This Memorandum of Understanding ("MOU") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_\_, 2020 by and among the San Mateo County Flood and Sea Level Rise Resiliency District, an independent special district ("District"), the City of Redwood City ("Redwood City"), the City of Menlo Park ("Menlo Park"), and the Town of Atherton ("Atherton"), municipal corporations of the State of California (collectively, "Cities"), and the County of San Mateo, a political subdivision of the State of California ("County"), collectively referred to as the "Parties" and each of the Parties may be referred to singularly as "Party".

### **RECITALS**

Whereas, on October 27, 2017, the Cities and County entered into a Memorandum of Understanding to establish the terms and conditions for the cost sharing and responsibilities for the design phase of the Bayfront Canal and Atherton Channel Flood Management and Restoration Project (the "Project") (the "Design MOU"); and

Whereas, the Design MOU provided that Project construction, operation, and maintenance responsibilities would be addressed by a future agreement; and

Whereas, since the Design MOU was executed, the County's Flood Control District was renamed as the District, its powers were expanded to include addressing and protecting against the impacts of sea level rise, and, effective January 1, 2020, an independent Board of Directors replaced the County's Board of Supervisors as its governing board; and

Whereas, certain Project tasks identified in the Design MOU—specifically, final environmental compliance, construction permitting, land acquisition, and final design and construction documents—have not yet been completed; and

Whereas, the Parties intend and desire to incorporate those outstanding Project tasks from the Design MOU into this MOU; and

Whereas, the Design MOU was funded with a budget of \$1,000,000, and the Parties intend and desire that any funds remaining from the Design MOU will be added to the funds contributed for this MOU.

### **AGREEMENT**

NOW, THEREFORE, in consideration of the facts set forth in the foregoing recitals which are incorporated into this MOU and as though fully set forth herein and the mutual promises contained herein, the Parties agree as follows:

1. <u>Purpose</u>. The purpose of this MOU is to establish the terms and conditions for the sharing of costs and responsibilities among the Parties for the construction, operation and maintenance of the Project, which entails completing Project design; securing all permits not secured under the Design MOU; and securing and assigning all necessary property rights; completing construction; and, for five (5) years following completion of construction, conducting operations and maintenance of the new Project facilities ("Operation and Maintenance Activities"), and monitoring, implementing, and reporting on mitigation actions required by environmental regulatory permits ("Mitigation Activities"), as described in **Exhibit "A"** attached to this MOU and incorporated by this reference ("Scope of Work").

### 2. Term of MOU and Withdrawal by a Party.

- **A. Term.** This MOU is effective upon the day and date last signed and executed by the duly-authorized representative of each Party ("Effective Date") and shall remain in full force and effect until five (5) years after construction of the Project is completed and accepted ("Term").
- **B. Withdrawal by Party.** Any Party may withdraw from this MOU, with or without cause, at any time during the Term upon 90 days written notice to all other Parties ("Notice of Withdrawal"), and such withdrawal shall take effect 90 days after the date of the Notice of Withdrawal ("Effective Date of Withdrawal"). A withdrawing Party will be responsible for its entire percentage share of all Project expenses through completion of the Project construction, <u>plus</u> its entire share of the cost of Operation and Maintenance Activities and Mitigation Activities for the 5-year period following completion of the Project construction, as provided in Paragraphs 4 (Responsibilities of the Parties) and 5 (Project Costs and Payment Calculations) below; provided, however, that if bids for construction of the Project are higher than estimated, the Parties shall meet and confer to determine how and whether to proceed with the Project. Under this scenario, if any Party withdraws due to the increase in Project costs that would also impact its financial contribution, the Party may withdraw without being responsible for any further payment beyond what has already been incurred before the Effective Date of Withdrawal. As the District is the awarding body for the Project, the District may not withdraw from the MOU before completion and acceptance of construction of the Project, once awarded.
- **C. Survival.** Any Party that withdraws from this MOU shall remain subject to the provisions of this Paragraph 2 and Paragraph 8.A. (Indemnification) with respect to any event or occurrence taking place before the Effective Date of Withdrawal.
- 3. <u>Authorizations.</u> The Chief Executive Officer of the District, City Managers of the City of Redwood City, City of Menlo Park, and the Town of Atherton, and County Manager of the County of San Mateo, or their respective designees, are authorized to extend the Term, modify due dates, resolve conflicts, or otherwise grant approvals on behalf of their respective agencies, provided such approvals are not vested in the authority of the agency's governing board, and provided that any approval requiring payment of funds in excess of appropriated funds shall require governing board approval of the appropriations of such additional funds. All such requests and approvals shall be in writing.

