

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

This initial Funding and Revenue Agreement ("Agreement") is entered into by and between the seven Groundwater Sustainability Agencies (GSAs) of the Cosumnes Subbasin, which are: Amador County Groundwater Management Authority ("Amador"), City of Galt ("City"), Clay Water District ("Clay"), Sacramento County Groundwater Sustainability Agency ("County")¹, Galt Irrigation District ("Galt ID"), Omochumne-Hartnell Water District ("OHWD"), and Sloughhouse Resource Conservation District ("Sloughhouse RCD"), each of which is a "Party" to or a "Member" of this Agreement. Each of the parties to this Agreement shall individually be referred to as the "Party," or collectively, as the "Parties." This Agreement is effective as of the date the last Party signs the Agreement.

RECITALS:

WHEREAS, The Parties entered into and duly adopted a Framework Agreement in 2017 under which the Parties agreed to submit the Cosumnes Subbasin Groundwater Sustainability Plan (GSP) to the California Department of Water Resources (DWR) no later than January 31, 2022, which is the deadline for submission under the Sustainable Groundwater Management Act (SGMA). Following GSP submission, the Parties will begin implementation of the GSP; provided, that the governing boards of each Party approve the GSP, and

WHEREAS, the Parties entered into a Joint Exercise of Powers Agreement to form the Cosumnes Groundwater Authority (CGA), a Joint Powers Authority (JPA), on the last date a Party signed the JPA, and

¹The County and Sacramento County Water Agency combined constitute Sacramento County Groundwater Sustainability Agency and together will be treated as a single party to this agreement.

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

WHEREAS, the Parties now desire to enter into this Agreement to address the first year of funding to support the joint exercise of powers agreement (“Joint Powers Agreement”) establishing the CGA as a JPA in order to achieve the goals as identified in JPA Recital E, for implementing the GSP in the Cosumnes Subbasin; and

WHEREAS, the Parties have or intend to individually or collectively assess fees on irrigated acres, or contribute an agreed upon amount related to the amount of groundwater pumped in their respective jurisdictional boundaries, to generate revenue in the amount of FOUR HUNDRED FORTY-EIGHT THOUSAND, THREE-HUNDRED NINETY-NINE DOLLARS (\$448,395) for the first year of GSP implementation (“First Year GSP Implementation Costs”); February 1, 2022 to June 30, 2022, and

WHEREAS, through the CGA the Parties intend to engage one or more consultants to develop and complete the SGMA First Annual Report and additional activities including, but not limited to, those listed in Exhibit 1 attached hereto, for the first year of GSP implementation pursuant to SGMA; and

WHEREAS, the estimated cost per Party for preparation and submittal of the Annual Report is included in Exhibit 1 (Cosumnes Groundwater Authority Fiscal Year 2021-2022 Estimated Expenses), which also itemizes other estimated costs for the first year of GSP implementation, in the total amount of the First Year GSP Implementation Costs. NOW, THEREFORE, the Parties, on the terms and conditions herein set forth, hereby agree as follows:

TERMS:

1. Subject to the direction and prior approval of the Parties through the CGA JPA, the Authority, or designated GSA, shall execute an agreement or agreements with one or more

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

Consultants to conduct the activities as listed in, but not limited to, Exhibit 1, pursuant to the terms below.

2. The Parties shall each pay their proportionate share of the estimated First Year GSP Implementation Costs for their GSA, as delineated in Exhibit 2 hereto ("Fiscal Year 2021-2022 Member Contributions"). The total amount described in Exhibit 2 shall be considered the JPA Budget for Fiscal Year 2021-2022, per Section 5.1 of the JPA Agreement.

Commented [U1]: Do we need to add any language about what happens if/when the ACTUAL amount raised by the GSAs is lower than what we project? (appeals, failure to pay, etc. etc.)

3. Should the fees generated by individual GSAs assessments for Fiscal Year 2021-22 fall short of the anticipated amount, then that GSA's Member Contribution (as reflected in Exhibit 2) and the total budget shall be reduced to match the revenue received, or otherwise identified by JPA.

