

**Memorandum of Understanding**  
**for**  
**Administration of Santa Barbara Countywide**  
**Integrated Regional Water Management Plan**  
**and**  
**Proposition 50 Round 2 Step 2 Grant Application**

This Memorandum of Understanding (MOU) is entered into on Oct. 23, 2007, by and between the Santa Barbara County Water Agency (hereinafter "the Agency"); and local government agencies, water companies, and special districts within Santa Barbara County, as listed in Appendix A, and hereinafter referred to as "Cooperating Partners" in Santa Barbara County, California.

**Recitals**

1. The Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002 [also known as "Proposition 50", and hereinafter "Prop 50"] provides grant funding to promote regional assessment and planning for water supply and water quality issues; and
2. Preparation of a comprehensive Integrated Regional Water Management Plan ("IRWMP") is a required step for obtaining Proposition 50 grants; and
3. The Cooperating Partners have completed a comprehensive IRWMP with the goal of obtaining Prop 50 Round 2, Step 2 grant funding for water projects in the Santa Barbara Countywide Region; and
4. A subset of Cooperating Partners, hereinafter the "Project Proponents" (and identified in Appendix A), are those entities that are proposing specific projects for inclusion in a Round 2 Step 2 grant application.
5. Consistent with the State's Proposition 50 IRWM Grant Program Guidelines and Proposal Solicitation Package for Round 2 (issued June 2007), applications for Round 2 grants are due in January 2008, with the State expecting to announce final grant awards in May 2008.
6. In order to complete the grant application process, the State requires that only one entity from Santa Barbara County represent all of the Cooperating Partners, and the Agency is willing and able to provide this representation on the terms stated in this MOU.

**NOW, THEREFORE, IT IS AGREED:**

**1. The Agency's Duties for Round 2 Step 2 Grant Application.**

The Agency will:

- a. Upon approval of this MOU by all Project Proponents, hire expert consultant(s) to prepare a timely Proposition 50 Round 2, Step 2 grant application.
- b. Prior to hiring expert consultants, obtain advance concurrence of a majority of the Project Proponents as to the consultant qualifications and terms of contract.
- c. At least two weeks prior to the due date established by the State for Step 2 application submittal, forward for approval by Project Proponents a draft Proposition 50 Round 2, Step 2 grant application containing all of the elements required by State Guidelines, as well as any voluntary components as agreed by Project Proponents.
- d. Administer the consultant contract in an efficient manner.
- e. Submit the completed Step 2 application to the State of California on behalf of the Project Proponents in a timely manner.
- f. Express its intent to enter into a Prop 50 contractual agreement with the State of California on behalf of the Project Proponents, provided that they will sign a separate MOU which will: (1) provide for reimbursing the Agency for costs it incurs in administering the State grant agreement, and (2) indemnify the Agency and hold it harmless against loss or liability due to administration and implementation of the Prop 50 grant.
- g. All of Agency's duties hereunder are contingent upon timely receipt of information, approvals and funding from Project Proponents.

**2. Project Proponents' Duties for Round 2 Step 2 Grant Application:**

Each Project Proponent will:

- a. Promptly review and comment to the Agency concerning the expert consultant(s) qualifications and form of consultant agreement(s).
- b. Promptly cooperate with the Agency and its consultant(s) to supply existing plans, data, information and financial analyses to complete Step 2 grant application requirements
- c. Submit information consistent with a schedule approved by a majority of Project Proponents, or otherwise be subject, by a majority vote of Project Proponents, to termination of its participation in this agreement and process.
- d. Coordinate appropriate Step 2 application reviews and approvals by senior managers, boards or other decision-making bodies in advance of the Step 2 grant application submission deadline.
- e. Allow alternative projects to substitute for any projects withdrawn during the Step 2 application process, with substitution based on priority projects identified in the IRWMP and on project priorities established in May 2007 during the Step 1 application process.

f. Agree that, in the event the State approves all Step 2 application projects but awards less than the full amount of funding requested, the awarded amount shall be prorated among the projects based on the amounts requested in the original application.