### 4. Responsibilities of the Parties.

A. District As Lead Agency. The District will serve as the Lead Agency under CEQA for the purpose of environmental permitting compliance and, unless otherwise agreed by the Parties, will be the contracting agency for all consultants and contractors ("Vendors") to be retained to perform work on the Project as set forth in the Scope of Work. The District will also manage on behalf of the Parties the day-to-day work associated with planning, permitting, design, construction, and mitigation of the Project and communication with the Vendors. All costs associated with District's

activities in this Paragraph 4.A., including costs for Vendors and staff time, will be invoiced pursuant to Paragraph 5.B. (Invoicing) below. The District shall be the owner of the Project improvements. As the District is the awarding body for the Project, the District may not withdraw from the MOU before completion and acceptance of construction of the Project, once awarded. If the District withdraws from the MOU after completion and acceptance of construction of the Project, the remaining Parties will meet and confer to negotiate an agreement regarding ownership, Operations and Maintenance Activities for the Project.

- **B.** Land Rights. The District will facilitate negotiations to secure all temporary and permanent real property easement rights necessary to construct, operate and maintain the Project, with the direct involvement of all parties to each easement agreement. All easements required for the Project shall be jointly held by the District, Redwood City, Menlo Park, and the County, unless otherwise agreed by the Parties. The Parties shall cooperate with one another to grant any necessary easements within their respective jurisdictions. All costs incurred to secure the requisite easements shall be paid from the Parties' contributions under this MOU; and will be invoiced by the District pursuant to Paragraph 5.B. (Invoicing) below.
- C. Construction Project Coordination. Staff from each Party will participate in and support the District's management of construction through a working group known as the Project Team, which may meet, as appropriate, to ensure proper Project coordination. A separate Communications Working Group of representatives of the District, Redwood City, Menlo Park, and County will be responsible for coordinating public outreach activities by their respective jurisdictions but will be coordinated through the District so that there is consistent messaging.
- D. Operation and Maintenance Activities. For five (5) years following the completion of construction of the Project, Redwood City will be responsible for performing Operation and Maintenance Activities on behalf of the Parties; and the costs of such Operation and Maintenance Activities shall be shared by the Parties as provided in Paragraph 5 (Project Costs and Payment Calculations) below. To ensure sufficient funding to timely pay the costs of Operation and Maintenance Activities, the District will on a quarterly basis invoice the other Parties and pay Redwood City throughout the 5-year post-construction completion period pursuant to Paragraph 5.B. (Invoicing) below according to the Parties' respective percentages of Shared Obligation as set forth in Paragraph 5.A. (Project Costs and Payment Calculations) below. The Parties' obligations to pay their respective percentages of Operation and Maintenance Activities costs for the initial 5-year period shall survive their withdrawal from, and the expiration of, this MOU. If Redwood City withdraws from the MOU, the remaining Parties will meet and confer to negotiate an agreement regarding how Operation and Maintenance Activities will be handled for the remainder of the Term. Redwood City and the District may enter into a separate agreement to address performance of Operation and Maintenance Activities by Redwood City on behalf of the Parties.
- **E. Mitigation Activities.** During the 5-year post-construction period, the District will be responsible for performing the Project's Mitigation Activities on behalf of the Parties and the costs of such Mitigation Activities shall be invoiced by the District on a quarterly basis throughout the 5-year post-construction completion period pursuant to Paragraph 4.A. (District As Lead Agency) and Paragraph 5.B. (Invoicing) according to the Parties' respective percentages of Shared Obligation as set forth in Paragraph 5.A. (Project Costs and Payment Calculations) below. The Parties' obligations to pay their respective percentages of Mitigation Activities costs for the initial 5-year period shall survive their withdrawal from, and the expiration of, this MOU. If the District withdraws from the MOU after the construction and acceptance of Project, the remaining Parties will meet and confer to negotiate an agreement regarding how Mitigation Activities will be handled for the remainder of the Term.

