

COST SHARING AGREEMENT 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 the following GROUNDWATER SUSTAINABILITY AGENCIES (GSAs) OF THE COSUMNES GROUNDWATER SUBBASIN: Amador County Groundwater Management Authority GSA, City of Galt GSA, Clay Water District GSA, Galt Irrigation District GSA, Omochumne-Hartnell Water District GSA, Sacramento County GSA, and Sloughhouse Resource Conservation District GSA, each a groundwater management agency organized under the laws of the State of California and hereinafter referred to as "GSAs", or collectively as parties.

RECITALS

WHEREAS, on September 16, 2014, the Governor of the State of California signed the Sustainable Groundwater Management Act (SGMA) into law; and

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

WHEREAS, SGMA defines groundwater subbasins as identified in "Bulletin 118", a report by the California Department of Water Resources (State DWR) 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); and

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

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; and

WHEREAS, the California 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; and

WHEREAS, the total cash costs of developing a Cosumnes GSP are estimated to be \$1,755,365; and

WHEREAS, if it is determined that more than one GSP is ultimately to be developed for the Cosumnes Subbasin all parties agree to meet and confer on how to address any additional costs that may result; and

WHEREAS, the COUNTY completed a competitive consultant selection process and the Cosumnes Working Group approved the consultant in August 2018; and

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

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:

1. **COST SHARE**

COUNTY (Department of Water Resources) hereby agrees to pay **FIVE HUNDRED THOUSAND DOLLARS** (\$500,000) of the local cost share, and a maximum of an additional **TWENTY FIVE THOUSAND THREE HUNDRED SIXTY FIVE** (\$25,365) over four years, of Galt Irrigation District GSA and/or Clay Water District GSA cost share that is agreed upon by the COUNTY and the GSAs, due to hardship. A Letter of Explanation of Hardship will be submitted to the COUNTY for justification and agreement.

CITY OF GALT GSA hereby agrees to pay **ONE HUNDRED THOUSAND DOLLARS** (\$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.

Deleted:

AMADOR COUNTY GROUNDWATER MANAGEMENT AUTHORITY GSA, OMOCHUMNE-HARTNELL GSA, and SLOUGHHOUSE RESOURCE CONSERVATION DISTRICT GSA agree to pay a minimum of **THIRTY-TWO THOUSAND DOLLARS** (\$32,000) each, over four years, and may voluntarily contribute additional funds above the minimum at their sole discretion.

CLAY WATER DISTRICT GSA and GALT IRRIGATION DISTRICT GSA each agree to pay at a minimum 50% of their operating budget per year, but no more than **EIGHT THOUSAND** (\$8,000) per year.

Therefore, the signatories agree to collectively pay **SEVEN HUNDRED FIFTYFIVE THOUSAND AND THREE HUNDRED SIXTY FIVE DOLLARS** (\$755,365), as a minimum cost share, as identified in the table below. This amount, plus DWR grant funds will meet the estimated cash costs to develop a GSP for the Cosumnes Subbasin. Additional in-kind cost share contributions by the Water Forum, in the form of facilitation and technical support, and Sloughhouse Resource Conservation District, in the form of technical support, provide the remainder of the 50% cost share required by the SGWP Grant.

Deleted:

Deleted: s

Deleted:

**Cosumnes Groundwater Subbasin
Cost Per Groundwater Sustainability Agencies (GSAs) for
Groundwater Sustainability Plan Development**

GSA	Total Cash Needs of Consultant Contract 4-Year Cost	Annual Agreed Cost Share Contribution	Agreed 4-Year Cost Share
Sacramento County Department of Water Resources	\$500,000	\$131,341	\$525,365
City of Galt	\$100,000	\$25,000	\$100,000
Amador County Groundwater Management Authority	\$31,073	\$8,000	\$32,000
Sloughhouse Resources Conservation District	\$31,073	\$8,000	\$32,000
Omochumne-Hartnell Water District	\$31,073	\$8,000	\$32,000
Clay Water District	\$31,073	\$500	\$2,000
Galt Irrigation District	\$31,073	\$8,000	\$32,000
TOTAL	\$755,365	\$188,841	\$755,365

2. NOTICE

Any notice, demand, request, consent, or approval that the parties 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 7th 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: Public Works Director

Clay Water District GSA
7705 Southland Road
Manteca, CA 95336
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
8698 Elk Grove Blvd 1-207
Elk Grove, CA 95624
ATTN: Amanda Watson

The parties 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.

