 5 of Division 7 of Title 1 of the California Government Code section 6500, et seq.; and

WHEREAS, the Authority was created to acquire, develop, maintain, manage, and operate the “Rosedale” subdivision, a dedication of approximately one hundred eighty (180) acres of open space land in the hillsides of north Azusa and either to retain title to said land as permanent open space or to transfer said land to a non-profit conservancy organization for the same purpose, but as of the date of this Agreement transfer has not begun; and

WHEREAS, Article 1.2 of the JPA provides that the Authority shall continue until the JPA is terminated either by either party by complying with the withdrawal provisions of Article 7.3 and upon the effective date of a Dissolution Agreement describing the rights and responsibilities of termination between the Parties; and

WHEREAS, the Parties seek to terminate the JPA and dissolve the Authority with an **Effective Date of July 1, 2023**, and consistent with the provision of Article 7 of the JPA, the Parties desire to enter into this Agreement to authorize and consent to the termination of the JPA and the dissolution of the Authority, and to provide for the distribution of the Authority’s assets.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing, the Parties agree as follows:

ARTICLE I

TERMINATION OF THE JPA AND DISSOLUTION OF THE AUTHORITY

- 1.1 Dissolution of the Authority. The Parties agree to dissolve the Authority effective as of the date of the Authority has both satisfied all outstanding debts and liabilities and distributed the remaining Authority assets as provided herein (“Effective Date”). After the Effective Date, the Parties agree not to do any further business or to incur any further obligations on behalf of the Authority, except as deemed necessary to (i) complete any remaining

distribution of Authority assets; (ii) complete the winding up of unfinished business; or (iii) carry out liquidating of the affairs of the Authority.

- 1.2 Termination of the JPA. Pursuant to Article 7.3 of the JPA, the Parties agree to terminate the JPA as of the Effective Date. The Parties acknowledge and agree that as of the Effective Date the JPA shall of no further force and effect.
- 1.3 Winding-up. The Parties authorize the Authority's Executive Officer to oversee the wind-up the affairs of the Authority, including:
- a) Payment of all known outstanding debts and liabilities and all costs, and payment of all other expenses associated with the dissolution of the Authority;
 - b) Distribution of the remaining Authority assets as set forth in Section 4, below;
 - c) Preparation of a final audit report of the Authority's accounts and records to be submitted to the Parties upon completion of the dissolution process;
 - d) Filing of an Amendment of a Joint Powers Agreement Form and Statement of Facts – Roster of Public Agencies with the office of the California Secretary of State; and
 - e) Any and all other actions or tasks determined reasonably necessary or appropriate to wind-up the affairs of the Authority and complete the dissolution process.
- 1.4 Distribution of Assets. Consistent with the JPA, the Parties agree that the assets remaining after all of the Authority's debts and liabilities have been fully discharged shall be as follows:
- a) All interests in real property or land use rights contributed by the XXX shall be deeded solely to the XXX; and
 - b) All remaining seed funds from the Rosedale developers, as part of the Development Agreement, shall be transferred to the City of Azusa.
 - c) All remaining cash balances from the Azusa-RMC JPA account shall be transferred to the City of Azusa.
 - d) Authority will deliver to the XXX all plans, documents, digital files, GIS, grant proposals and other related documents for the Azusa-RMC JPA no later than 30 days from the Effective Date.

ARTICLE II

RELEASE

- 2.1 Release. Upon the Effective Date, the Parties hereby release and discharge each other, each of their respective assigns and successors and each of their directors, officers, employees and agents, from any and all claims, actions, debts, liabilities, demands, obligations, promises, acts, agreements, costs and expenses (including, without limitation, court costs and attorneys' fees), damages, and causes of action of whatever kind or nature, whether known or unknown, suspected or unsuspected, arising, or accruing before the Effective Date, based on, arising out of, or in connection with (i) the operation of the Authority since its inception, including, without limitation, the ownership, management, development and disposition of its assets, and (ii) the breach of any representation, warranty or covenant in the JPA dated December 7, 2016, and all matters directly or indirectly claimed or alleged between the Parties in connection therewith or in any way related thereto.
- 2.2 The Parties agree and acknowledge that the release contained in Article II of this Agreement applies to both known and unknown claims and agree to waive the benefits of California Civil Code §1542, which states as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.”

