



City of Arcadia

Office of the
City Clerk

NOTICE OF SPECIAL MEETING

Pursuant to Government Code Section 54953(b), Council Member Tay will be attending the City Council Special Meeting via teleconferencing off the Southern Caribbean, Explorer of the Seas, Room 4B-7232, at 10:00 p.m. (Aruba Time).

As authorized by California Government Code Section 54956 and Arcadia City Charter Section 408, a Special Meeting of the Arcadia City Council is hereby called to be held at the City Council Conference Room, 240 W. Huntington Drive, Arcadia, California on Tuesday, November 29, 2022, at 6:00 p.m.

At this Special Meeting, the following matters will be discussed.

CLOSED SESSION

- a. Pursuant to Government Code Section 54957.6 to confer with labor negotiators.

City Negotiators: City Manager Dominic Lazzaretto, Assistant City Manager/Development Services Director Jason Kruckeberg, and Administrative Services Director Hue Quach.

Employee Organizations: Arcadia Public Works Employees Association, Arcadia City Employees Association, Arcadia Police Civilian Employees Association, Arcadia Police Officers' Association, Arcadia Firefighters' Association, and unrepresented employees: Department Heads, Division Managers, Supervisors, and part-time employees.

OPEN SESSION TO THE PUBLIC

- a. Resolution No. 7469 amending the Fiscal Year 2022-23 General Fund Operating Budget authorizing a supplemental budget appropriation for a one-time inflationary relief assistance to employees in the amount of \$820,000, appropriated from the General Fund Reserve.

CEQA: Not a Project

Recommended Action: Adopt

- b. Resolution No. 7473 Amending the Professional Services Agreement with Kimley-Horn and Associates for additional work necessary to complete the update to the City's Housing Element for the 2021-2029 Planning Period in the Amount of \$30,000, offset by a reduction in the General Reserve, and extending the contract term to June 30, 2023.

CEQA: Not a Project

Recommended Action: Approve and Adopt

- c. Amendment to Best Best & Krieger Agreement for substitution of the individually designated City Attorney.

CEQA: Not a Project

Recommended Action: Approve

- d. Purchase 875 acre-feet of additional imported Cyclic Storage Water from the Main San Gabriel Basin Watermaster for a total cost of \$789,250.
CEQA: Not a Project
Recommended Action: Approve

There will be time reserved for those members of the public who wish to address the City Council regarding the above items.

In accordance with the Brown Act, public comments will be limited to addressing the items listed on this special meeting agenda. Under the Brown Act, the City Council is prohibited from discussing or taking action on any item not listed on the posted agenda.

No other business than the above will be considered at this meeting.

Dated: November 23, 2022



Mayor of the City of Arcadia



STAFF REPORT

Administrative Services Department

DATE: November 29, 2022

TO: Honorable Mayor and City Council

FROM: Hue C. Quach, Administrative Services Director
By: Henry Chen, Financial Services Manager
Anely Williams, Human Resources Administrator

SUBJECT: RESOLUTION NO. 7469 AMENDING THE FISCAL YEAR 2022-23 GENERAL FUND BUDGET AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR A ONE-TIME INFLATIONARY RELIEF ASSISTANCE TO EMPLOYEES IN THE AMOUNT OF \$820,000, APPROPRIATED FROM THE GENERAL FUND RESERVE

CEQA: Not a Project
Recommendation: Adopt

SUMMARY

This agenda item would authorize a one-time relief assistance payment to employees to cope with the upward inflationary pressure of cost-of-living and in recognition of their commitment to the City of Arcadia in a volatile labor market. It is recommended that the City Council adopt Resolution No. 7469, authorizing a budget appropriation in Fiscal Year 2022-23 of \$820,000 to the General Fund for this one-time relief assistance expense.

DISCUSSION

The nation is currently experiencing inflationary pressures not seen since the 1970's. This level of inflation has reduced the purchasing power of employee salaries and has caused many employees to seek higher wages elsewhere, leading to unprecedented turnover rates. Known as "The Great Resignation," this phenomenon creates hiring and retention challenges for both the private and public sectors, including the City of Arcadia.

In order to combat this situation and retain quality employees, the City Council has considered offering a one-time inflationary relief assistance payment to existing employees. In order to acknowledge those employees that have remained with the City since the beginning of the COVID-19 pandemic, a higher level of funding would be offered. Specifically, those full-time employees that have worked with the City since the beginning of the pandemic would receive a \$3,000 payment, whereas full-time employees that have been hired since April 2020 would receive \$1,500. Likewise, part-time employees would receive payments of \$500 and \$250, respectively; however, those payments would be based on total hours worked in the current fiscal year.

Flat-rate inflationary payments have been selected since they will provide the greatest proportional benefit to those most affected by the inflationary pressures. It is estimated that the total cost for the relief assistance outlay would be as follows:

Full Time Employees	\$ 780,000
Part Time Employees	40,000
	\$ 820,000

The proposed inflationary relief assistance payments have been discussed with the City's five labor associations.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act (CEQA), and it can be seen with certainty that it will have no impact on the environment. As such, this matter is exempt under CEQA.

FISCAL IMPACT

The estimated total cost of providing the one-time inflationary relief assistance is \$820,000. Sufficient funds are available in the General Fund Reserve to accommodate this request.

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 7469 authorizing a budget appropriation in Fiscal Year 2022-23, for the one-time inflationary relief assistance to employees at a cost totaling \$820,000.

Approved:



Dominic Lazzaretto
City Manager

Attachments: Resolution No. 7469

RESOLUTION NO. 7469

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING THE FISCAL YEAR 2022-23 GENERAL FUND BUDGET AUTHORIZING A SUPPLEMENTAL BUDGET APPROPRIATION FOR A ONE-TIME INFLATIONARY RELIEF ASSISTANCE TO EMPLOYEES IN THE AMOUNT OF \$820,000, APPROPRIATED FROM THE GENERAL FUND RESERVE

WHEREAS, City Council desires to show appreciation to City staff for their dedication during the COVID-19 Pandemic and to assist staff in dealing with the current elevated inflationary environment by granting a one-time inflationary relief assistance; and

WHEREAS, an appropriation is needed to fund the one-time inflationary relief assistance; and

WHEREAS, the Administrative Services Director has projected that there are adequate reserves in the General Fund to fund the additional appropriation needed for this one-time outlay.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The sum of \$820,000 is hereby appropriated to the General Fund Operating Budget for the purposes of funding the one-time inflationary relief assistance for the period of July 1, 2022, through June 30, 2023.

SECTION 2. The Arcadia City Council finds that this is not a project under the California Environmental Quality Act ("CEQA") and, therefore, no environmental impact assessment is necessary.

SECTION 3. The City Clerk shall certify to the adoption of this Resolution.