3. Financial Arrangements for Step 2 Process:

a. Projects proponents shall pay 100% of the direct and administrative costs for consultant preparation and administration of the Step 2 grant application as discussed above, estimated to be \$366,386.38.

b. The Agency shall establish an IRWMP Step 2 account for handling monetary contributions from Project Proponents toward the Step 2 grant application process. The Agency shall provide quarterly summaries to Project Proponents concerning contributions received and amounts paid or credited.

c. Each Project Proponent shall contribute funds to this IRWMP account in amounts according to Appendix B, recognizing that contributions are subject to specific approval by each Project Proponent's respective governing board.

d. The Agency shall maintain the IRWMP Step 2 account until full completion of the Step 2 process and audit approval of its expenditures by the Project Proponents, if such audit is requested in a timely manner.

e. Project Proponents shall pay their respective contributions to the Agency no later than November 1, 2007. Payment will be sent to: Santa Barbara County Water Agency, 123 E. Anapamu St., Santa Barbara, CA 93101. RE: Proposition 50, step 2.

f. If funds received are in excess of the actual direct and administrative costs for a consultant to prepare the Step 2 grant application, then the Agency shall refund monies or apply as credit to subsequent IRWMP-related activities according to direction from individual Project Proponents. Such refunds or credits shall be on a pro-rated basis according to each entity's contribution. The Agency shall complete the refunds no later than three months following the State's approval of a final grant award for the Santa Barbara County-wide Region, scheduled to occur in June 2008 per the State's Round 2 Guidelines.

g. In the event that a Project Proponent declines to fund its share of application costs, then such Proponent is excluded from direct participation in the Step 2 process.

h. If insufficient funds are collected to meet the estimated costs to prepare and administer the Step 2 grant application, then the Agency will notify each Project Proponent that it must provide supplemental funds or must withdraw from the Step 2 application process. Project Proponents will agree by consensus on how to allocate supplemental funding. Otherwise, the Agency may terminate this MOU at its sole discretion.

i. Payments received by the Agency will not be refunded to Project Proponents who withdraw from the Step 2 process or who are subject to termination provisions of section 2c above.

j. The Agency will not issue a "notice to proceed" to the consultant until Partners' board/councils' have approved this MOU and approved payments as stipulated in Appendix B.

k. The Agency shall retain records pertaining to the account in accordance with State requirements.

4. The Agency's Ongoing IRWMP Administration Duties:

In order to bring a long-term, coordinated and integrated perspective to regional water planning and implementation, the Agency agrees to administer activities associated with the IRWMP while and until a long term MOU is developed for IRWMP activities. The Agency's administration duties, contingent upon available funds and appropriations, will include:

- a. After securing Cooperating Partners' approval of the consultant and contract terms, administer consultant contracts for support of the IRWMP process.
- b. Assign permanent Agency staff into key oversight positions to ensure leadership and continuity, and fund the full costs of those staff.
- c. Meet with State officials as appropriate and track IRWMP related activities at the State level.
- d. Meet and travel as needed to maintain relationships with Central Coast area regional plan participants.
- e. Schedule and facilitate meetings.
- f. Prepare meeting agendas, minutes, notices, and requests for Cooperating Partner input.
- g. Coordinate stakeholder interactions.
- h. Maintain the IRWMP web site.

5. Financial Arrangements for Ongoing IRWMP Administration Duties:

- a. Subject to prior approval of the consultant and contract terms, costs for consultants for continued IRWMP administration will be shared between the Agency and the Cooperating Partners, with the Agency and other units of County government paying 50% of consultant costs and the other (non-County) Cooperating Partners paying 50% of consultant costs.
- b. Cost allocations for ongoing IRWMP administration will be paid by Cooperating Partners in amounts according to Appendix B, with payments made to the Agency by November 1, 2007.

6. Termination of Participation:

- a. Any Cooperating Partners that are signatories to the MOU, but are not Project Proponents, may terminate their participation in this MOU upon 30 days' advance written notification to all other signatories.
- b. The Agency and Project Proponents may terminate participation in this agreement with 30 days' advance written notice to all other signatories after paying respective share(s) of administrative costs and Step 2 costs as shown in Appendix B.
- c. Payments will not be returned to Cooperating Partners, including Project Proponents, terminating their participation in the Step 2 process, nor shall they be represented further by the Agency.

d. Any individual termination shall not terminate this agreement with regard to the remaining parties.

e. Any terminating Cooperating Partner, including a Project Proponent, will give notice of their termination to all remaining Cooperating Partners and Project Proponents.

