

COUNTY Contract No.XXXXX

To: Cosumnes Subbasin SGMA Working Group Members  
From: CBI, Water Forum Staff and Linda Dorn, Sacramento County  
Date: July 12, 2018  
Re: Near-Final Cost-Share Agreement

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Attached is an updated near-final Cost-Share Agreement developed by the County in discussion with Cosumnes Subbasin GSAs. This document has been updated based on discussion at the Working Group's June 2018 meeting, as well as additional input provided via email by GSA Finance Subcommittee members.

This document will be discussed at the July Working Group meeting so we ask that you give this a close read prior to the meeting and come prepared to suggest any additional revisions or confirm your support for the draft as written. If you have not already asked your GSA's legal counsel for review, please do so prior to the July meeting.

It is our intention to get a sense of GSA concurrence with this draft (along with any revisions agreed to at the meeting) and assess whether/when GSAs will be ready to forward this cost-share agreement to their respective governing bodies or authorizing individuals for their respective review and confirmation.

COUNTY OF SACRAMENTO DEPARTMENT OF WATER RESOURCES  
GROUNDWATER SUSTAINABILITY AGENCY

**COST SHARING AGREEMENT FOR  
COST SHARE FOR DEVELOPING A GROUNDWATER  
SUSTAINABILITY PLAN FOR THE COSUMNES GROUNDWATER SUBBASIN**

THIS AGREEMENT is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between the COUNTY OF SACRAMENTO (Department of Water Resources), a political subdivision of the State of California, hereinafter referred to as "COUNTY or WATER RESOURCES" and GROUNDWATER SUSTAINABILITY AGENCIES OF THE COSUMNES GROUNDWATER SUBBASIN (GSAs), groundwater management agencies organized under the laws of the State of California hereinafter referred to as "GSAs". The Cosumnes Groundwater Subbasin GSAs include; Amador County Groundwater Management Authority GSA, City of Galt GSA, Clay ~~Irrigation Water~~ District GSA, Galt Irrigation District GSA, Omochumne-Hartnell Water District GSA, Sacramento County GSA, and Sloughhouse Resource Conservation District GSA.

**RECITALS**

WHEREAS, on September 16, 2014, the California Legislature signed the Sustainable Groundwater Management Act (SGMA) into law;

WHEREAS, SGMA provides a framework for sustainable groundwater management by local water supply, water management, and land use agencies within identified groundwater subbasins;

WHEREAS, SGMA defines groundwater subbasins as identified in "Bulletin 118", a report by the State Department of Water Resources that defines the boundaries and describes the hydrologic characteristics of California's groundwater basins, last updated in 2016 (Bulletin 118 Interim Update 2016, December 22, 2016);

WHEREAS, on September 21, 2016, Galt Irrigation District, March 29, 2016, Omochumne-Hartnell Water District, March 10, 2016, Sloughhouse Resource Conservation District, January 11, 2017, Clay Water District, February 14, 2017, Amador County Groundwater Management Authority, and May 2, 2017, the City of Galt, decided to become Groundwater Sustainability Agencies (GSAs) under SGMA in the Cosumnes Subbasin, and are now exclusive GSA's within their respective GSA jurisdiction;

WHEREAS, on July 1, 2017, COUNTY accepted GSA responsibility for unmanaged areas of the Cosumnes Subbasin, as described in the April 11, 2017, Resolution 2017-0210, and as presented in the May 11, 2017 GSA filing with the State Department of Water Resources;

WHEREAS, the State Department of Water Resources (State DWR) manages the 2014 Proposition 1 Sustainable Groundwater Planning (SGWP) Grant Program, and awarded

the Cosumnes Subbasin \$1,000,000 for Groundwater Sustainability Plan (GSP) development on May 7, 2018;

WHEREAS, the total ~~cash project~~ costs of developing ~~the unified single~~ Cosumnes GSP are estimated to be \$1,755,365;