Commented [DL2]: This was added to address the comment above.

4. A Party, or other entity, may contribute funding to compensate for any shortages in fees assessed by a GSA.

Commented [DL3]: How to address any other source of funding? Added #4 to address this comment.

5. Should the Fiscal Year 2021-2022 Member Contribution funds collected by the JPA Treasurer from the GSA Members be less than anticipated then the overall budget will be reduced to match the revenue received.

Commented [U4]: Will Members who don't pay be entitled to benefit from the work of the JPA, e.g., will their names still be put on the annual reports or will that GSA have to do its own annual report?

6. In the event that any additional entity becomes a Party to the JPA or this Agreement, or contributes money for GSP implementation, JPA Section 4.2(l) shall govern the amount of the new Party's contribution and the proportionate decrease and refund of the other Parties' respective contributions, if any, or specify what JPA activities the new Party's contribution will fund in addition to what has been funded by the existing Fiscal Year 2021-2022 Member Contributions.

Commented [DL5]: LTGC found the Annual report covers whole basin. Might be a problem if over time a GSA does not pay revenue generated, or amount anticipated.

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
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FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

7. The JPA’s retention of consultants under this Agreement is contingent and expressly dependent on the condition precedent that the CGA JPA receives the full amount of Fiscal Year 2021-2022 Member Contributions from each GSA. If the CGA JPA does not receive the full amount of Fiscal Year 2021-2022 Member Contributions identified in Exhibit 2, the contributing Parties may seek a reduction in the overall budget identified in Exhibit 1.

8. Each Party shall make payment of its Fiscal Year 2021-2022 Member Contribution to the CGA as identified in Exhibit 2 by either: (1) two installment payments totaling the amount of the total Fiscal Year 2021-2022 Member Contribution for such GSA, with the first payment due and payable by January 31, 2022; and the second payment due by May 15, 2022 or, (2) full payment of the Fiscal Year 2021-2022 Member Contribution by January 31, 2022.

9. In-kind contributions are appropriate and recognized as satisfactory to meet the cost share requirements of a Party. Any in-kind contributions proposed to be substituted, in whole or in part, for monetary payment of a Party’s Fiscal Year 2021-2022 Member Contribution must be approved in advance by the CGA Board of Directors.

10. GSP implementation expenses accrued by a Party before the adoption of this Agreement are appropriate and recognized as creditable towards that Party’s Fiscal Year 2021-2022 Member Contribution requirement. Any previously accrued expenses, e.g. monitoring costs from 2021, proposed to be credited or substituted for all or part of a Party’s 2021-2022 Member Contribution must be approved by the CGA Board of Directors.

11. In the event that the actual costs to complete the first year of GSP implementation are less than the TOTAL estimated cost set forth in Exhibit 1, the remaining funds held by the JPA

Commented [BW6]: Recommend defining or narrowing the scope of what in-kind contributions might be allowed. Maybe even limit it to admin staffing, as concurrently proposed in the draft MOA.

Commented [DL7R6]: LTCCG wants to keep flexibility by not defining narrowly.

Commented [BW8]: This Agreement doesn’t really provide for Contributions to be made on a reimbursement basis. There’s either one up front contribution or two installment contributions on specific dates.

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

shall be refunded to each GSA based on their proportional share of Fiscal Year 2021-2022 Member Contributions, or placed in reserve, as determined by the CGA Board of Directors.

12. Reserves, defined as any excess funds in fiscal year 21-22, or any funds from costs being less than JPA Member Contributions, may be used to fund an amendment, or successor agreement, to this Agreement, or refunded to GSAs, as determined by the CGA Board of Directors.

13. To the extent there is any conflict between the terms of this Agreement and the JPA the JPA shall control.

Commented [BW9]: May need to define "Reserves". Is it any money sitting in the '21-'22 fund, or just the money that may remain if costs end up less than the total Member Contributions.