[SIGNATURES ON THE NEXT PAGE]


Passed, approved and adopted this 29th day of November 2022.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Stephen P. Deitsch
City Attorney



STAFF REPORT

Development Services Department

DATE: November 29, 2022

TO: Honorable Mayor and City Council

FROM: Jason Kruckeberg, Assistant City Manager/Development Services Director
Lisa Flores, Planning & Community Development Administrator

SUBJECT: RESOLUTION NO. 7473 AMENDING THE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES FOR ADDITIONAL WORK NECESSARY TO COMPLETE THE UPDATE TO THE CITY'S HOUSING ELEMENT FOR THE 2021-2029 PLANNING PERIOD IN THE AMOUNT OF \$30,000, OFFSET BY A REDUCTION IN THE GENERAL FUND RESERVE, AND EXTENDING THE CONTRACT TERM TO JUNE 30, 2023
CEQA: Not a Project
Recommendation: Adopt

SUMMARY

An amendment to the Professional Services Agreement ("PSA") with Kimley-Horn and Associates in the amount of \$30,000 is needed to complete a substantial number of additional requirements from the State Office of Housing and Community Development ("HCD") to complete final certification of the City's Housing Element. The amendment would also extend the term of the PSA with Kimley-Horn to June 30, 2023.

It is recommended that the City Council adopt Resolution No. 7473 (refer to Attachment No. 1) authorizing an appropriation to amend the Professional Services Agreement with Kimley-Horn and Associates to complete the update to the City's Housing Element for the 2021-2029 planning period in the amount of \$30,000, offset by a reduction in the General Fund Reserve, and to extend the contract term to June 30, 2023.

BACKGROUND

In 2021, the City Council authorized a Professional Services Agreement with Kimley-Horn and Associates to update the City's Housing Element for the 2021-2029 planning period (6th Cycle) in the amount of \$208,692, of which a \$150,000 was funded by a Local Early Action Planning Grant ("LEAP") to help defray much of the costs of the

Housing Element Update work. On March 18, 2022, the City Manager approved a contract amendment in the amount of \$7,500 to complete additional requirements from HCD, bringing the contract amount to \$216,192.

The original deadline for all cities in the State to submit their final draft Housing Element for the 6th planning cycle (2021-2029) to HCD was October 15, 2021, with a “90-day grace period.” However, on January 1, 2022, the state law changed and removed the grace period and mid-cycle review. In its place, the final deadline became October 15, 2022.

On February 15, 2022, the City Council approved the draft Housing Element. Since the adoption, the City has been through five extensive rounds of submittal with HCD. These continued and repeated attempts to address the comments and issues provided by HCD have led to a substantial amount of additional work on the Housing Element Update.

Based on a meeting and discussion with HCD on October 10, 2022, the City was provided with guidance that if the last remaining items were made and posted on the City’s website for public review for at least seven (7) days, an extension would be granted to October 20, 2022, to accommodate the comment period. Through their review, HCD also informed the City that specific language had to be added to the City’s original Resolution on the Housing Element, even though it was adopted by the Council in February of this year. HCD had also indicated that the revisions to the Resolution would be the last step to achieving certification. The fifth draft was posted on the City’s website for public review on October 13, 2022, and re-submitted to HCD on October 20, 2022, within the prescribed deadline. The revised Resolution No. 7407 for the Housing Element Update was adopted by Council on November 1, 2022.

On October 28, 2022, the City received a letter from HCD that one word was omitted from one of the programs for residential care facilities and that group homes must be allowed in all zones that allow residential uses without a conditional use permit. For this reason, the draft Housing Element was not certified. On November 9, 2022, the final amendments with the revised Resolution were submitted to HCD; staff is awaiting approval.

The Housing Element Update is still under review by HCD. The path to achieving an approved Housing Element has been complicated by HCD’s continuous changes to their review and certification process, creating impacts for Arcadia as well as many other cities. Therefore, it is necessary to appropriate additional funds to allow for the consultant to complete the additional work and any final coordination necessary to obtain certification.

DISCUSSION

Due to the substantial number of additional requirements imposed by HCD mid-way through the Housing Element Update, an additional appropriation is needed to complete the project. These changes, coupled with HCDs approach to the many iterations of review, have led to a great deal of additional analysis and consultant work. The response to comments was intensive throughout the process, and especially so for the 4th submittal, as HCD required a detailed, site-specific existing conditions summary for every parcel on the inventory (a total of 392 parcels), in addition to edits to other recommended program details, and changes to maps. Also, the extended timeline of the project completion went beyond the anticipated submittal and completion date for the project, which required subsequent work and coordination with the consultants. None of these delays and additional deliverables could have been anticipated and were beyond the scope of the original agreement.

While most of the work with Kimley-Horn and Associates is complete, it is recommended that the consultant remain under contract until the final certification letter is received. As such, it is recommended that the City Council extend the contract term to June 30, 2023. During this time, Kimley Horn and Associations will be available to respond to any questions HCD may still have or provide any requested supplemental data. The extended term would provide a buffer in the event there are additional delays in receiving certification. The requested actions would authorize the City Manager to amend the PSA and contract with Kimley Horn to ensure completion of the Housing Element Update efforts.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act ("CEQA"), as it can be seen with certainty it will have no impact on the environment. Thus, this matter is exempt under CEQA.

FISCAL IMPACT

The current total contract amount for the Housing Element Update is \$216,192, but additional funds are necessary to complete the update for the 2021-2029 planning period. Kimley-Horn and Associates has submitted an invoice for work completed in the amount of \$19,010. While this may be the final amount of contract costs, it is recommended that the proposed amendment allocate an additional \$30,000 to provide additional funds, should HCD have more corrections to the updated Housing Element. This would bring the total contact amount to \$246,192. There is sufficient funding available in the General Fund Reserve for appropriation of the requested \$30,000.

RECOMMENDATION

It is recommended that the City Council adopt Resolution No. 7473 authorizing an appropriation to amend the Professional Services Agreement with Kimley-Horn and Associates to complete the update to the City's Housing Element for the 2021-2029 planning period in the amount of \$30,000, offset by a reduction in the General Fund Reserve, and extending the contract term to June 30, 2023.

Approved:



Dominic Lazzaretto
City Manager

Attachment No. 1: Resolution No. 7473

RESOLUTION NO. 7473

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, AMENDING THE FISCAL YEAR 2022-23 OPERATING BUDGET AUTHORIZING AN APPROPRIATION TO AMEND THE PROFESSIONAL SERVICES AGREEMENT WITH KIMLEY-HORN AND ASSOCIATES FOR ADDITIONAL WORK NECESSARY TO COMPLETE THE UPDATE TO THE CITY'S HOUSING ELEMENT FOR THE 2021-2029 PLANNING PERIOD IN THE AMOUNT OF \$30,000, OFFSET BY A REDUCTION IN THE GENERAL FUND RESERVE, AND EXTENDING THE CONTRACT TERM TO JUNE 30, 2023

WHEREAS, on January 19, 2021, the City Council approved a Professional Services Agreement with Kimley Horn and Associates to assist in the preparation of the State-required update to the Arcadia General Plan Housing Element ("Housing Element Update"), in the amount of \$208,692; and

WHEREAS, as part of the approval of the Housing Element Update, the City Council authorized the acceptance of a Local Early Action Planning ("LEAP") grant in the amount of \$150,000 to defray much of the costs of the Housing Element Update work; and

WHEREAS, on March 18, 2022, the City Manager approved a contract amendment in the amount of \$7,500 of existing Planning Contract Services budget funding to augment the contract for the Housing Element Update in reaction to the State Housing and Community Development Department's ("HCD") extension of time frames to complete the Housing Element Update and additional requirements for the City to address within the Update; and

WHEREAS, continued and repeated attempts to address the comments and issues provided by HCD on the Housing Element Update have led to a substantial amount of additional consultant work on the Housing Element Update; and

WHEREAS, the City Manager has certified that there are sufficient reserves available in General Fund unprogrammed reserves for appropriation.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF ARCADIA, CALIFORNIA, DOES FIND, DETERMINE AND RESOLVE AS FOLLOWS:

SECTION 1. The sum of Thirty Thousand dollars (\$30,000) is hereby appropriated from the General Fund Reserve to amend the Professional Services Agreement with Kimley Horn and Associates for additional work necessary to complete the update to the City's Housing Element for the 2021-2029 Planning Period and extend the contract term to June 30, 2023.