3. DECLARATIONS AND COST SHARING METHODOLOGY

COUNTY shall contract directly with State DWR and the consultant selected by the Cosumnes Working Group for GSP development consistent with the State DWR Proposition 1 Sustainable Groundwater Planning (SGWP) Grant and the Cosumnes Working Group approved scope of work [\(attached\)](#) for the consultant. Contracts will be reviewed and approved by the Cosumnes Working Group. Any GSA Board may choose to approve these contracts. COUNTY's entering into contracts with the State DWR and the selected consultant does not require any GSA Board approval.

Deleted: s

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

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

COUNTY agrees to pay \$500,000 of the local cost share, and a maximum of \$25,365 of Galt Irrigation District GSA and/or Clay Water District GSA cost share that is agreed upon in writing by the COUNTY and the GSA that is due to demonstrated hardship funding limitations (based on the operating budget of the GSA). A Letter of Hardship providing justification will be provided to the COUNTY for agreement to pay any additional cost share greater than \$500,000.

GSAs agree to collectively pay \$755,365, 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 be referred to the Cosumnes Working Group for discussion and resolution.

4. **INVOICES AND REPORTING**

A. **INVOICES.** COUNTY shall submit GSA cost share invoices for each party's respective annual share to GSAs in September of each year, [starting in September 2018](#). Payments shall be mailed or delivered to COUNTY within ninety (90) days at the address provided for COUNTY in Notice, above. Invoices will include the following information:

Deleted: ies

- (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 SGWP Grant requirements.

- (3) COUNTY shall report any documented GSA in-kind cost share per the State DWR Sustainable Groundwater Planning Grant requirements.
- (4) All parties shall retain all financial records, including but not limited to, documents, reports, books and accounting records which pertain to any work or transaction performed pursuant to this Agreement for four (4) years after the expiration of this Agreement, or until audited, whichever occurs first, or for any such longer period of time as may be required to comply with the terms of any grant that funds any portion of the Project. Staff of COUNTY and GSAs or any duly authorized representative of COUNTY OR GSAs shall, with reasonable notice, have access to and the right to examine, audit and copy such records.

5. 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.

6. INDEMNIFICATION

To the extent permitted by law, each party agrees to protect, save harmless, indemnify, and defend the other, its governing body, officers, agents, and employees from any and all loss, damage or liability, including injury to or death of persons, and including without limitation, all reasonable legal fees, expert witness or consultant fees and expenses related to the response to, settlement of, or defense of any claims or liability, which may be suffered or incurred by a party hereto, its governing body, officers, agents and employees, caused by, arising out of, or in any way connected with the respective responsibilities and duties hereby undertaken, except that each party shall bear the proportionate cost of any damage attributable to the fault of that party, its governing body, officers, agents, contractors, and employees. It is the intention of the parties that, where fault is determined to have been contributory, principles of comparative fault will be followed.

This indemnity obligation shall not be limited by the types and amounts of insurance or self-insurance maintained by the parties.

Nothing in this indemnity obligation shall be construed to create any duty to, any standard of care with reference to, or any liability or obligation, contractual or otherwise, to any third party.

The provisions of this indemnity obligation shall survive the expiration or termination of the Agreement.

7. INSURANCE

Each Party, at its sole cost and expense, shall carry insurance –or self-insure - its activities in connection with this Agreement, and obtain, keep in force and maintain, insurance or equivalent programs of self-insurance, for general liability, workers compensation, property, professional liability, business automobile liability, and automobile physical damage adequate to cover its potential liabilities hereunder. Each party agrees to provide the other thirty (30) days' advance written notice of any cancellation, termination or lapse of any of the insurance or self-insurance coverages.

8. 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 all parties. Waiver by any 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.

9. SUCCESSORS

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

10. TIME

Time is of the essence of this Agreement.

11. TERM

The term of this Agreement is four years, starting September 1, 2018, and ending June 30, 2022. After Phase 2 of the Groundwater Sustainability Plan development, any GSA may terminate their participation in this Agreement without cause by giving thirty (30) days written notice to the other Parties. Notwithstanding the decision of a GSA to terminate, that GSA's cost share contribution obligation for the fiscal year at the time of giving written notice of termination shall remain applicable and binding. All parties agree to meet and confer on how to address any additional costs that may result from any GSA terminating this cost share agreement.