Commented [DL10]: The LTGC believes there will not be any excess funding in 21-22, and is therefore not worried about excess in the first year. Never the less, added a definition of reserves based on the comment.

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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

By: _____
Michael L. Peterson, Director
Department of Water Resources
Public Works & Infrastructure

Date: _____

Commented [U11]: All GSAs – check attorney contact
and other contact info are accurate

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

Agreement approved by
Board of Supervisors:

Agenda Date: _____

Item Number: _____

Reviewed and Approved by County Counsel
By:

William C. Burke, County Counsel

Date: _____

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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 _____

Rebecca Smith, Counsel for GSA

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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 _____

Rebecca Smith, Counsel for GSA

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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: _____
Mike Selling, Public Works Director

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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

By _____

Date: _____

Agenda Date: _____

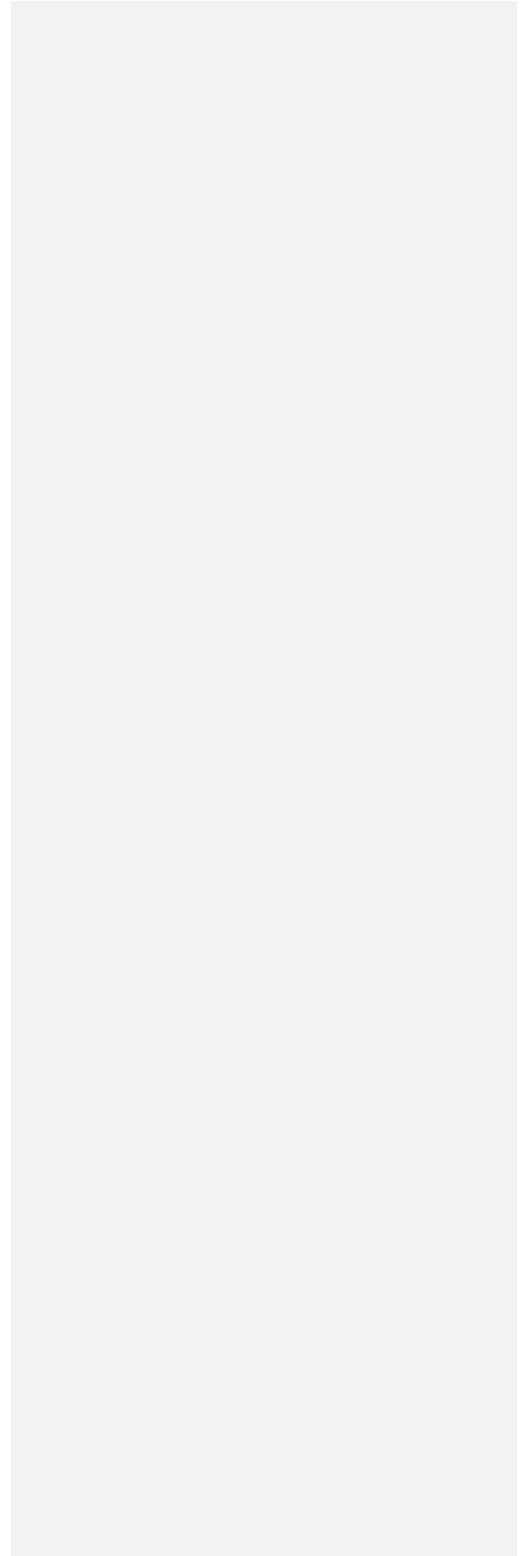
Item Number: _____

Resolution Number: _____

Reviewed and approved by Counsel

By _____

Gregory Gillott, Counsel for GSA



COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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