WHEREAS, the SGWP Grant Program requires a local cost share of not less than 50% of the total project costs as required by Proposition 1 [Water Code Section 79774(b)];

WHEREAS, COUNTY approved being a SGWP grant administrator for the Cosumnes Subbasin on April 24, 2018, to provide administrative services for contracting, invoicing, reporting, and any other grant requirements for developing a GSP; and

WHEREAS, COUNTY, through WATER RESOURCES, wishes to share the costs for the GSP development; and

WHEREAS, COUNTY and Cosumnes Subbasin GSAs desire to enter into this Agreement for the purpose of establishing the responsibilities of each party and to provide for reimbursement from Cosumnes Subbasin GSAs to the COUNTY for meeting cost share requirements of the SGWP grant; and

NOW, THEREFORE, in consideration of the promises herein made, the parties hereto agree as follows:

COUNTY (Department of Water Resources) agrees to pay \$500,000 of the local cost share, and any other portion of Galt Irrigation District GSA or Clay Irrigation Water Districts GSAs cost share that is agreed upon by the COUNTY and ~~a the~~ GSAs, over four years.

City of Galt GSA agrees to pay \$100,000 of the local cost share, over four years, and may accelerate payment depending on cash flow needs of the COUNTY and available resources.

Amador County Groundwater Management Authority GSA, Omochumne-Hartnell GSA, and Sloughhouse Resource Conservation District GSA agrees to pay at a minimum \$32,000 each, over four years, and may contribute ~~to other GSAs minimum contribution~~ additional funds above the minimum.

Clay Irrigation Water District GSA and Galt Irrigation District GSA each agree to pay up to 50% of their operating budget per year, to a maximum of \$8,000 per year.

Therefore, the signatories agree to collectively pay \$730,000, as a minimum cost share. This amount, plus DWR grant funds will meet the estimated cash costs to develop a unified, single GSP for the Cosumnes subbasin.

1. **NOTICE**

Any notice, demand, request, consent, or approval that either party hereto may or is required to give the other pursuant to this Agreement shall be in writing and shall be either personally delivered or sent by mail, addressed as follows:

TO COUNTY:  
Department of Water  
Resources  
827 7<sup>th</sup> Street  
Sacramento, CA 95814  
ATTN: Linda Dorn

TO GSAs:  
Amador County Groundwater  
Management Authority GSA  
12800 Ridge Road  
Sutter Creek, CA 95685  
ATTN: Darrel Evensen

City of Galt GSA  
495 Industrial Drive  
Galt, CA 95632  
ATTN: ~~Steven Winkler~~ Public Works  
Director

Clay ~~Irrigation Water~~ District GSA  
~~2379 Lloyd Lane~~ 7705 Southland  
Road  
~~Sacramento~~ Manteca, CA 95336825-  
~~0260~~  
ATTN: Rick Wohle

Galt Irrigation District GSA  
P.O. Box 187  
Herald, CA 95638-0187  
ATTN: Leo van Warmerdam

Omochumne-Hartnell Water District  
GSA  
P.O. Box 211  
Wilton, CA 95693  
ATTN: Michael Wackman

Sloughhouse Resource Conservation  
District GSA  
~~9701 Dino Drive~~ #1708698 Elk Grove  
Bld 1-207  
Elk Grove, CA 95624  
ATTN: Amanda Watson

Either party may change the address to which subsequent notice and/or other communications can be sent by giving written notice designating a change of

address to the other party, which shall be effective upon receipt.

**2. DECLARATIONS AND COST SHARING METHODOLOGY**

COUNTY contracts directly with State DWR and consultant for GSP development. ~~Contracts, with will be~~ reviewed and ~~approval~~ approved of contracts by the Cosumnes Working Group ~~(GSA's)~~.

**Commented [DL1]:** Including GSAs approval of the contract between the County and DWR would add months to getting the contractor working.