SECTION 2. The City Clerk shall certify to the adoption of this Resolution.

SIGNATURES ON THE NEXT PAGE]


Passed, approved and adopted this 29th day of November, 2022.

Mayor of the City of Arcadia

ATTEST:

City Clerk

APPROVED AS TO FORM:



Stephen P. Deitsch
City Attorney



STAFF REPORT

Office of the City Manager

DATE: November 29, 2022

TO: Honorable Mayor and City Council

FROM: Dominic Lazzaretto, City Manager
By: Justine Bruno, Deputy City Manager

SUBJECT: AMENDMENT TO BEST BEST & KRIEGER AGREEMENT FOR
SUBSTITUTION OF THE INDIVIDUALLY-DESIGNATED CITY
ATTORNEY
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The law firm providing City Attorney services to the City of Arcadia, Best Best & Krieger LLP (“BB&K”), has requested an amendment to its contract concerning the retirement of Stephen C. Deitsch as Arcadia’s designated City Attorney, effective December 31, 2022. The fifth amendment to the Legal Services Agreement will designate Michael Maurer as the Arcadia City Attorney, replacing Mr. Deitsch.

The fifth amendment to the Legal Services Agreement with BB&K is limited to individually designating Michael Maurer as City Attorney, and replacing the formerly designated Assistant City Attorney, Kevin K. Randolph, with another BB&K attorney. The designation of the Assistant City Attorney will be determined by the City and BB&K, from time to time, as needed.

Six-months following the effective date of the appointment, the City Council may choose to conduct a performance evaluation for City Attorney services. It is recommended that the City Council approve and direct the City Manager to execute Amendment No. 5 to the Legal Services Agreement with Best Best & Krieger LLP for City Attorney services.

DISCUSSION

The City and BB&K first entered into an agreement for Legal Services on June 28, 2000. After its original execution, the Agreement has been subsequently amended on four separate occasions to address rate increases and third-party reimbursements for

legal fees. Since November 1999, Stephen Deitsch has served as Arcadia’s designated City Attorney. Throughout his tenure, Mr. Deitsch has provided high-quality legal services to the City Council and City staff. To provide for the continuity of legal services to the City, it is recommended that the City Council designate Michael Maurer of BB&K as the Arcadia City Attorney, replacing Mr. Deitsch.

For the past three years, Michael Maurer has served as the Assistant City Attorney for the City. In his role as Assistant City Attorney, Mr. Maurer helped prepare the City Charter Amendments and Ballot Measures for Arcadia’s 2022 General Municipal Election. Additionally, Mr. Maurer serves as legal counsel for the Arcadia Planning Commission. If Mr. Maurer is appointed to the City Attorney position, BB&K and the City recommend designating another BB&K attorney to serve as the Assistant City Attorney from time to time, as needed. While the current agreement designates a specific Assistant City Attorney, Kevin K. Randolph, Mr. Randolph has not worked for BB&K for many years and the agreement was never updated to reflect this. It would be more appropriate going forward for the designation of the Assistant City Attorney to be accomplished more informally with staff, the City Council, and BB&K mutually agreeing upon an appropriate representative to fill in for Mr. Maurer.

If the Council does not approve the fifth amendment to the Legal Services Agreement with BB&K and identify a replacement for Mr. Deitsch, Arcadia will not have an Individually Designated City Attorney. Without this specification, there would be no designated attorney to attend all regular and special meetings of the City Council. Additionally, the Arcadia City Attorney regularly provides legal advice and assistance to the City Council, City Manager, and department heads.

Legal assistance from the City Attorney also includes review of contracts and agreements, liability claims advisement, development of ordinances and resolutions, preparation of legal opinions, representation of the City in court proceedings and matters of litigation, and regular updates on new and amended legislation impacting local governments, among other responsibilities.

Given the transition of the City Council as well as the transition of the Individually Designated City Attorney, it is recommended that the City Council conduct a performance review of this agreement in approximately six months to ensure that everyone is comfortable with the arrangement. Staff will schedule such a review at an appropriate time.

ENVIRONMENTAL ANALYSIS

The proposed action does not constitute a project under the California Environmental Quality Act (“CEQA”), as it can be seen with certainty that it will have no impact on the environment. Thus, this matter is exempt under CEQA per Section 15061(b)(3).

FISCAL IMPACT

There is no fiscal impact to the City associated with the proposed fifth amendment to the Legal Services Agreement with BB&K.

RECOMMENDATION

It is recommended that the City Council approve and direct the City Manager to execute Amendment No. 5 to the Legal Services Agreement with Best Best & Krieger LLP for City Attorney services.

Attachment No. 1: Amendment No. 5 to Legal Services Agreement

Attachment No. 2: Resignation Letter as Individually Designated City Attorney from
Stephen P. Deitsch

Attachment No. 3: Original Agreement for Legal Services and 4 Subsequent
Amendments

AMENDMENT NO. 5 TO LEGAL SERVICES AGREEMENT

This Amendment No. 5 (“Amendment No. 5”) is entered into this ____ day of November, 2022, by and between the City of Arcadia, a municipal corporation (“City”) and Best Best & Krieger LLP, a Limited Liability Partnership engaged in the practice of law (“BBK”), with respect to that certain Agreement for Legal Services entered into by the City and BBK on June 28, 2000 (the “Original Agreement”), as amended by Amendment No. 1 on June 1, 2002, and as further amended by Amendment No. 2 on June 16, 2004, and as further amended by Amendment No. 3 on June 13, 2005, and as further amended by Amendment No. 4 on October 3, 2007 (collectively, the Original Agreement and the foregoing Amendments are referred to as the “Agreement”). The City and BBK agree as follows:

RECITALS

A. As set forth in various Recitals and Sections of the Original Agreement, Stephen P. Deitsch is individually designated or referred to as City Attorney, and Mr. Deitsch is retiring as City Attorney effective December 31, 2022; and

B. The City and BBK desire and intend that Michael Maurer be individually designated as City Attorney in the Agreement, replacing Mr. Deitsch; and

C. The Agreement provides that former BBK partner Kevin K. Randolph is individually designated as Assistant City Attorney, and the City and BBK desire and intend instead to have another BBK attorney designated as Assistant City Attorney by the City and BBK from time to time, as needed.