By _____

Date: _____

Agenda Date: _____

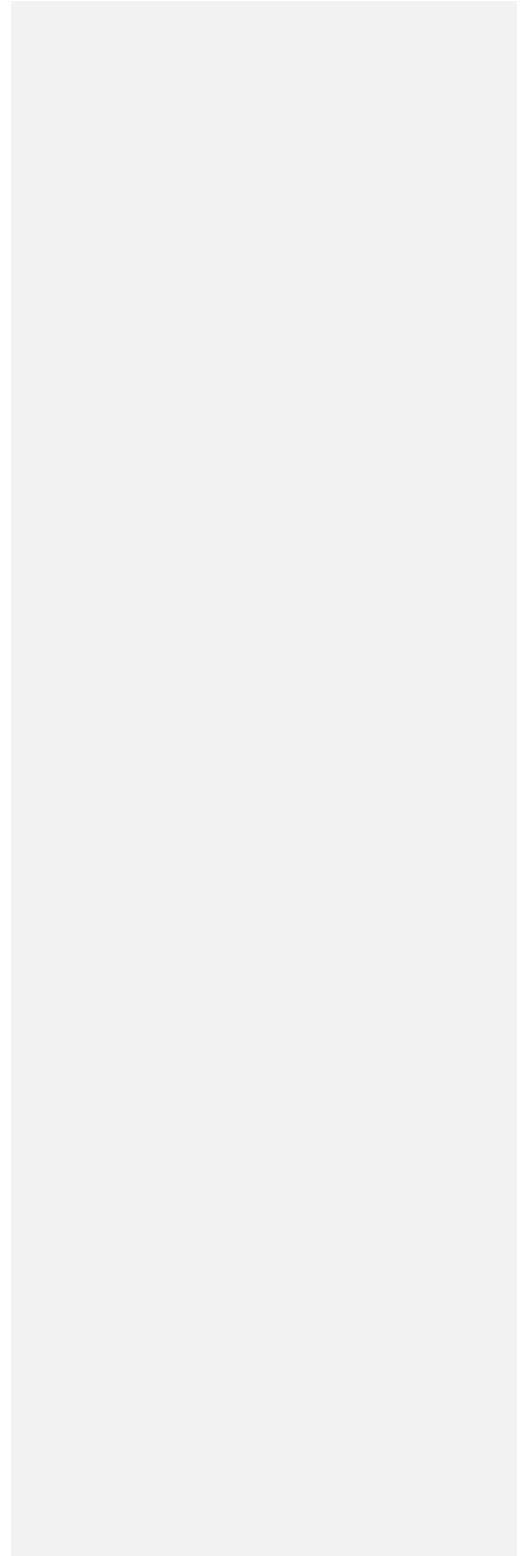
Item Number: _____

Resolution Number: _____

Reviewed and approved by Counsel

By _____

Rebecca Smith, Counsel for GSA



COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
INITIAL FUNDING AND REVENUE AGREEMENT
FOR
IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