Furthermore, without committing the Parties to financial obligations beyond this Agreement, the Parties agree to meet and confer to discuss possible solutions to regional flooding issues.

F. Meet and Confer regarding Post-MOU Activities. Promptly upon completion of Project construction, if sufficient funds are not available through project savings to fund beyond the five-year post-construction Operation and Maintenance Activities and Mitigation Activities, the Parties will meet and confer to discuss the potential for one or more separate agreement(s) setting forth the Parties' respective obligations for performing and funding Operation and Maintenance Activities and Mitigation Activities and any other Project-related responsibilities beyond the Term of this MOU ("Future Project-Related Responsibilities"). Possible agreements include, by way of example only, the District agreeing to perform and fund Future Project-Related Responsibilities if it has, by that point, secured a dedicated long-term funding source for such activities; or the Parties agreeing to work collaboratively and in good faith to secure additional funding for Future Project-Related Responsibilities, including through grants, developer impact fees, and monetary contributions from private actors and/or other governmental jurisdictions or agencies. However, if after meeting and conferring the Parties are unable to successfully negotiate one or more separate agreement(s) setting forth the Parties' respective obligations regarding Future Project-Related Responsibilities, Redwood City, Menlo Park, the County, and the District shall each be responsible for an equal (one-fourth) share of all remaining unfunded Future Project-Related Responsibilities ("Default Share"). A Party's liability for its Default Share shall survive its withdrawal from this MOU unless all remaining Parties agree to absorb the withdrawing Party's (or Parties') Default Share. However, notwithstanding the foregoing, the District shall not be responsible for its Default Share unless it has secured a long-term funding source.

### 5. Project Costs and Payment Calculations.

**A. Project Cost Estimates**. The estimated costs to complete the construction, operation and maintenance and mitigation activities and all related tasks outlined in the Scope of Work total \$8,590,000 ("Estimated Amount"). The California Department of Water Resources (DWR) has awarded a grant in the amount of \$1,135,000 to the City of Redwood City for the Project (the "Grant"), provided that construction is completed by December 31, 2021, and thereby subjecting the Project to the terms of the Grant, as amended. A copy of the Grant agreement has been provided to the Parties under separate cover. Subtracting this DWR grant amount from the Estimated Amount leaves a residual estimated cost of \$7,455,000, which is the amount to be shared by the Cities and County ("Shared Obligation") as follows:

TOTAL	\$7,455,000 (100%)
County of San Mateo	\$2,294,000 (30.77%)
City of Redwood City	\$2,658,000 (35.65%)
City of Menlo Park	\$1,153,000 (15.47%)
Town of Atherton	\$1,350,000 (18.11%)
<u>Jurisdiction</u>	<u>Under this MOU</u>
Contributing	Percentage of Shared Obligation
	Maximum Contribution and

Maximum Contribution and

Promptly following the District's receipt of construction bids for the Project and then, again, after completion of the Project construction, the Parties shall meet and confer to reassess the Project costs and determine whether any adjustment in the Estimated Amount and Shared Obligation is warranted in light of revised anticipated design, permitting and construction costs and the anticipated costs for Future

Project-Related Responsibilities, as set forth above in Paragraph 4.F. (Meet and Confer Regarding Post-MOU Activities). Subject to Paragraphs 5.A.1. (Updated Estimate Less Than Original Estimate), 5.A.2. (Updated Estimate More than Original Estimate), and 5.B. (Invoicing) below, a Party's obligation to pay its respective Shared Obligation shall survive its withdrawal from, and the expiration or termination of, this MOU; however, Atherton's monetary contribution is capped at \$1,350,000, including maintenance, operations, monitoring and mitigation costs, and under no circumstance may exceed that amount.