AGREEMENT

1. Substitution of Individually Designated City Attorney. In the Recitals and in Sections 1 and 2 of the Original Agreement, “Michael Maurer” shall be substituted for “Stephen P. Deitsch” and “Mr. Maurer” shall be substituted for “Mr. Deitsch.”

2. Substitution of Individually Designated Assistant City Attorney. In Section 1 of the Original Agreement, “a BBK attorney designated from time to time as Assistant City Attorney by the City and BBK” shall be substituted for “Kevin K. Randolph, a partner of BBK,” and in Section 2 of the Original Agreement, “the Assistant City Attorney” shall be substituted for “Kevin K. Randolph.”

IN WITNESS WHEREOF, the parties have executed this AMENDMENT NO. 5 TO LEGAL SERVICES AGREEMENT as of the date first above written.

CITY OF ARCADIA
a municipal corporation

By: _____
Dominic Lazzaretto
City Manager

ATTEST:

City Clerk

BEST BEST & KRIEGER LLP
A Limited Liability Partnership

By: _____
Stephen P. Deitsch
Partner



BEST BEST & KRIEGER
ATTORNEYS AT LAW

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Los Angeles
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Washington, DC
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Stephen P. Deitsch
(909) 483-6642
stephen.deitsch@bbklaw.com
File No. 24347.00000

November 8, 2022

Honorable Mayor and Council Members
c/o Dominic Lazzaretto
City Manager
City of Arcadia
Arcadia City Hall
240 West Huntington Dr.
P.O. Box 60021
Arcadia, CA 91066

Re: Resignation as individually designated Arcadia City Attorney

Dear Mayor and Council Members:

As I have previously made you aware, it is my intention to reduce my overall professional working hours as I slowly approach full retirement from the practice of law. As a result, I wish to confirm my resignation as the individually designated City Attorney of the City of Arcadia under the City's Legal Services Agreement with BB&K, effective close of business on December 31, 2022.

I cannot sufficiently express my deep appreciation and gratitude to this City Council, previous City Councils, and City Managers and staff over the years, for the wonderful opportunity provided to me to serve Arcadia as City Attorney since November 1, 1999, and before that as Special Redevelopment Counsel since 1985. I believe many good and significant things have been accomplished by the City over the years, and I am proud to have been a small part of that.

I am pleased that BB&K will continue to provide City Attorney services to the City. My partner Michael Maurer is particularly prepared to do so as the designated City Attorney, and he has already demonstrated his expertise and eagerness to take on this role.



BEST BEST & KRIEGER
ATTORNEYS AT LAW

Honorable Mayor and Council Members
c/o Dominic Lazzaretto
November 8, 2022
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I have certainly developed a personal bond with Arcadia and many of its residents throughout the decades I have served. The City is well-run and will surely continue to thrive. Be assured that I will always cherish the relationships and memories accumulated in Arcadia by me over the years

Sincerely,

Stephen P. Deitsch
of BEST BEST & KRIEGER LLP

SPD:lt

cc: Dominic Lazzaretto
Michael Maurer

AMENDMENT NO. 4 TO AGREEMENT FOR LEGAL SERVICES
(City Attorney)

This Amendment No. 4 ("Amendment No. 4") is entered into this 3rd day of October, 2007, by and between the City of Arcadia, a municipal corporation ("City") and Best Best & Krieger LLP, a Limited Liability Partnership engaged in the practice of law ("BBK"), with respect to that certain Agreement for Legal Services ("Agreement") entered into by the City and BBK on June 28, 2000, as amended by Amendment No. 1 on June 1, 2002, and further amended by Amendment No. 2 on June 16, 2004, and as further amended by Amendment No. 3 on June 13, 2005. The City and BBK agree as follows:

RECITALS

The City and BBK desire and intend to amend the Agreement, as heretofore amended, in order to provide for billing rates for legal services provided by BBK where fees are reimbursed to the City by third parties based upon agreements between the City and such third parties, conditions of land use or other City approvals and the like.

AGREEMENT

1. Amendment of Section 8. Compensation. Section 8 of the Agreement, as previously amended, is amended by adding thereto Subsection 8.d., to read as follows:


"d. Fees for Legal Services Reimbursed by Third Parties. The City and BBK understand and agree that from time to time, services are performed for the City by BBK for which fees are reimbursed by third parties to the City based upon agreements between the City and such third parties, conditions of land use or other approvals granted and imposed by the City, fee schedules which are based upon reimbursement to the City for actual legal fees billed by the City Attorney and the like ("Reimbursable Fees"). Upon prior approval by the City Manager, or his/her designee, on a case by case basis that legal services provided by BBK are subject to Reimbursable Fees, then BBK shall bill the City for such services separate and apart from Basic Services at BBK's then current published standard private clients rates, minus ten percent (10%). If BBK believes that a matter falls within Reimbursable Fees, then BBK shall seek prior written approval from the City Manager or his/her designee. The City Manager's (or his/her designee's) approval of such a request from BBK shall not be unreasonably withheld or delayed. Upon execution of this Agreement, BBK shall provide to the City Manager a copy of its published private clients rate schedule, and shall provide to the City Manager, at least annually, updates to such schedule when changes are made thereto. Fees for such services shall not be subject to the Cap. Such reimbursable fees may cover, without limitation, preparation of development agreements, review of applications to the City under franchise agreements, review of and analysis of environmental documents for which a land use or other

applicant agrees to reimburse the City, and litigation costs incurred in defending City approvals of land use applications and the like based upon conditions of approval requiring the applicant to defend such approvals.”

2. Effective Date of Amendment No. 4. The City and BBK agree that this Amendment No. 4 shall become effective upon execution of both parties, and shall apply to all billings from BBK to the City on and after September 1, 2007.

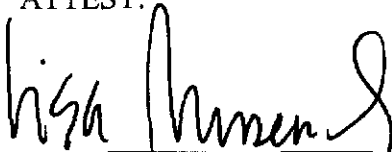
IN WITNESS WHEREOF, the City and BBK have executed this Amendment No. 4 as of the date first written above.

CITY OF ARCADIA
a municipal corporation

By 
William R. Kelly
City Manager

Dated: October 11, 2007

ATTEST:


City Clerk

BEST BEST & KRIEGER LLP
a Limited Liability Partnership

By: 
Stephen P. Deitsch
Partner

Dated: October 2, 2007

AMENDMENT NO. 3 TO AGREEMENT FOR LEGAL SERVICES
(City Attorney)

This Amendment No. 3 ("Amendment No. 3") is entered into this 13th day of June, 2005, by and between the City of Arcadia, a municipal corporation ("City") and Best & Krieger LLP, a Limited Liability Partnership engaged in the practice of law ("BBK"), with respect to that certain Agreement for Legal Services ("Agreement") entered into by the City and BBK on June 28, 2000 as amended by Amendment No. 1 on June 1, 2002, and further amended by Amendment No. 2 on June 16, 2004. The City and BBK agree as follows:

RECITALS

The City and BBK desire and intend to amend the Agreement, as heretofore amended, in order to increase the blended hourly rates charged by BBK to the City for legal services, to increase the Cap (as defined in the Agreement) in correlation with the blended hourly rate increase, and to provide for future annual cost of living increases with respect to the foregoing.

