

**REIMBURSEMENT AGREEMENT
BETWEEN THE
MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT
AND THE CALIFORNIA-AMERICAN WATER COMPANY**

This Reimbursement Agreement (the “Agreement”) entered into this ____ day of _____, 2024, by and between the Monterey Regional Waste Management District (also known as ReGen Monterey), a California special district, hereinafter referred to as the “District” or as "ReGen," and the California-American Water Company, a California corporation, herein after referred to as "Cal-Am," hereinafter sometimes referred to collectively as the “Parties” and in the singular as a “Party,” and is made upon the following considerations.

**Article I.
Recitals**

1.01 The District owns certain real property in and around Charlie Benson Road in Monterey County, California (the “Property”). The District’s real property in its entirety consists of 470 acres, more or less, on which ReGen manages and operates a Class III sanitary landfill known as the Monterey Peninsula Landfill for the disposal of municipal solid waste and other acceptable waste streams.

1.02 Cal-Am desires that the District grant it one or more easements (each an “Easement”) on the Property in connection with Cal-Am’s Monterey Peninsula Water Supply Project (MPWSP).

1.03 Cal-Am recognizes and acknowledges that the District is by law entitled or required to exercise discretion in various ways concerning the use of its property including concerning the grant of an easement and the Parties recognize that the execution of this Agreement does not commit the District to grant any easement, nor shall the ReGen review team have any obligation to make a recommendation to the District Board with reference to an easement.

1.04 ReGen and Cal-Am staff have agreed to enter into discussions and information sharing about the MPWSP design details for use in negotiations (the “Negotiations”) concerning an Easement.

1.05 Cal-Am agrees to post a deposit to reimburse ReGen in full for ReGen’s reasonable time and expenses incurred by its staff to engage in the discussions, information sharing, and negotiations concerning an Easement including, but not necessarily limited to, ReGen’s management team, attorneys, engineers, appraisers, finance, and surveying/land use professionals and such other staff and any third party consultants as may be retained by ReGen (collectively the “ReGen Review Team”) in response to requests from Cal-Am .

1.06 This Agreement is exempt from the California Environmental Quality Act (CEQA) per 14 CCR (CEQA Guidelines) §§15061(b)(3), 15262, and 15306. This Agreement will not be construed to commit the District to a definite course of action and will not bind the District in any manner with respect to its obligations under CEQA.

**Article II.
Purpose**

2.01 The Parties wish to engage in discussions, information sharing, and negotiations related to establishing the terms and conditions of an Easement.

2.02 This Agreement specifies the terms and conditions upon which Cal-Am will post a deposit and reimburse ReGen for 100% of certain reasonable costs and expenses incurred by ReGen in connection with the discussions and information sharing for the CalAm MPWSP project and related Negotiations.

2.03 It is expressly understood and agreed by the Parties that this is an Agreement regarding the conduct of discussions, information sharing, and negotiations only and does not convey any interest in the Property whatsoever nor does it imply any obligation on the part of the District to grant an Easement. The essential terms of an Easement, if agreed to by the Parties, shall be set forth, if at all, in a written easement executed by authorized representatives of each Party if and when approved by the Parties. With respect to CEQA compliance, this Agreement will not be construed to commit the District to a definite course of action and will not bind the District in any manner with respect to its obligations under CEQA. Each Party assumes the risk that, notwithstanding this Agreement and good faith negotiations, the Parties may not enter into an Easement due to the Parties failure to agree upon essential terms.

**Article III.
Amount and Use of Funds**

3.01. Cal-Am shall concurrently with the execution of this Agreement deposit the sum of \$25,000 (the “Reimbursement Deposit”) with ReGen, as consideration for this Agreement, to reimburse ReGen for actual costs and all reasonable expenses incurred by or on behalf of the ReGen Review Team in connection with this Agreement and the Negotiations. The Reimbursement Deposit shall be held by ReGen in a standard impound account and may be supplemented from time to time as set forth in Section 4.02.

3.02 ReGen shall use the funds received pursuant to this Agreement exclusively as reimbursement for reasonable costs and expenses incurred in the discussion, information sharing, or Negotiations activities.

**Article IV.
Invoicing and Payment**

4.01 On a monthly basis ReGen will submit invoices to Cal-Am, through Cal-Am’s Taulia System in accordance with the instructions available at <http://supplierinfo.taulia.com/americanwater> identifying the costs incurred by ReGen. Invoices shall identify the members of the ReGen Review Team who incurred time that month, hours worked (to 0.25 of one hour), fully burdened hourly rates of each, and all other reasonable expenses incurred. Within 30 days of its receipt of the invoice Cal-Am will review and provide approval of the items or identify any item it contests. If Cal-Am does not review and provide approval within 30 days of its receipt of the invoice, ReGen may draw funds from the Reimbursement Deposit to reimburse itself for the costs identified in the invoice. If Cal-Am contests any of the items in the invoice then ReGen shall timely meet and confer with Cal-Am and, if appropriate to the contested issue, instruct any affected staff or consultants to stop all work temporarily until the issue is resolved.