- 1. Updated Estimate Less Than Original Estimate. In the event that the updated Estimated Amount and Shared Obligation amounts, as determined by the Parties following the completion of construction, are less than the original Estimated Amount and Shared Obligation sums set forth above, and/or that additional funding from a third party source beyond the above-mentioned contribution by DWR is secured for the Project during the Term, any excess funds shall be applied toward Future Project-Related Responsibilities in the manner determined by the Parties after meeting and conferring as set forth above. Said excess funds shall exclude funds provided by DWR to Redwood City in the approximate amount of \$103,000 for public outreach activities.
- 2. Updated Estimate More Than Original Estimate. In the event the updated Estimated Amount and Shared Obligation amounts as determined by the Parties following the completion of construction are more than the original Estimated Amount and Shared Obligation sums set forth above, then the Parties, as part of their meet and confer efforts set forth above, will negotiate in good faith to allocate such cost increases among the Parties or identify and secure third party funding sources to pay such additional amounts; however, Atherton's monetary contribution is capped at \$1,350,000, including maintenance, operations, monitoring and mitigation costs, and under no circumstance may exceed that amount. Additionally, in the event that the Grant is terminated, or if the Grant amount is reduced, then the parties shall meet and confer as set forth above in order to determine the means by which the funding gap will be closed.
- B. Invoicing. In order to ensure the District has sufficient funding to pay initial Vendor invoices, upon the effective date of this Agreement, the District will submit invoices to the Cities and County for an amount equal to 15% of their then-estimated respective contributions, and each jurisdiction, except for Atherton, shall pay its initial invoice within thirty (30) days of receipt. The District will then invoice the Cities and County, except for Atherton, on a quarterly basis throughout the Term according to their respective prorated contributions, including a final invoice once the Scope of Work is complete, and each jurisdiction shall pay all such invoices within 30 days of the receipt. The District will invoice Atherton for its entire contribution upon completion and close of its financing agreement with the County, estimated\_on December 1, 2021, but in no event later than December 31, 2021, and Atherton shall pay such invoice in full within thirty (30) days, but in no event later than January 31, 2022. All invoices issued by the District pursuant to this Paragraph 5.B. shall incorporate any updated estimates resulting from savings set forth in Paragraph 5.A.1 (Update Estimate Less Than Original Estimate) and any agreed upon cost increases in Paragraph 5.A.2. (Update Estimate More Than Original Estimate). If the Parties agree to terminate this MOU before the end of the Term, the Parties will be invoiced for all costs incurred through the termination date and shall remain liable for all such costs (i.e., costs incurred through the termination date) after termination of the MOU. Once all outstanding invoices for costs incurred through the termination date have been paid, the Parties will be refunded any remaining funds they have contributed pro rata according to their respective Shared Obligations. If the District withdraws from this MOU after Project construction and acceptance, the remaining Parties will meet and confer to negotiate an agreement regarding how invoicing will be handled for the remainder of the Term, including the transfer and maintenance of the District's Accounting Records as provided in Paragraph 6 (District's Accounting Records) below.

6. District's Accounting Records. The District shall keep records of all Project work performed and expenses incurred pursuant to this MOU in accordance with government accounting standards board principles consistently applied, and District shall make all records pertaining to the Project and District's and its consultants' and contractors' activities performed pursuant to this MOU available to Cities and County and their respective authorized representatives for inspection during normal business hours. Cities and County shall be allowed to make copies of any of the foregoing records. District shall preserve all such records for a period of five (5) years after completion of the Project.