COUNTY will receive invoices, and approve, and pay the itemized invoices from consultant, after Cosumnes Working Group, or subcommittee of the Cosumnes Working Group, approval.

COUNTY will act as the billing agency to GSAs for local cost share.

COUNTY agrees to pay ~~50%~~ \$500,000 of the local cost share, and any other portion of ~~Clay Irrigation Water District's~~ GSAs cost share that is agreed upon in writing by the COUNTY and ~~a the GSA and is due to demonstrated, hardship, that the GSAs demonstrate funding limitations to fund (due to hardship,~~ based on the operating budget of the ~~two~~ GSA).

GSAs agree to collectively pay ~~50%~~ \$730,000, at a minimum, of the local cost share.

GSAs agree to pay cost share invoices in a timely manner. Nonpayment of cost share or other related issues will result in forfeiture of voting privilege on all matters in the Cosumnes SGMA Subbasin Working Group until payment is made. be referred to the Cosumnes Basin Working Group for discussion and resolution.

**3. INVOICES AND REPORTING**

A. INVOICES COUNTY shall submit GSA cost share invoices to GSAs in September of each year. Payments shall be mailed or delivered to COUNTY within 90 days at the address provided for COUNTY in Notice, above, ~~and shall~~ invoices will include the following information:

- (1) Project Name, contract number, and billing period.
- (2) Date of invoice submission
- (3) Any other information deemed necessary by COUNTY.

B. REPORTING COUNTY shall provide reports as required by the State DWR Sustainable Groundwater Planning Grant requirements.

- (1) COUNTY shall report GSAs cost share per the State DWR Sustainable Groundwater Planning Grant requirements.
- (2) GSAs shall report to the COUNTY any in-kind cost share per the State DWR Sustainable Groundwater Planning Grant requirements.

- (3) COUNTY shall report any documented GSA in-kind cost share per the State DWR Sustainable Groundwater Planning Grant requirements.
- ~~(3) COUNTY shall provide the exclusive GSA's a draft copy of the above reports. Any comments from GSA's must be made in a timely manner to ensure the COUNTY meets all reporting deadlines. Any comments received from GSA's will be included as attachments to the report.~~

**Commented [DL2]:** The reporting to DWR is for receiving reimbursement. This includes for invoices documentation linking subcontractor invoices to State reimbursement, the reimbursement requests themselves, etc. If you would like to see the documents required they are listed in Appendix D, F, and H in the draft DWR template contract at [https://www.water.ca.gov/-/media/DWR-Website/Web-Pages/Work-With-Us/Grants-And-Loans/Sustainable-Groundwater/Files/AgreementTemplate\\_PropISGWP\\_REVISED\\_2018-06-13.pdf](https://www.water.ca.gov/-/media/DWR-Website/Web-Pages/Work-With-Us/Grants-And-Loans/Sustainable-Groundwater/Files/AgreementTemplate_PropISGWP_REVISED_2018-06-13.pdf)  
If the majority of GSAs want this information we can discuss.  
Please let me know.

**4. GOVERNING LAWS AND JURISDICTION**

This Agreement shall be deemed to have been executed and performed within the State of California and shall be construed and governed by the internal laws of the State of California. Any legal proceedings arising out of or relating to this Agreement shall be brought in Sacramento County, California or in the United States District Court in and for the ~~the~~ Eastern District of California.

**5. AMENDMENT AND WAIVER**

Except as provided herein, no alteration, amendment, variation, or waiver of the terms of this Agreement shall be valid unless made in writing and signed by ~~both~~ all parties. Waiver by either party of any default, breach, or condition precedent shall not be construed as a waiver of any other default, breach, or condition precedent, or any other right hereunder. No interpretation of any provision of this Agreement shall be binding upon COUNTY or GSAs unless agreed in writing by the Director of the County of Sacramento Department of Water Resources, acting on behalf of COUNTY, and the Executive Director or Board Chair of the GSAs.