7. Term of this MOU:

a. The provisions of this MOU that pertain to the Prop 50 application process will end: (i) on December 31, 2008; or (ii) when superseded by a new MOU for the Prop 50 Round 2 grant; or (iii) upon the State disapproval of the Step 2 application from the Santa Barbara Countywide Region.

b. The provisions of this MOU that pertain to ongoing administration of the IRWMP process will end: (i) on December 31, 2008; or (ii) when Cooperating Partners sign a new MOU that specifically covers coordination of the IRWMP process.

8. Defend and Hold Harmless:

Each Party to this agreement shall cooperate in the defense of and hold harmless each other from all actions, claims or judgments by, or in favor of, third parties arising out of any act or omission of such Cooperating Partner, its officers, employees, or agents in connection with the performance of this MOU.

9. Notices:

All notices or other official correspondence relating to this MOU between the Cooperating Partners shall be addressed to:  
Robert Almy, Manager, Santa Barbara County Water Agency, 123 E. Anapamu St., Santa Barbara, CA 93101

10. Counterparts:

This MOU may be executed in counterparts. Each counterpart shall have the same effect as an original.

11. No Waiver:

The waiver of any breach by any party of any provision of this MOU shall not constitute a continuing waiver or a waiver of any subsequent breach of this agreement.

12. Time of Essence:

Time is of essence in the performance of this MOU for these reasons: The opportunity to receive significant grant funding depends entirely on timely submission of properly completed grant applications.

13. Ownership/retention of documents and copies:

The Agency shall retain the official original of all major documents created under this MOU. The Agency shall provide each of the Project Proponents and

Cooperating Partners a copy of each document by regular mail or email attachment.

14. Governing Law and Venue.

This MOU and all matters relating to it shall be governed by the laws of the State of California in force at the time any decision or holding concerning this agreement arises. Any action or proceeding arising out of or relating to this MOU or the parties' relationship shall be brought in a state court situated in a county convenient to the litigants.

15. Integration and Amendments:

This MOU (including any original counterparts executed by the parties) constitutes the sole and entire agreement between the parties with respect to the subject matter hereof. This MOU correctly sets forth the obligations of the parties hereto to each other as of the date of this agreement. All agreements or representations respecting the subject matter of this MOU not expressly set forth or referred to in this MOU are null and void. Amendments to this MOU shall be made only with the mutual written consent of all of the parties to this agreement.

16. Due Authority:

The parties hereby represent that the individuals executing this MOU are expressly authorized to do so on and in behalf of the parties.

17. Construction:

The parties agree that each party and counsel have reviewed and negotiated this MOU and that any rule of construction to effect that ambiguities are to be resolved against the drafting party shall not apply in the interpretation of this MOU or any amendments or exhibits thereto. The captions of the sections are for convenience and reference only, and are not intended to be construed to define or limit the provisions to which they relate.

ACCEPTED and AGREED:

By: Brooks Firestone

BROOKS FIRESTONE, Chair  
Board of Supervisors, County of Santa Barbara  
Board of Directors, County Water Agency  
Board of Directors, County Flood Control and Water Conservation District  
Board of Directors, Laguna County Sanitation District  
Date: 10/23, 2007

Approved As To Form:

Stephen Stark  
Stephen Shane Stark, County Counsel  
Santa Barbara County  
Date: 10/3, 2007

Approved As To Form:

Robert W Geis  
ROBERT W GEIS, CPA, AUDITOR-CONTROLLER  
Santa Barbara County  
Date: 10-3, 2007

Signatures of other Cooperating Partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Agency/Organization: \_\_\_\_\_

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

## Appendix A: List of Cooperating Partners

**NOTE: What follows is a list of potential Cooperating Partners. A final list will be prepared based on the actual signatories to the MOU. Project Proponents are marked with a \*.**

### County Agencies:

Santa Barbara County Water Agency  
SB County Public Works Department, Laguna Sanitation \*  
SB County Flood Control and Water Conservation District \*  
SB County Parks Department  
SB County Agricultural Commissioners Office

### Cities:

City of Buellton  
City of Carpinteria  
City of Goleta  
City of Guadalupe \*  
City of Lompoc  
City of Santa Barbara  
City of Santa Maria \*  
City of Solvang

### Water Districts:

Carpinteria Valley Water District \*  
Goleta Water District \*  
Montecito Water District  
Santa Maria Valley Water Conservation District  
Santa Ynez River Water Conservation District  
Santa Ynez River Water Conservation District, ID#1