Deleted: ,

12. 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.

13. 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 Working Group for resolution. Nothing herein shall preclude either party's right to pursue remedy or relief by appropriate litigation, pursuant to the laws of the State of California.

14. 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 GSA 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.

15. 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.

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

16. 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.

[ATTACHMENT: August 20, 2018 Scope of Work - Technical Consulting Services Groundwater Sustainability Plan Development Sacramento County / Cosumnes Subbasin Working Group](#)

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 L. Peterson, Director
Department of Water Resources
Public Works & Infrastructure

Date: _____

Signed by the Director under the authority delegated by Resolution Number 99-0327.

Agreement approved by Board of Supervisors:

Agenda Date: _____

Item Number: _____

Contract and Consultant Tax Status Reviewed and Approved by County Counsel

By: _____ Date: _____
William C. Burke, County Counsel

Prepared by: _____
Chalon Rogers, Senior Contract Services Officer
Contract Services Section/Contract & Purchasing Services Division
Department of General Services
Phone: (916) 876-6287

COUNTY Contract No.52450

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

By _____

Date: _____

Agenda Date: _____

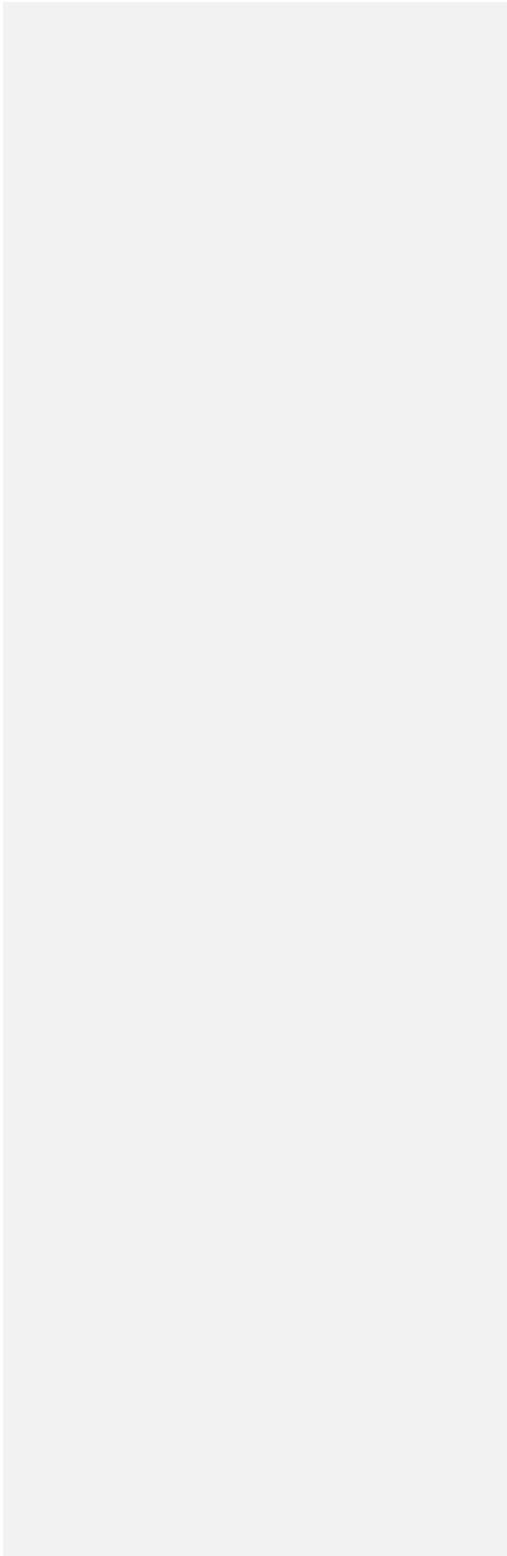
Item Number: _____

Resolution Number: _____

Reviewed and approved by Counsel

By _____

?, Counsel for GSA



COUNTY Contract No.52450

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

By _____

Date: _____

Agenda Date: _____

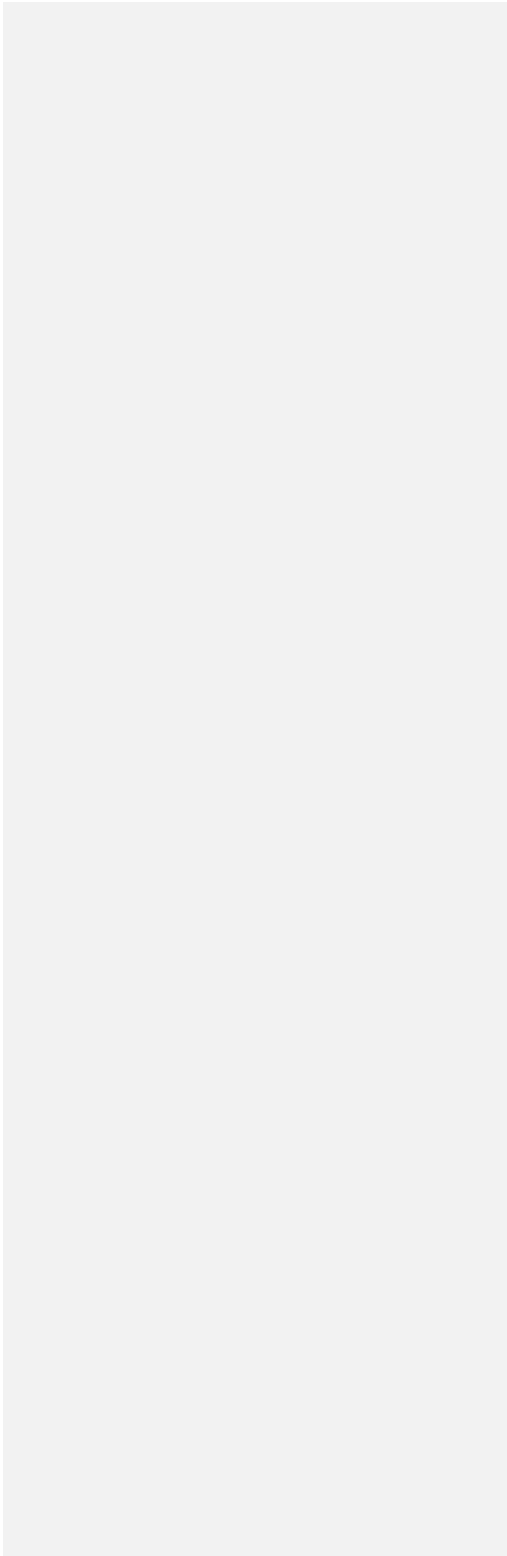
Item Number: _____