AGREEMENT

1. Amendment of Section 8. Compensation. Section 8.a. of the Agreement, as previously amended, is amended by deleting "One Hundred Seventy Dollars (\$170.00)" and by substituting therefor "One Hundred Seventy-Five Dollars (\$175.00)", by deleting "\$129,300" and by substituting therefor "\$133,180", and by deleting "\$10,775" and by substituting therefor "\$11,098".

Section 8.b. of the Agreement, as previously amended, is amended by deleting "One Hundred Eighty Dollars (\$180.00)" and by substituting therefor One Hundred Eighty-Five Dollars (\$185.00)".

Section 8.d. is hereby added to the Agreement, to read as follows:

"The City and BBK agree that the hourly rates set forth in Subsections a. and b. of this Section 8, as well as the Cap (including the average monthly portion of the annual Cap) shall automatically increase effective for the Basic Services and the Special Services provided by BBK on and after July 1 of each calendar year (commencing July 1, 2006) in an amount equal to the increase in the Consumer Price Index (CPI) for the previous calendar year (January 1 through December 31) for All Urban Consumers in the Los Angeles-Anaheim-Riverside area; provided that the CPI adjustment shall be rounded up to the nearest full dollar, and further provided that the CPI adjustment shall not exceed five percent (5%) for any year."

2. Effective Date of Amendment No. 3. The City and BBK agree that this Amendment No. 3 shall become effective upon execution by both parties; provided, however, that Section 1 of this Amendment No. 3 shall be implemented commencing July 1, 2005.

IN WITNESS WHEREOF, the City and BBK have executed this Amendment No. 3 as of the date first written above.

CITY OF ARCADIA
a municipal corporation

By: William R. Kelly
William R. Kelly
City Manager

DATED: 6.10., 2005

ATTEST:

Vida Tolman
City Clerk

BEST BEST & KRIEGER LLP
a Limited Liability Partnership

By: Stephen P. Deitsch
Stephen P. Deitsch
Partner

DATED: June 13, 2005

C1485-2 C2004
0220-31
Deutsch

AMENDMENT NO. 2 TO AGREEMENT FOR LEGAL SERVICES
(City Attorney)

This Amendment No. 2 ("Amendment No. 2") is entered into this 16th day of June, 2004, by and between the City of Arcadia, a municipal corporation ("City") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BBK"), with respect to that certain Agreement for Legal Services ("Agreement") entered into by the City and BBK on June 28, 2000 and amended by Amendment No. 1 on June 1, 2002. The City and BBK agree as follows:

RECITALS

The City and BBK desire and intend to amend the Agreement in order to increase the blended hourly rates charged by BBK to the City for legal services and to increase the Cap (as defined in the Agreement) in correlation with the blended hourly rate increase.

AGREEMENT

1. Amendment of Section 8. Compensation. Section 8.a. of the Agreement, as previously amended, is amended by deleting "One Hundred Sixty Dollars (\$160)" and by substituting therefor "One Hundred Seventy Dollars (\$170)", by deleting "\$121,700" and by substituting therefor "\$129,300", and by deleting "\$10,142" and by substituting therefor "\$10,775".

Section 8.b. of the Agreement, as previously amended, is amended by deleting "One Hundred Seventy Dollars (\$170)" and by substituting therefor "One Hundred Eighty Dollars (\$180)".

2. Effective Date of Amendment No. 2. The City and BBK agree that this Amendment No. 2 shall become effective upon execution by both parties; provided, however, that Section 1 of this Amendment No. 2 shall be implemented commencing July 1, 2004.

IN WITNESS WHEREOF, the City and BBK have executed this Amendment No. 2 as of the date first written above.

CITY OF ARCADIA

By William R. Kelly
William R. Kelly
City Manager

Dated: June 16, 2004

ATTEST:

Vida Tolman, Chief Deputy
City Clerk

BEST BEST & KRIEGER LLP

By Stephen P. Deitsch
Stephen P. Deitsch
Partner

Dated: June 22, 2004

10-20-02
0220-91
C1685-1
Beitsch

**AMENDMENT NO. 1 TO AGREEMENT FOR LEGAL SERVICES
(City Attorney)**

This Amendment No. 1 ("Amendment No. 1") is entered into this 3 day of ~~June~~, July 2002, by and between the City of Arcadia, a municipal corporation ("City") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BBK"), with respect to that certain Agreement for Legal Services ("Agreement") entered into by the City and BBK on June 28, 2000. The City and BBK agree as follows:

RECITALS

The City and BBK desire and intend to amend the Agreement in order to increase the blended hourly rates charged by BBK to the City for legal services, to increase the Cap (as defined in the Agreement) in correlation with the blended hourly rate increase, and to redefine the term "Year" as used in the Agreement in order to make it concurrent with the fiscal year of the City.

AGREEMENT

1. Amendment of Section 6. Basic Services. Section 6 of the Agreement is amended by deleting the words "May 1, 2000 through April 30, 2001", and by substituting therefor "July 1, 2002 through June 30, 2003".
2. Amendment of Section 8. Compensation. Section 8.a. of the Agreement is amended by deleting "One Hundred Fifty Dollars (\$150)" and by substituting therefor "One Hundred Sixty Dollars (\$160)", by deleting "\$114,000" and by substituting therefor "\$121,700", and by deleting "\$9,500" and by substituting therefor "\$10,142".

Section 8.b. of the Agreement is amended by deleting "One Hundred Sixty Dollars (\$160)" and by substituting therefor "One Hundred Seventy Dollars (\$170)".

3. Effective Date of Amendment No. 1. The City and BBK agree that this Amendment No. 1 shall become effective upon execution by both parties; provided, however, that Sections 1 and 2 of this Amendment No. 1 shall be implemented commencing July 1, 2002. The City and BBK further agree that for the period May 1, 2002 through June 30, 2002 (the "Interim Period"), the blended hourly billing rates set forth in Subsections 8.a. and b. of the Agreement prior to execution of this Amendment No. 1 shall remain in effect, the Cap for the Interim Period shall be \$19,000, and in all other respects, the terms and provisions of the Agreement prior to execution of this Amendment No. 1 shall apply as if the Interim Period were part of the Year May 1, 2001 through April 30, 2002.

IN WITNESS WHEREOF, the City and BBK have executed this Amendment No. 1 as of the date first written above.

CITY OF ARCADIA

By William R. Kelly
William R. Kelly
City Manager

Dated: July 3, 2002

ATTEST:

Jane D. Alfaro
City Clerk

BEST BEST & KRIEGER LLP

By Stephen P. Deitsch
Stephen P. Deitsch
Partner

Dated: July 3, 2002

1040-65
~~0210-34~~
C 1685

**AGREEMENT FOR LEGAL SERVICES
(City Attorney)**

This Agreement for Legal Services ("Agreement") is entered into this 28 day of June 2000, by and between the City of Arcadia, a municipal corporation (the "City") and Best Best & Krieger LLP, a limited liability partnership engaged in the practice of law ("BBK").

RECITALS

- A. The City desires to obtain city attorney services from BBK, and to designate Stephen P. Deitsch as City Attorney.
- B. BBK and Mr. Deitsch have experience in the provision of public law and city attorney services in the State of California and BBK desires and intends to provide city attorney services to the City.
- C. The services to be provided pursuant to this Agreement are authorized by Arcadia City Charter Section 701 making the City Attorney subject to appointment and removal by the City Council and subject to administrative direction of the City Manager.