### Water Companies:

Golden State Water Company  
La Cumbre Mutual Water Company

### Sanitary Districts:

Carpinteria Sanitary District \*  
Goleta Sanitary District \*  
Goleta West Sanitary District  
Montecito Sanitary District  
Summerland Sanitary District

### Community Service Districts:

Casmalia Community Service District \*  
Cuyama CSD \*  
Los Alamos CSD  
Mission Hills CSD  
Santa Ynez CSD  
Vandenberg Village CSD \*

### Joint Powers Agencies:

Cachuma Conservation and Release Board  
Cachuma Operation and Maintenance Board \*  
Central Coast Water Authority

**Appendix B:**  
**Cost Share for Proposition 50 Step 2 Application**  
**and for Ongoing IRWMP Administration**

	Step 2	IRWMP Administration**			Total Costs (dollars)
	Appl'n*	County Share**	Project Prop'ts**	Coop Partner**	
<b>Cooperating Partners</b> [Project Proponents in bold]	<b>Cost Share (dollars)</b>				
SB County Water Agency	21,029.93	7,500			28,529.93.
<b>SB Co. Flood Cntrl</b>	2,899.11	pd WA	-0-		2,899.11
<b>SB Co. Agr'l Com'r</b>	1,499.55	pd WA	-0-		1,499.55
<b>SB Co. Laguna San</b>	9,059.72	pd WA	-0-		9,059.72
SB Co. Parks Dept	-0-	pd WA			0
Montecito WD	-0-			50.00	50.00
Montecito SD	-0-			50.00	50.00
Summerland SD	-0-			50.00	50.00
<b>Carpinteria Valley WD</b>	28,991.10		567.45		29,558.64
<b>Carpinteria SD</b>	18,119.44		354.90		18,474.39
City of Carpinteria	-0-			50.00	50.00
City of S. Barbara	-0-			50.00	50.00
La Cumbre Mutual	-0-			50.00	50.00
<b>Goleta Water Dist</b>	5,798.22		113.75		5,911.99
<b>Goleta San. Dist</b>	21,743.32		425.75		22,169.14
Goleta West SD	-0-			50.00	50.00
City of Goleta	-0-			50.00	50.00
Lompoc	-0-			50.00	50.00
<b>Vandenberg Village CSD</b>	57,982.20		1,135.55		59,117.92
Mission Hills CSD	-0-			50.00	50.00
Buellton	-0-			50.00	50.00
Solvang	-0-			50.00	50.00
S. Ynez River WCD	-0-			50.00	50.00
SYRWCD, ID#1	-0-			50.00	50.00
Santa Ynez CSD	-0-			50.00	50.00
Los Alamos CSD	-0-			50.00	50.00
<b>Guadalupe</b>	68,853.86		1,348.10		70,202.16
<b>Santa Maria</b>	72,477.74		1,418.95		73,896.91
S Maria Valley WCD	-0-			50.00	50.00
Golden State Water	-0-			50.00	50.00
<b>Casmalia CSD</b>	-0-		-0-		0

<b>Cuyama CSD</b>	-0-		-0-		0
<b>Cachuma OMB</b>	57,982.20		1,135.55		59,117.92
Cachuma CRB				50.00	50.00
Central Coast WA	-0-			50.00	50.00
<b>Total</b>	<b>366,386.38</b>	<b>7,500.</b>	<b>6,500.</b>	<b>1,000.</b>	<b>381,387.38</b>

Footnotes for Appendix B:

\* Costs for a Step 2 application include consultants and Water Agency administrative costs. Per Section 3a, total costs were allocated only among Project Proponents, based on each project's pro-rated share of the total amount being requested for their projects, with the County Water Agency paying costs for the disadvantaged communities of Casmalia and Cuyama.

\*\* Costs for IRWMP admin/coordination were allocated as follows:

1<sup>st</sup>, the County was allocated 50% of admin costs; with the Water Agency paying all of the County's share.

2<sup>nd</sup>, Cooperating Partners who are not Project Proponents were assigned a \$50 contribution.

3<sup>rd</sup>, Project Proponents were assigned the remaining admin costs, with each project proponent paying a pro-rated share of total project costs for non-County and non-DAC projects.