Resolution Number: _____

Reviewed and approved by Counsel

By _____

?, Counsel for GSA



COUNTY Contract No.52450

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

By _____
Eugene Palazzo, City Manager

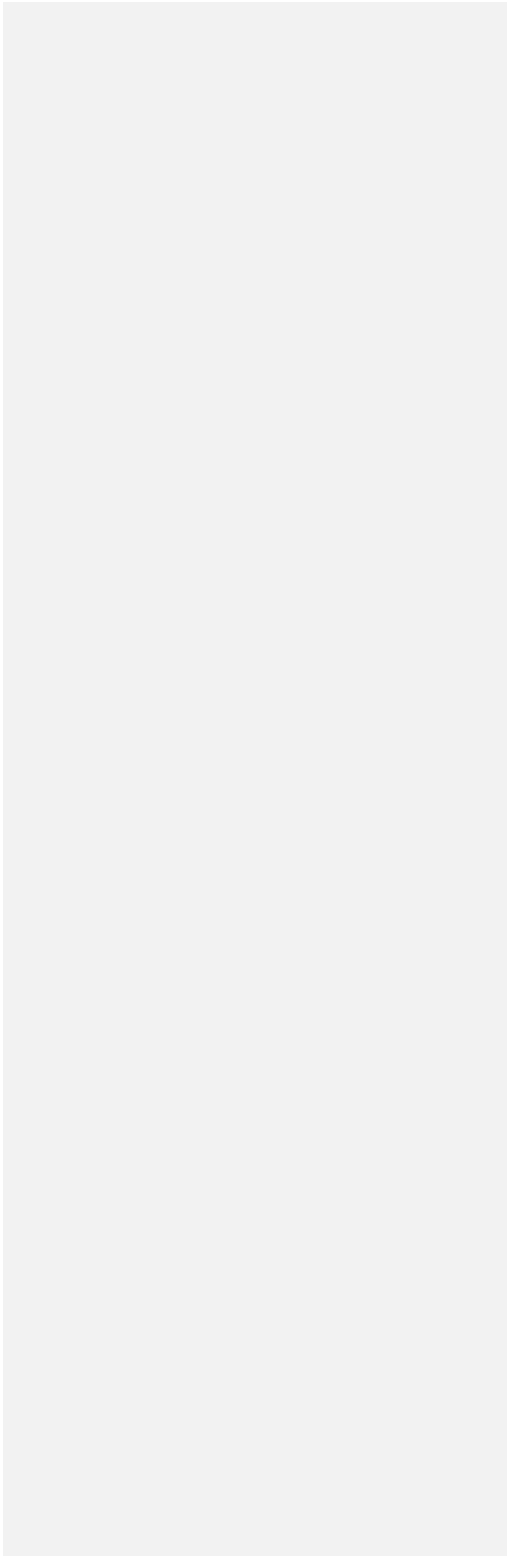
Date: _____

Reviewed and approved as to form:

By: _____
Kimberly Hood, Interim City Attorney

Reviewed and approved as to content:

By: _____
Steven Winkler, Public Works Director



COUNTY Contract No.52450

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

By _____

Date: _____

Agenda Date: _____

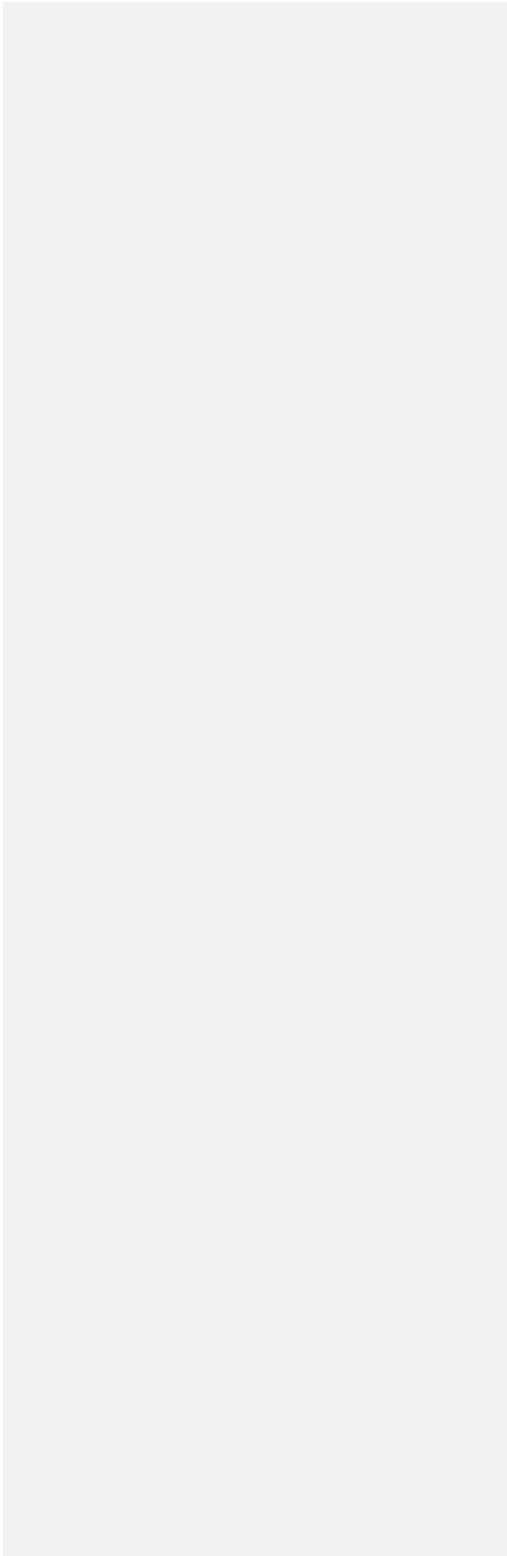
Item Number: _____

Resolution Number: _____

Reviewed and approved by Counsel

By _____

?, Counsel for GSA



COUNTY Contract No.52450

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 _____

Rebecca Smith, Counsel for GSA

COUNTY Contract No.52450

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 _____

Hanspeter Walter, Counsel for GSA