4.02. If the balance of the Reimbursement Deposit is reduced to \$5,000 or less ReGen shall so notify Cal-Am and provide Cal-Am with a written estimate for Cal-Am’s approval of the amount necessary to augment the Reimbursement Deposit which may be withheld by Cal-Am in its sole discretion. If the Parties do not agree on an augmented Reimbursement Deposit the Parties shall meet and confer in good faith to cooperate on an augmented deposit that is mutually agreeable to the Parties. If after such conference(s) the Parties have confirmed in writing that they cannot agree on an augmented deposit, ReGen shall have no obligation to continue to engage in the discussions, information sharing, or Negotiations and either Party may terminate this Agreement in accordance with Section 5.02. If Cal-Am approves the augmented Reimbursement Deposit, Cal-Am shall deposit with ReGen within 30 days the additional sum to increase the Reimbursement Deposit to cover ReGen’s remaining costs and expenses.

Failure to deposit any such sum within the time provided or any extension of time agreed upon in writing by the Parties, or if the Reimbursement Deposit goes to zero at any time ReGen shall have the right to terminate this agreement, and ReGen shall be under no obligation to continue the discussions, information sharing, or Negotiations.

4.03 ReGen shall maintain an accurate accounting of all costs and expenses incurred and periodically, or when requested by Cal-Am, provide Cal-Am with a statement of accounting. Any unused portion of the Reimbursement Deposit shall be returned to Cal-Am upon termination of the discussions, information sharing, Negotiations or grant of an Easement by the District.

**Article V.
Negotiation Period**

5.01 This Agreement shall begin upon execution of both parties and shall remain in full force and effect until such time as an Easement may be entered granted by the District or until the discussions, information sharing, or Negotiations are terminated as provided in Section 5.02 (the “Negotiation Period”).

5.02 Either Party may terminate this Agreement at its convenience by providing the other Party with written notice in the manner specified in Section 6.01 at least seven (7) calendar days prior to the proposed termination date. Cal-Am’s obligation to reimburse ReGen for the ReGen Review Team’s costs and expenses incurred prior to the effective date of termination pursuant to Section 3.01 herein shall survive any such termination.

**Article VI.
General**

6.01 Any and all notices required to be given pursuant to the terms of this Agreement shall be in writing and either served personally or sent via certified mail, return receipt requested, to the respective addresses set forth below. Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

TO REGEN: Monterey Reginal Waste Management District
If by delivery: 14201 Del Monte Blvd. Salinas, CA 93908
If by USPS mail: P.O. Box 1670 Maria, CA 93933-1670
Attn: General Manager
Email: fmelchor@ReGenMonterey.org

TO CAL-AM: California-American Water Monterey
511 Forest Lodge Road, Suite 100
Pacific Grove, CA 93950
Attn: Engineering Manager – Project Delivery
Email: Tim.OHalloran@amwater.com

6.02 The Parties are and shall remain at all times as to each other wholly independent entities. No employee, agent, or officer of a Party shall be deemed for any purpose whatsoever to be an agent, employee or officer of another Party. It is understood that this is an Agreement by and between two (2) independent entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture, or any other similar association.

6.03 This Agreement shall be construed in accordance with California law without reference to conflicts of laws principles. Venue shall lie exclusively in the Monterey County.

6.04 If, during the discussions, information sharing, or Negotiations, the need to amend this Agreement should arise, for whatever reason, whichever party first identifies such need to change shall notify the other party in writing. The authorized representatives of the parties shall meet to discuss the need for change so identified and to determine if this Agreement should be amended. Any changes agreed to shall be documented by duly approved and executed amendments to this Agreement.

6.05 This Agreement shall be binding upon, and shall be to the benefit of the respective successors, heirs, and assigns of each Party; provided, however, no Party may assign its respective rights or obligations under this Agreement without prior written consent of the other Party.

6.06 All Parties have been represented by legal counsel in the preparation and negotiation of this Agreement. Accordingly, this Agreement, as well as its individual provisions, shall be deemed to have been prepared equally by both of the Parties hereto, and shall not be construed or interpreted more favorably for one Party on the basis that the other Party prepared it. Any ambiguities shall be resolved in a collaborative manner by the Parties.

6.07 The provisions of this Agreement are severable, and the invalidity, illegality or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provisions. If any provision of this Agreement is found to be invalid, illegal, or unenforceable, the Parties shall endeavor to modify that clause in a manner, which gives effect to the intent of the Parties in entering into this Agreement.

6.08 During the Negotiation Period the Parties will work cooperatively and in good faith to negotiate the terms and conditions of an Easement. However, neither Party to this Agreement shall have an express or implied good faith obligation to grant or to accept an Easement or other form of real property conveyance.

6.09 Each person executing this Agreement represents and warrants that he or she is duly authorized and has legal authority to execute and deliver this Agreement. Each party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such party's obligations hereunder have been duly authorized.

6.10 This Agreement may be executed in counterparts, including counterparts transmitted by electronic mail in so-called pdf format and shall be legal and binding and have the same full force and effect as if paper originals with handwritten signatures had been exchanged. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original.

6.11 This Agreement sets forth the entire understanding of the Parties with respect to the subject matter herein. There are no other agreements expressed or implied oral or written, except as set forth herein.

IN WITNESS WHEREOF, the Parties hereto have entered into this Agreement effective as of the day and year first written above.

Monterey Regional Waste Management District (ReGen)

By: _____
Title: _____
Date: _____

DRAFT

California-American Water Company

By: _____
Title: _____
Date: _____

DRAFT