The Parties agree and represent that they may hereafter discover facts different from or in addition to those they now know or believe to be true in respect to the claims, demands, debts, liabilities, accounts, actions or causes of action herein released, and hereby agree that these releases shall be and remain in effect in all respects as complete, general and full releases as to the matters released, notwithstanding any such different or additional facts, unless such facts were negligently or intentionally misrepresented by any Party.

ARTICLE III

MISCELLANEOUS

- 3.1 Assignment. No Party shall assign this Agreement to any other person or entity, in whole or in part, without the express written consent of all other Parties.
- 3.2 Waiver. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.
- 3.3 Notices. Any notice or other communication required or permitted to be given under this Agreement shall be directed to the Parties at their respective addresses shown below, or such other address as either party may, from time to time, specify in writing for this purpose:

if to City: City of Azusa
ATTN: City Manager
213 E. Foothill Boulevard
Azusa, CA 91702

with a copy to: Best Best & Krieger LLP
ATTN: Azusa City Attorney
18101 Von Karman Avenue, Suite 1000
Irvine, CA 92612

if to RMC: San Gabriel & Lower Los Angeles Rivers and
Mountains Conservancy
ATTN: Executive Officer
100 N. Old San Gabriel Canyon Road
Azusa, CA 91702

with a copy to: Department of Justice
Office of the Attorney General
ATTN: RMC Deputy Attorney General
300 South Spring Street, Suite 1702
Los Angeles, CA 90013

- 3.4 Entire Agreement. This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter contained herein and supersedes all prior or contemporaneous oral or written agreements, representations, statements, documents, or understandings of the Parties.
- 3.5 Amendment. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all Parties.
- 3.6 Governing Law and Venue. This Agreement shall be construed in accordance with, and governed by, the laws of the State of California. Without exception any action or litigation proceeding brought by any Party in which this Agreement is subject, the venue shall be the Los Angeles County Superior Court of the State of California. If applicable law requires that all or part of any such litigation be tried in federal court, venue, without exception, shall be the Central District of California located in the City of Los Angeles, California.
- 3.7 Effect of Headings. The headings of the paragraphs of this Agreement are included for purposes of convenience only, and shall not affect the construction or interpretation of any of its provisions.
- 3.8 Invalidity. Any provision of this Agreement which is invalid, void, or illegal, shall not affect, impair, or invalidate any other provision of this Agreement, and such other provisions of this Agreement shall remain in full force and effect.

- 3.9 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 3.10 Further Assurances. Each Party agrees to execute, acknowledge, and deliver such further instruments as may be necessary or desirable to accomplish the intent and purpose of this Agreement, provided that the Party requesting such further action shall bear all costs and expenses related thereto.
- 3.11 Severability. Any provision of this Agreement which is determined by a court of competent jurisdiction to be invalid or unenforceable shall be invalid or unenforceable only to the extent of such determination, which shall not invalidate or otherwise render ineffective any other provision of this Agreement.

(SIGNATURES ON NEXT PAGE)

DRAFT

IN WITNESS WHEREOF, the Parties have entered into and executed this Agreement on the day and year indicated hereinafter.

CITY OF AZUSA

SAN GABRIEL AND LOWER LOS ANGELES RIVERS AND MOUNTAINS CONSERVANCY

By: _____

By: _____

Its: _____

Its: _____

Dated: _____

Dated: _____

ATTEST

ATTEST

By: _____

By: _____

Dated: _____

Dated: _____

APPROVED AS TO FORM

APPROVED AS TO FORM

By: _____

By: _____

Dated: _____

Dated: _____