**6. SUCCESSORS**

This Agreement shall bind the successors of COUNTY and Cosumnes Subbasin GSAs in the same manner as if they were expressly named.

**7. TIME**

Time is of the essence of this Agreement.

**8. TERM**

The term of this Agreement is four years, starting July 1, 2018, and ending June 30, -2022. A 30 day period for termination without cause is extended to all GSAs, after Phase 2 of the Groundwater Sustainability Plan development. The GSA total cost share amount for the fiscal year in which any termination may be made will still apply.

**8-9. INTERPRETATION**

This Agreement shall be deemed to have been prepared equally by all of the parties, and the Agreement and its individual provisions shall not be construed or interpreted more favorably for one party on the basis that the other party prepared it.

**9-10. DISPUTES**

In the event of any dispute arising out of or relating to this Agreement, the parties shall attempt, in good faith, to promptly resolve the dispute mutually between them. If the dispute cannot be resolved by mutual agreement, the dispute will be referred to the Cosumnes Basin Working Group for resolution. ~~nothing~~ Nothing herein shall preclude either party's right to pursue remedy or relief by appropriate civil litigation, pursuant to the laws of the State of California and United States of America.

**10-11. AUDITS AND RECORDS**

Upon COUNTY'S request, COUNTY or its designee shall have the right at reasonable times and intervals to audit GSAs financial and program records as COUNTY deems necessary to determine GSAs compliance with legal and contractual requirements and the correctness of claims submitted by GSAs. GSAs shall maintain such records for a period of four years following termination of the Agreement and shall make them available for copying upon COUNTY'S request at COUNTY'S expense. Upon a GSA's request, the GSAs or its designee shall have the right at reasonable times and intervals to audit COUNTY'S financial and program records as GSAs deems necessary to determine COUNTY'S compliance with legal and contractual requirements and the correctness of claims submitted by COUNTY.

**11-12. PRIOR AGREEMENTS**

This Agreement constitutes the entire contract between COUNTY and Cosumnes Subbasin GSAs regarding the subject matter of this Agreement. Any prior agreements, whether oral or written, between COUNTY and GSAs having provisions that directly conflict with provisions herein, then the provisions herein shall take precedent ~~regarding the subject matter of this Agreement are hereby terminated effective immediately upon full execution of this Agreement.~~

**12-13. COUNTERPARTS**

This Agreement may be executed in counterparts. The Agreement shall be deemed executed when it has been signed by all parties.

**13. AUTHORITY TO EXECUTE**

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 for or on behalf of the parties to this Agreement. Each party represents and warrants to the other that the execution and delivery of the Agreement and the performance of such party's obligations hereunder have been duly authorized.

**14. GSAS AUTHORITY**

~~Nothing in this Agreement shall impact the exclusive GSA's, or their GSA constituents (the owners of the overlying groundwater rights within the GSA's jurisdiction), rights to equal representation. Similarly, this Agreement makes no inference as to whether or not decisions made by the Working Group are in accordance with the rights of representation of the GSA's and/or their constituents.~~

**Commented [DL3]:** This agreement is only for how the GSAs will split the costs of developing a GSP. I recommend that governance-related issues be addressed as part of the Framework Agreement update or other governance document developed by the Working Group.



COUNTY Contract No.XXXXX

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

**COUNTY OF SACRAMENTO,**  
a political subdivision of the  
**State of California,**

By: \_\_\_\_\_  
Michael Peterson, Director  
Department of Water Resources

Municipal Services Agency  
County of Sacramento

Date: \_\_\_\_\_  
Signed by the Director under the authority  
Delegated by Resolution No. 99-032799-0327.  
Agreement approved by the  
Board of Supervisors:

Reviewed and approved by County Counsel

By: \_\_\_\_\_  
William Burke, Deputy County Counsel

Prepared by: \_\_\_\_\_  
Chalon Rogers, Senior Contract Services Officer  
County of Sacramento/General Services  
Phone: (916) 876-6287