AGREEMENT

- 1. Engagement of BBK and Designation of City Attorney and Assistant City Attorney. The City hereby engages BBK to provide City Attorney services and designates Stephen P. Deitsch, a partner of BBK, as City Attorney for the City ("City Attorney"). The City further designates Kevin K. Randolph, a partner of BBK, as Assistant City Attorney for the City ("Assistant City Attorney"). It is understood and agreed by the parties that no change in the assignments of City Attorney and Assistant City Attorney shall be made without the prior consent of the City.
- 2. Responsibilities and Availability of City Attorney. The parties agree that Mr. Deitsch and, in his temporary absence (if any), Mr. Randolph will process, coordinate and direct as necessary all Basic Services and Special Services provided by BBK to the City under this Agreement. The City Attorney shall be available to attend all regular and special meetings of the City Council of the City and, upon request, shall be available to attend all regular meetings of the Planning Commission of the City. The City Attorney shall also be available to provide legal advice and assistance to the City Council, the City Manager, department heads and staff of the City on an ongoing basis upon request. If the City Attorney is temporarily unavailable to provide the forgoing services, then the Assistant City Attorney shall be available to provide such services.

3. Use of Additional Professionals. The City and BBK understand and agree that from time-to-time, the City Attorney and the Assistant City Attorney may use other lawyers and paralegals at BBK to perform the legal services requested by the City, subject to supervision and review of all resulting work product by the City Attorney or Assistant City Attorney. BBK shall obtain from the City Manager, or his/her designee, prior approval wherever reasonably possible for the use of such attorneys and paralegals.

4. Licensure and Qualifications. BBK represents and warrants that all attorneys of BBK who will provide legal services to the City shall at all times be fully qualified and, as required, licensed to practice law in the State of California and before all courts and other administrative bodies in which such attorneys may be required to appear on behalf of the City. BBK shall be responsible, at its cost and expense, for obtaining all such licenses.

5. Term. The term of this Agreement shall commence on May 1, 2000, and shall continue thereafter until the effective date of termination of this Agreement after notice of termination is submitted by one party to the other, which notice shall be given at least thirty (30) days prior to the effective date of termination (the "Term"). The parties understand and agree that BBK serves at the will and pleasure of the City Council. The parties further understand and agree that this Agreement may be terminated either with or without cause, and that in the event of any termination, BBK shall be paid for all legal services provided by BBK to the City and authorized by the City through and including the effective date of termination.

6. Basic Services. Wherever used in this Agreement, the term "Year" shall mean May 1, 2000 through April 30, 2001, and each twelve (12) month period thereafter. During the Term of this Agreement, BBK shall provide to the City the following legal services (the "Basic Services"):

- a. Preparation for, attendance at and participation in regular City Council meetings (two (2) meetings each month);
- b. Preparation for, attendance at and participation in Special Meetings of the City Council, as requested by the City Manager or his/her designee. "Special Meeting" shall mean a meeting requiring at least 24 hours notice as prescribed by Arcadia City Charter Section 408 and Government Code Section 54956;
- c. Preparation for, attendance at and participation in six (6) planning commission meetings or human resources commission meetings per Year, or any combination thereof up to a maximum of six (6) per Year, upon request of the City Manager or his/her designee;
- d. Attendance at office hours at Arcadia City Hall for six (6) hours every Tuesday;

- e. Provision of advice and legal counsel to the City Council, the City Manager, department heads and staff of the City on all matters pertaining to City business; provided however, that BBK shall not be required to provide specific advice and legal counsel as primary attorney in any matter in which the City obtains legal services as primary attorney from another attorney or law firm acting as special counsel to the City, and further provided that those legal services described as Special Services hereinafter shall not be deemed to be included within the Basic Services;
- f. Preparation, or review and approval as to form, of all agreements, ordinances, resolutions and other legal documents to which the City is a party, and which are in the nature of standard, routine and not complex documents which the City regularly would prepare, approve or enter into. For example, this would include public works contracts, consulting services agreements, professional services contracts, resolutions, forms and ordinances which are not unique to Arcadia, and which in the ordinary course of municipal business are standard. Anything which may otherwise fall within the general description set forth in this section but which, based upon the particular facts and nature of the services, is deemed by BBK to be a Special Service, shall be subject to prior notice to and approval as a Special Service by the City Manager;
- g. Preparation of such written or oral legal opinions as shall, from time-to-time, be requested by the City Council, the City Manager, department heads or staff of the City;
- h. Provision to the City of annual updates and copies of any amendments concerning the Ralph M. Brown Act (public meeting law) and Local Guidelines adopted pursuant to the California Environmental Quality Act;
- i. Provision of any and all such other routine legal services as may be required from time-to-time by the City Council, the City Manager, and department heads and staff of the City; and
- j. Upon request of the City Manager, monitoring of legal services provided to the City by other attorneys or law firms.

7. Special Services. Separate from and in addition to the Basic Services, BBK shall provide additional services ("Special Services") to the City, upon request from the City, as follows:

- a. Representation of the City in any court or administrative proceedings;
- b. Provision of water law services;
- c. Provision of redevelopment law services to the City and its Redevelopment Agency;
- d. Provision of labor or employment law services;

- e. Provision of bankruptcy law services;
- f. Provision of bond counsel or legal services relating to other financings;
- g. Provision of real estate law services (other than routine planning and zoning matters);
- h. Provision of legal services regarding non-routine and/or complex negotiations, transactions, agreements, and related legal services. For example, these services would include development agreements, major revision of a general plan, specific plan preparation, and major project related transactions. The provision of such services as Special Services is subject to prior notice to and approval by the City Manager; and
- i. Provision of other legal services not described in Section 6.

8. Compensation.

- a. Basic Services. For Basic Services, the City shall pay to BBK a blended hourly rate of One Hundred Fifty Dollars (\$150) for all legal work comprising the Basic Services; provided, however, that there shall be a limit of \$114,000 per Year (the "Cap") on all fees for Basic Services (i.e. an average of \$9,500 per calendar month), separate and apart from costs billed to the City pursuant to Section 8.c. Notwithstanding any provision to the contrary in the section entitled "Fees for Professional Services" set forth in Exhibit "A", the City and BBK understand and agree that the Cap and blended hourly rate for Basic Services shall not be increased without amendment of this Agreement. BBK shall bill for travel time in the performance of legal services under this Agreement; provided, however, that in instances where attorneys of BBK are required to travel from BBK offices to Arcadia to provide legal services, travel time shall be billed as .9 hours each way (total 1.8 hours for a round-trip) (the time between BBK's Ontario office and Arcadia).
- b. Special Services. If the City requests that BBK perform any Special Services, then for any and all such Special Services (other than bond counsel services and legal services related to other financings), the City shall pay to BBK a blended hourly rate of One Hundred Sixty Dollars (\$160). Notwithstanding any provision to the contrary in the section entitled "Fees for Professional Services" set forth in Exhibit "A", the City and BBK understand and agree that the blended hourly rate for Special Services shall not be increased without amendment of this Agreement. For bond counsel services or services related to other financings, the City shall pay to BBK fees based upon generally prevailing rates at the time of bond issuance for the applicable type of bonds, certificates of participation or other financings, and unless otherwise agreed in writing by the City, BBK shall be compensated for such services solely from the proceeds of the sale of the bonds, certificates of participation or other financings

(BBK shall prepare a separate written agreement for any such bond counsel or financing services requested by the City).