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

By _____

Date: _____

Agenda Date: _____

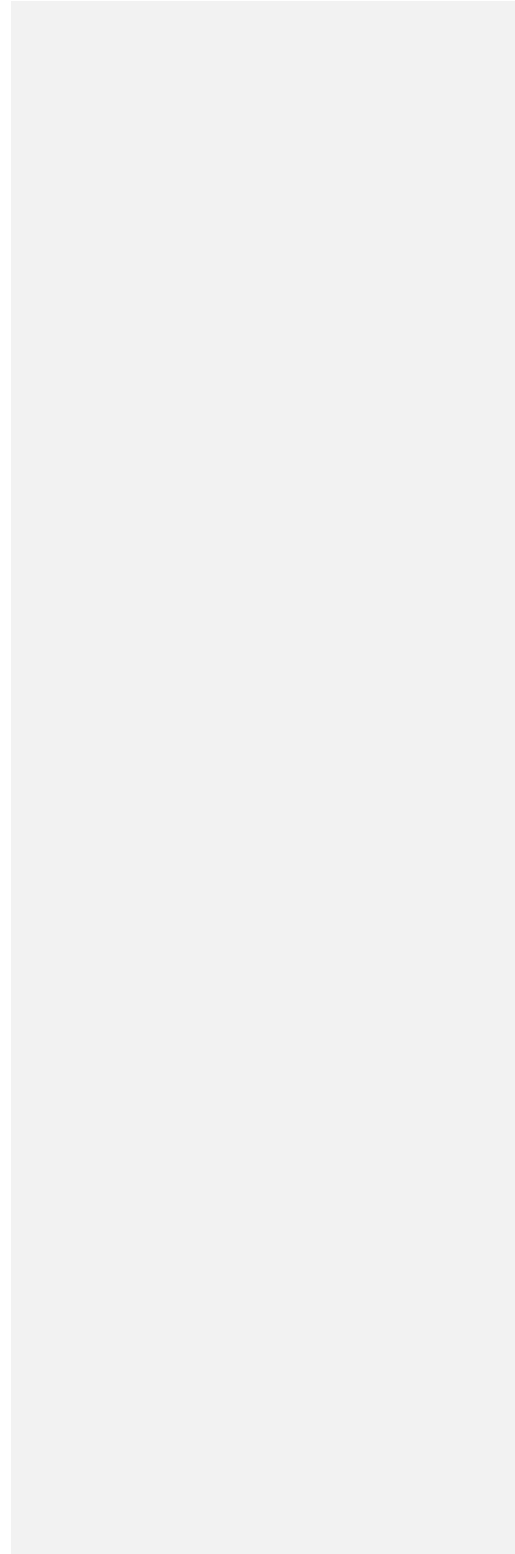
Item Number: _____

Resolution Number: _____

Reviewed and approved by Counsel

By _____

Scott Morris, Counsel for GSA



COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
 INITIAL FUNDING AND REVENUE AGREEMENT
 FOR
 IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

Exhibit 1: Cosumnes Groundwater Authority Fiscal Year 2021-2022 Expenses
Year One Groundwater Sustainability Plan Implementation

Commented [U12]: Update table per new budget

<u>Expense</u>	<u>JPA Expense Amount</u>	<u>DOC-DWR Grants SAFCA Contribution</u>
Establish Organization	\$25,000	
Prepare DWR Grant*	\$35,000	\$5,000
Monitoring	\$30,000	
Data Management System	\$15,000	
Public Outreach*	-	\$10,000
GSA Coordination	\$20,000	
Legal	\$30,000	
Financial Audit	\$20,000	
Personnel	\$90,000	
Data Gaps	\$25,000	
Annual Report	\$45,000	
Contingency	\$13,395	
Post-GSP Fee Establishment	\$100,000	
Voluntary Following*	-	\$15,000
Ag-MAR**	-	\$160,000
GW Banking***	-	\$40,000
Total	\$448,395	\$230,000

Commented [AM13]: Adjusted to be a round number.

* Department of Conservation (DOC) Grant Funding
 ** DOC, DWR Sustainable Groundwater Management Office Grants, and Sacramento Area Flood Control Agency (SAFCA) Contribution
 *** DOC Grant, SAFCA Contribution

COSUMNES SUBBASIN GROUNDWATER SUSTAINABILITY AGENCIES
 INITIAL FUNDING AND REVENUE AGREEMENT
 FOR
 IMPLEMENTATION OF A GROUNDWATER SUSTAINABILITY PLAN

**Exhibit 2: Cosumnes Groundwater Authority Fiscal Year 2021-2022
 GSA Revenue and Contributions
 Other DOC/DWR Grants and SAFCA Contributions**

<u>GSA Revenue and Contribution</u>	<u>Amount</u>
City of Galt	\$15,000
Amador Groundwater Authority	\$5,000
Galt Irrigation District	\$161,807
Clay Water District	\$21,889
Omochumne-Hartnell Water District	\$24,893
Sloughhouse Resource Conservation District	\$154,876
County of Sacramento	\$64,834
Total JPA Revenue/Contributions	\$448,299
<u>OTHER</u>	<u>Amount</u>
SAFCA Contributions and DOC/DWR grants	\$230,000
Total	\$678,299