COUNTY Contract No.XXXXX

**Clay Irrigation-Water District**, a GSA organized under the laws of the State of California

By \_\_\_\_\_

Date: \_\_\_\_\_

Agenda Date: \_\_\_\_\_

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

Reviewed and approved by Counsel

By: \_\_\_\_\_  
?, Counsel for GSA

COUNTY Contract No.XXXXX

**Galt Irrigation District**, a GSA organized under the laws of the State of California

By \_\_\_\_\_

Date: \_\_\_\_\_

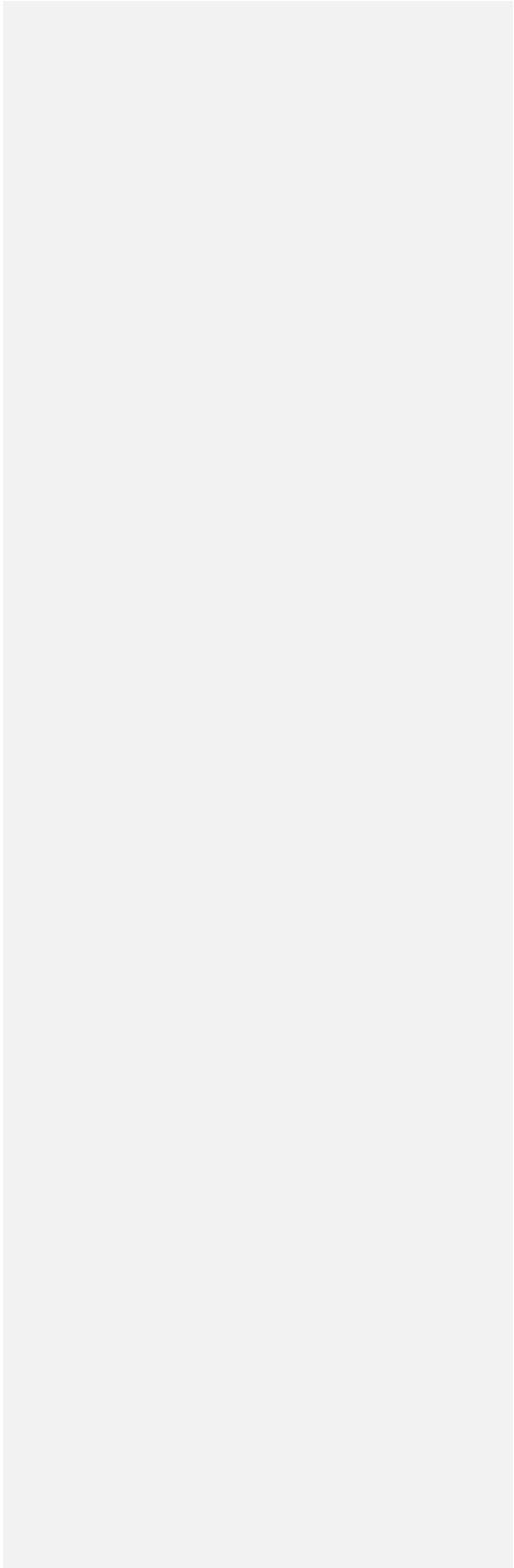
Agenda Date: \_\_\_\_\_

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

Reviewed and approved by Counsel

By: \_\_\_\_\_  
?, Counsel for GSA



**City of Galt, a California Municipal Corporation**  
**and GSA organized under the laws of the State**  
**of California**

By \_\_\_\_\_  
Eugene Palazzo, City Manager

Date: \_\_\_\_\_

By \_\_\_\_\_

Date: \_\_\_\_\_

Reviewed and approved as to form:

By: \_\_\_\_\_  
Kimberly Hood, Interim City Attorney

Reviewed and approved as to content:

By: \_\_\_\_\_  
Steven Winkler, Public Works Director

Agenda Date: \_\_\_\_\_

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

~~Reviewed and approved by City Counsel~~

By: \_\_\_\_\_  
~~?, Counsel for GSA~~

COUNTY Contract No.XXXXX

**Amador County Groundwater Management Authority**, a GSA organized under the laws of the State of California

By \_\_\_\_\_

Date: \_\_\_\_\_

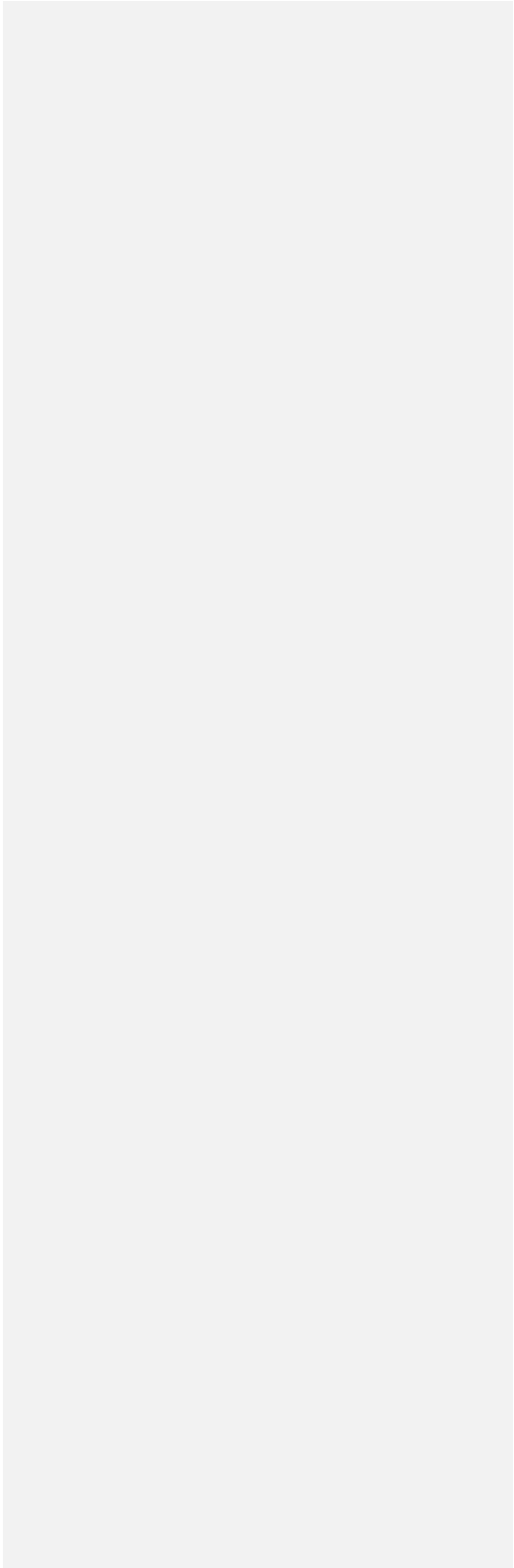
Agenda Date: \_\_\_\_\_

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

Reviewed and approved by Counsel

By: \_\_\_\_\_  
?, Counsel for GSA



COUNTY Contract No.XXXXX

**Omochumne-Hartnell Water District**, a GSA  
organized under the laws of the State of  
California

By \_\_\_\_\_

Date: \_\_\_\_\_

Agenda Date: \_\_\_\_\_

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

Reviewed and approved by Counsel

By: \_\_\_\_\_  
?, Counsel for GSA

COUNTY Contract No.XXXXX

**Sloughhouse Resource Conservation District,**  
a GSA organized under the laws of the State of  
California

By \_\_\_\_\_

Date: \_\_\_\_\_

Agenda Date: \_\_\_\_\_

Item Number: \_\_\_\_\_

Resolution Number: \_\_\_\_\_

Reviewed and approved by Counsel

By: \_\_\_\_\_  
?, Counsel for GSA