- c. Costs (Separate From Fees). The City shall reimburse BBK for any and all printing and copying expenses, mileage expenses, telephone tolls and costs, court fees, computer time, and other costs relating to the provision of Basic Services and Special Services that are generally chargeable to a client. A copy of BBK's standard practices is attached hereto as Exhibit "A" and is incorporated herein by reference. In the event that the cost for any individual item of expense is anticipated to exceed Two Hundred Dollars (\$200), then BBK shall obtain the prior approval of the City Manager, or his/her designee, in order to incur such expense on behalf of the City. BBK shall not bill the City for attendance by lawyers or paralegals of BBK at any seminar, conference or convention, unless the City specifically requires as part of the legal services provided hereunder, and specifically agrees in advance to pay for, attendance by BBK at any such specific seminar, conference or convention. Notwithstanding Exhibit "A," there shall be no minimum charge for telephone calls and letters as set forth under Fees for Professional Services therein. Instead, actual time devoted to such calls and letters shall be the basis for such charges. In instances where attorneys of BBK are required to travel from BBK offices to Arcadia to provide legal services, mileage costs will be billed based upon 53 miles each way (106 miles round-trip) (the distance between BBK's Ontario office and Arcadia).

9. Billings. BBK shall submit monthly to the City a detailed statement of account for Basic Services and Special Services rendered by BBK to the City. Such statements shall include, at a minimum, daily descriptions of each item of legal work performed by BBK on behalf of the City in sufficient detail for the City to understand the nature of such work, the identity of the individuals performing such work and the amount of time devoted to such work. BBK shall include a separate entry for each billable item of travel time on each monthly billing statement submitted to the City, so that the City may readily track total fees for travel time incurred by the City.

10. Independent Contractor Status. It is understood and agreed by the parties that BBK is and shall remain an independent contractor in its performance of legal services under this Agreement.

11. Insurance Coverage. BBK carries errors and omissions insurance with Lloyd's of London. After a standard deductibility amount, this insurance provides coverage in the amount of \$5 Million. Proof of such insurance shall be provided to the City Manager and filed with the City Clerk.


12. Cooperation with City Council and City Manager. BBK shall provide all Basic Services, and any and all Special Services, in a timely and expeditious manner. BBK shall work cooperatively with the City Council and City Manager, and shall keep them informed on all legal matters of importance to the City as they arise. BBK shall follow all reasonable procedures established by the City in rendering legal services to the City under this Agreement, consistent with BBK's duties as City Attorney.

13. Conflicts of Interests. BBK warrants and represents that it has neither paid compensation nor rendered any other service of value to any individual for purposes of entering into this Agreement. In rendering legal services to the City under this Agreement, BBK shall promptly inform the City of any conflict of interest which BBK may have and of any conflict in representation under the Rules of Professional Responsibility governing attorneys in the State of California, and shall take any and all reasonable and necessary actions to avoid such conflicts or to abstain from participation in the provision of legal services with regard to such matters in the event of any such conflicts.

14. Return of Files. BBK understands and agrees that all files maintained by BBK shall, upon request of the City Manager, be returned to the City; provided, however, that BBK shall be entitled to receive compensation from the City for any and all reasonable costs of reproducing a copy of such files for retention by BBK.

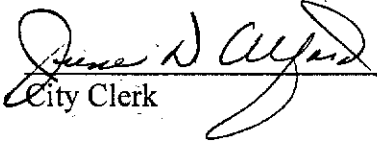
IN WITNESS WHEREOF, the City and BBK have executed this Agreement as of the date first written above.

CITY OF ARCADIA

By: 

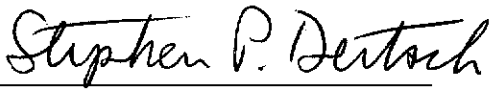
William R. Kelly
City Manager

ATTEST:



City Clerk

BEST BEST & KRIEGER LLP

By: 

Stephen P. Deitsch
Partner

EXHIBIT "A"

BEST BEST & KRIEGER LLP BILLING POLICIES

Our century of experience has shown that the attorney-client relationship works best when there is mutual understanding about fees, expenses, billing and payment terms. Therefore, this statement is intended to explain our billing policies and procedures. Clients are encouraged to discuss with us any questions they have about these policies and procedures. Clients may direct specific questions about a bill to the attorney with whom the client works or to Judy Ismael of our Accounting Department. Any specific billing arrangements different from those set forth below will be confirmed in a separate written agreement between the client and the firm.

Fees for Professional Services

Unless a flat fee is set forth in our engagement letter with a client, our fees for the legal work we will undertake will be based in substantial part on time spent by personnel in our office on that client's behalf. In special circumstances which will be discussed with the client and agreed upon in writing, fees will be based upon the novelty or difficulty of the matter, or the time or other special limitations imposed by the client.

Hourly rates are set to reflect the skill and experience of the attorney or other legal personnel rendering services on the client's behalf. Time is accrued on an incremental basis for such matters as telephone calls (minimum .3 hour) and letters (minimum .5 hour), and on an actual basis for all other work. Our attorneys are currently billed at rates from \$105 to \$275 per hour, and our paralegals and law clerks are billed at rates from \$75 to \$150 per hour. These hourly rates are reviewed annually to accommodate rising firm costs and to reflect changes in attorney status as lawyers attain new levels of legal experience. Any increases resulting from such reviews will be instituted automatically and will apply to each affected client, after advance notice.

Fees For Other Services, Costs and Expenses

We attempt to serve all our clients with the most effective support systems available. Therefore, in addition to fees for professional legal services, we also charge separately for some other services and expenses to the extent of their use by individual clients. These charges include but are not limited to, mileage (currently at the rate of \$.32 per mile), extraordinary telephone and document delivery charges, copying charges, computerized research, court filing fees and other court-related expenditures including court report and transcription fees. No separate charge is made for secretarial or word processing services; those costs are included within the above hourly rates.

We may need to advance costs and incur expenses on your behalf on an ongoing basis. These items are separate and apart from attorneys' fees and, as they are out-of-pocket charges, we need to have sufficient funds on hand from you to pay them when due. We will advise the client from time to time when we expect items of significant cost to be incurred, and it is required that the client send us advances to cover those costs before they are due.

Advance Deposit Toward Fees And Costs

Because new client matters involve both a substantial undertaking by our firm and the establishment of client credit with our accounting office, we require an advance payment from clients. The amount of this advance deposit is determined on a case-by-case basis discussed first with the client, and is specified in our engagement letter.

Upon receipt, the advance deposit will be deposited into the firm's client trust account. Thereafter it will be disbursed to the firm for fees and nominal costs as they accrue. Our monthly billings will reflect such applications of the advance deposit and also the current balance due, if any. We also reserve the right to require increases or renewals of these advanced deposits.