From time to time prior to the date that is five (5) years after completion of the Project (but not more than once in any 12 month period), and upon ten (10) days' prior written notice to District, one or more of the Cities and/or County may cause an audit to be made of the records relating to the Project, and except as provided in the following paragraph, the costs of such audit shall be paid by the Party or Parties requesting the audit.

If such audit determines that there has been an overcharge to one or more of the Cities and/or County, then such overcharge shall become immediately due and payable by District to the applicable City or Cities and/or County, as applicable. If the aforementioned overcharge is in excess of five percent (5%) of the amount paid by the applicable City or Cities and/or County, as applicable, and the audit further determines such overcharge was the result of the District's gross negligence or wilfulness, the District shall also pay to the applicable City or Cities and/or County, as applicable, the cost of the audit in addition to any refund of overcharges within thirty (30) days. Subject to the withdrawal provision provided above in Paragraph 5.B. (Invoicing), District's obligations under this Section 6 shall survive the expiration or termination of this MOU.

7. <u>City of Redwood City Representations.</u> Redwood City represents and warrants to the other Parties that, as of the effective date of this MOU, Redwood City has no pending plans or current intent to modify the Mobile Home District Zoning Ordinance Article or rezone those certain properties currently operated as the Redwood Mobile Estates and Harbor Village mobile home parks located between Douglas Court and Haven Avenue. Nothing herein shall be deemed to limit or restrict the ability of any future City of Redwood City City Council in the exercise of its land use regulatory police powers.

### 8. General Provisions.

A. Indemnification. Pursuant to Government Code Section 895.4, each Party agrees to fully indemnify, defend, and hold the other Parties (including its appointed and elected officials, officers, employees, and agents) harmless and free from any damage or liability imposed for injury (as defined by Government Code Section 810.8) occurring by reason of the negligent acts or omissions or willful misconduct of the indemnifying Party, its appointed or elected officials, officers, employees, or agents, under or in connection with any work, authority, or jurisdiction delegated to such Party under this MOU. No Party, nor any appointed or elected official, officer, employee, or agent thereof, shall be responsible for any damage or liability occurring by reason of the negligent acts or omissions or willful misconduct of any other Party, its appointed or elected officials, officers, employees, or agents, under or in connection, with any work, authority, or jurisdiction delegated to such other Party under this MOU. The District, while conducting its activities set forth above in 4.A. (District as Lead Agency), and Redwood City, while conducting its Operation and Maintenance activities set forth above in Paragraph 4.E. (Mitigation Activities), shall each procure, carry, and maintain, in full force and effect, at all applicable times during the term of this MOU, such insurance and bonds to protect the

Parties, inclusive of causing each Vendor to indemnify and defend the Parties and name the Parties as additional insureds in any contracts entered into to effectuate this MOU.

- **B.** Amendments. Any Party may request changes to this MOU. Any changes, modifications, revisions or amendments, including to the contribution limits set forth above in Paragraph 5.A. (Project Cost Estimates), which are mutually agreed upon by and between the Parties, shall be incorporated by written instrument, and effective when executed and signed by all Parties.
- **C. Severability.** If any provision of this MOU shall be held to be invalid, void, or unenforceable, the validity, legality, or enforceability of the remaining portions hereof shall not in any way be affected or impaired thereby.
- **D. Applicable Law.** The construction, interpretation and enforcement of this MOU shall be governed by the laws of the State of California. The courts of the State of California shall have jurisdiction over any action arising out of this MOU, with venue in San Mateo County.
- **E.** Notices. Any and all notices required to be given hereunder shall be deemed to have been delivered two (2) days following deposit in the United States mail, postage prepaid, addressed to each Party at the following address or such other address as is provided by such Party in writing:

To: City of	To: City of Menlo Park	To: Town of Atherton	To: County of San	To: San Mateo County
Redwood City	Starla Jerome-Robinson	George Rodericks	Mateo	Flood and Sea Level
Melissa Stevenson	City Manager	Town Manager	Mike Callagy	Rise Resiliency District
Diaz	City Hall, 2nd Floor	150 Watkins Avenue	County Manager	Len Materman
City Manager	701 Laurel St	(Temporary Trailers)	400 County Center, 1st	Chief Executive Officer
1017 Middlefield Rd	Menlo Park, CA 94025	Atherton, CA 94027	Floor	1700 S. El Camino Real,
Redwood City, CA			Redwood City, CA	Ste. 502, San Mateo, CA
94063			94063	94402

- **F.** Entirety of Agreement. This MOU, including Exhibit A, represents the entire and complete agreement among the Parties with respect to the subject matter hereofand supersedes any prior negotiations, representations and agreements, whether written or oral.
- **G. Debt Limitation.** The Parties are subject to laws or policies which limit their ability to incur debt in future years. Nothing in this MOU shall constitute an obligation of future legislative bodies of the Cities or County to appropriate funds for the purpose of this MOU.
- **H.** Conflict of Interest. Each of the Parties shall avoid all conflicts of interest in the performance of this MOU and shall immediately notify the other Parties should a conflict of interest arise that would prohibit or impair its ability to perform under this MOU.
- **I. Disputes.** The Parties agree that, with regard to all disputes or disagreements arising under this MOU that are not resolved informally at the staff level after a good faith attempt, the Parties may, at their sole and mutual discretion, agree to engage in mediation, and the costs of any such mediation shall be divided equally among the Parties involved in the mediation.
- **J. Non-Discrimination.** The Parties will not discriminate, in any way, against any person based on sex, pregnancy, childbirth or related medical conditions, race, veteran status, religion, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, gender (including gender identity and gender perception), sexual orientation, use of family medical leave, genetic testing, or any other basis protected by federal or state law. This policy shall apply to all employment practices.
- **K.** Counterparts. This MOU may be executed in any number of counterparts, each of which, when executed and delivered, shall be deemed to be an original, and all of which, taken together, shall be deemed to be one and the same instrument.
- L. Facsimile and Electronic Signatures. Facsimile or electronic signatures may be used in place of original signatures on this MOU. Each Party intends to be bound by the signatures on the facsimile or electronic document, is aware that the other Parties will rely on the facsimile or electronic signatures, and hereby waives any defenses to the enforcement of the terms of this MOU based on the use of a facsimile or electronic signature.
- 7. <u>Signatures</u>. In witness whereof, the Parties, through their respective duly-authorized representatives, have executed this MOU on the days and dates set out below, and certify that they have read, understood, and agreed to the terms and conditions of this MOU as set forth herein.

The effective date of this MOU is the date of the signature last affixed to this MOU.

[SIGNATURES ON FOLLOWING PAGES]

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

San Mateo County Flood and Sea Level Rise Resiliency District

By:

Brian E. Kulich
District Legal Counsel

Date:

Date:

Date:

**IN WITNESS WHEREOF,** the Parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

Each Party has executed a separate signature page	».
APPROVED AS TO FORM:	City of Redwood City, a California Municipal Corporation
By:  Veronica Ramirez City Attorney	By:  Melissa Stevenson Diaz City Manager
Date:	Date:

**IN WITNESS WHEREOF,** the Parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

Each P	Party has executed a separate signature page.		
APPRO	OVED AS TO FORM:		Menlo Park, a California ipal Corporation
By:	Cara Silver Interim City Attorney	By:	Starla Jerome-Robinson City Manager
Date:		Date:	

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

Each Party has executed a separate signature page.

APPROVED AS TO FORM:

Town of Atherton, a California Municipal Corporation

By:

Mona G. Ebrahimi
City Attorney

By:

George Rodericks
City Manager

Date:

IN WITNESS WHEREOF, the Parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding.

Each Party has executed a separate signature page.

APPROVED AS TO FORM: County of San Mateo, a California

APPROVED AS TO FORM:		County of San Mateo, a California Municipal Corporation		
By:	Brian Wong Lead Deputy County Counsel	By:  Mike Callagy County Manager		
Date:		Date:		