By signing the initial engagement letter, each client is agreeing that trust account balances may be withdrawn and applied to costs as they are incurred and to our billings, after presentation to the client. If we succeed in resolving your matter before the amounts deposited are used, any balance will be promptly refunded.

Monthly Invoices and Payment

Best Best & Krieger LLP provides our clients with monthly invoices for legal services performed and expenses incurred. Invoices are due and payable upon receipt.

Each monthly invoice reflects both professional and other fees for services rendered through the end of the prior month, as well as expenses incurred on the client's behalf that have been processed by the end of the prior month. Processing of some expenses is delayed until the next month and billed thereafter.

Our fees are not contingent upon any aspect of the matter and are due upon receipt. All billings are due and payable within ten days of presentation unless the full amount is covered by the balance of an advance held in our trust account. If a bill is not paid within 30 days, a late charge of one percent per month on the unpaid invoice shall be added to the balance owed, commencing with the next statement and continuing until paid.

It is our policy to treat every question about a bill promptly and fairly. It is also our policy that if a client does not pay an invoice within 60 days of mailing, we assume the client is, for whatever reason, refusing to pay. We will then advise the client by letter that the client may pay the invoice within 14 days or the firm will take appropriate steps to withdraw as attorney of record. If the delay is caused by a problem in the invoice, we must rely upon the client to raise that with us during the 14-day period. This same policy applies to fee arrangements which require the client to replenish fee deposits or make deposits for anticipated costs.

From time to time clients have questions about the format of the bill or description of work performed. If you have any such questions, please ask them when you receive the bill so we may address them on a current basis.

Changes in Fee Arrangements and Budgets

It may be necessary under certain circumstances for a client to increase the size of required advances for fees after the commencement of our engagement and depending upon the scope of the work. For example, prior to a protracted trial or hearing, the firm may require a further advance payment to the firm's trust account sufficient to cover expected fees. Any such changes in fee arrangements will be discussed with the client and mutually agreed in writing.

Because of the uncertainties involved, any estimates of anticipated fees that we provide at the request of a client for budgeting purposes, or otherwise, can only be an approximation of potential fees.

BEST BEST & KRIEGER LLP



STAFF REPORT

Public Works Services Department

DATE: November 29, 2022

TO: Honorable Mayor and City Council

FROM: Paul Cranmer, Public Works Services Director
By: John Corona, Utilities Superintendent

SUBJECT: PURCHASE 875 ACRE-FEET OF ADDITIONAL IMPORTED CYCLIC STORAGE WATER FROM THE MAIN SAN GABRIEL BASIN WATERMASTER FOR A TOTAL COST OF \$789,250
CEQA: Not a Project
Recommendation: Approve

SUMMARY

The City of Arcadia gets a major portion of its drinking water supply from the Main San Gabriel Groundwater Basin (“Main Basin”). The remaining demand is met from City wells that pump a fixed amount of groundwater from the Raymond Basin. The City of Arcadia has a Cyclic Storage account with the Main Basin that can be used to store supplemental Replacement Water in the Main Basin for later use. The City can purchase additional imported water that has been made available through Upper San Gabriel Valley Municipal Water District (“Upper District”) for \$902 an acre-foot. This rate is \$156 an acre-foot less than normally purchased Replacement Water. Some or all of this additional water will be used to satisfy demands for Fiscal Year 2022-23, with any remaining water stored and used later. By pre-purchasing at a lower rate, the City and its customers will save at least \$136,500 in water costs.

Due to the prolonged drought and the uncertainty of imported Cyclic Storage water being available for purchase next fiscal year, it is recommended that City Council approve the purchase of 875 acre-feet of additional Imported Cyclic Storage Water from the Main San Gabriel Basin Watermaster for a total cost of \$789,250.

BACKGROUND

Due to an overproduction of water from the Main Basin in 1973, a stipulated judgment was entered into that created the Main San Gabriel Basin Watermaster. The Main San Gabriel Basin Watermaster is a nine-person board appointed by the Los Angeles County Superior Court that administers and enforces the provisions of the Main San Gabriel Basin Judgment, which established water rights and responsibility for efficient management of the quantity and quality of the Main Basin.

This is accomplished in part by the Main San Gabriel Basin Watermaster determining the total amount of water that can be pumped from the Main Basin each year, free from a Replacement Water assessment, which is referred to as the Operating Safe Yield. The Operating Safe Yield for Fiscal Year 2022-23 was set at 150,000 acre-feet. The City of Arcadia's annual share of the Operating Safe Yield is 4.23%, or 6,345 acre-feet. Pumping more water than the amount established for a given year is allowed; however, any extra pumping requires the purchase of Replacement Water to recharge the groundwater basin.

On July 8, 2021, Governor Newsom declared a drought emergency in 50 counties and asked for Californians to voluntarily reduce water use by 15%. As of 2022, California is in the third year of the drought. The ongoing drought continues to impact local groundwater levels, with the Main San Gabriel Basin Key Well currently just 10 feet above the historic low level. Consequently, pumping rights in the Raymond Basin remain at reduced levels, which has put a greater demand for replacement water.

On August 16, 2022, the City Council approved a purchase of 6,000 acre-feet of imported cyclic storage water from the Main San Gabriel Basin Watermaster in the amount of \$5,412,000. Due to the prolonged drought and the uncertainty of imported Cyclic Storage water available for purchase next fiscal year, the City has inquired about the potential of purchasing 875 additional acre-feet of Imported Cyclic Water. City staff confirmed the availability of purchasing an additional 875 acre-feet to place in our Cyclic Storage Water account for future use. This additional water will act as a reserve for the City water supply should drought conditions continue to affect the San Gabriel Valley. This additional water will remain in the City's Cyclic Storage account for up to 5 years and may be applied to any overproduction, should the need arise.

DISCUSSION

The Main San Gabriel Basin Watermaster has set the cost for replacement water at \$1,058 an acre-foot for Fiscal Year 2022-23. However, to encourage water agencies to purchase available water from the State Water Project, they are offering a reduced rate of \$902 per acre-foot, if purchased before January 1, 2023. Pre-purchasing 875 acre-feet of additional imported supplemental water will save the City approximately \$136,500. With Replacement Water costs increasing annually, the savings will grow over time. All remaining Cyclic Storage Water unused for Fiscal Year 2022-23 will remain in the City's Cyclic Storage account for up to 5 years for use at any future time.

ENVIRONMENTAL ANALYSIS

The purchase of Imported Cyclic Storage Water from the Main San Gabriel Basin Watermaster is not considered a project as defined by California Environmental Quality Act ("CEQA") Section 15378.

FISCAL IMPACT

Sufficient funds have been budgeted in Fiscal Year 2022-23 Water Operations Budget for the purchase of supplemental Cyclic Storage Water. No general funds are necessary for this purchase. Pre-purchasing Imported Cyclic Storage Water at the reduced rate will save the City approximately \$136,500.

RECOMMENDATION

It is recommended that the City Council approve the purchase of 875 acre-feet of Imported Cyclic Storage Water from the Main San Gabriel Basin Watermaster in the amount of \$789,250.

Approved:



Dominic Lazzaretto
City Manager