

AGREEMENT  
FOR THE  
ROUND 2 PROPOSITION 84 IMPLEMENTATION  
GRANT APPLICATION PROCESS

This Agreement for the Round 2 Proposition 84 Implementation Grant Application Process (the "Agreement") is entered into by and between the Cachuma Resource Conservation District ("CRCD") and the following Participating Project Proponents: Santa Maria Valley Water Conservation District ("SMVWCD"), the City of Guadalupe ("Guadalupe"), the City of Santa Barbara ("City of SB"), and Laguna County Sanitation District ("Laguna San") with reference to the following:

RECITALS

A. In 2010, a Memorandum of Understanding ("MOU") was entered into by a group of governmental agencies, special districts, and non-governmental organizations ("Cooperating Partners") for the purpose of defining each signatory's participation in the statewide Proposition 84 process and related Integrated Regional Water Management ("IRWM") activities in Santa Barbara County. This MOU governed Round 1 of the Proposition 84 Implementation Grant Application Process, where grant funds of \$3,000,996 were awarded to certain of the Project Proponents.

B. In 2012, a new MOU (the "2012 MOU") was adopted by the Cooperating Partners. The 2012 MOU remains in effect through December 31, 2017.

C. Applications for Round 2 of the Proposition 84 Implementation Grant Process ("Round 2") are now in the preparation phase. Only five of the entities who

participated in Round 1 are seeking funding in Round 2. In addition, the County Water Agency, who served as the coordinator of the Round 1 process, is not taking part in the Round 2 application process. Even though the Round 2 application process involves only a subset of the original participants, the 2012 MOU between the County Water Agency and the parties to this Agreement (as well as all the other original participants) remains in effect, as that MOU provides logistical guidelines for the IRMW program in general.

D. Rather than enter into an entirely new MOU with a subset of the original signatories, which would repeat the majority of terms from the original document, the parties participating in Round 2 ("Participating Project Proponents") wish to alter certain specific provisions of the 2012 MOU to facilitate the Round 2 application process only. These alterations are the purpose for this Agreement, and apply only to the Participating Project Proponents for the Round 2 process to the extent specifically provided herein.

NOW, THEREFORE, the parties intending to be legally bound, agree as follows:

1. For purposes of Round 2, CRCDD will be the single eligible contracting entity for application submittal to the Department of Water Resources. In addition, the responsibilities assigned to the County Water Agency in Section 6 of the 2012 MOU are hereby transferred to, and assumed by CRCDD, including but not limited to the authority to contract with RMC of Santa Monica to serve as Project Manager, with the County Water Agency for technical and administrative assistance, and for legal services as needed. The details of the Project Manager's scope of work are contained in a letter proposal from RMC dated February 12, 2013 and attached hereto and incorporated herein as Exhibit "A" and are intended to supplement the duties of the Project Manager described in Section 6.1 of the 2012 MOU.

2. The CRCDD will also assume the role of Financial Manager for the Round 2 application, including all services and obligations previously handled by the County Water Agency, as defined in Section 7 of the 2012 MOU. For purposes of Round 2 only, Section 7 of the 2012 MOU is revised to read as follows:

"7. Financial Considerations

Each of the Participating Project Proponents agree to in-kind time and materials commitments, and shall be solely responsible for costs for staff time devoted to preparation and submission of the Round 2 funding proposal. In addition, there will be extramural costs as outlined in Exhibit "B," as well as costs for administrative services including those conducted by CRCDD and County Water Agency staff, accounting services, project oversight, and legal services, as necessary. These costs will be borne by the Participating Project Proponents in proportion to their percentage share of the grant funding request. Participating Project Proponents shall also pay 100% of the cost of invoicing and administration of their projects once funding has been secured. Neither the CRCDD nor the County Water Agency shall be responsible for any costs incurred during the implementation phase."

Section 7.1 remains as written.

"7.2 For Financial Management:

7.2.1 CRCDD has established an account for handling the monetary contributions from the Participating Project Proponents in Round 2, each of whom shall be responsible for payment or reimbursement of actual costs pursuant to Section 7, above. Each of these Participating Project Proponents will pay their respective application costs as outlined in Exhibit B by depositing the required funds with CRCDD within fourteen (14) days of execution of this Agreement.

7.2.2 In the event that the application cost estimates are not sufficient to fund the application process, each Participating Project Proponent agrees to pay its share of any additional costs incurred upon receipt of appropriate documentation from CRCDD. Extramural costs that are incurred for the sole benefit of a single Participating Project Proponent shall be paid solely by that entity. By signing this Agreement, all Participating Project Proponents agree to pay their share of all costs incurred prior to any termination of this Agreement.

7.2.3 In the event that the application cost estimates exceed the expenses of the application process, any excess funds will be refunded on a proportional basis."

Section 7.2.4 is deleted.

3. In the case of conflict between the provisions of the 2012 MOU and this Agreement, the terms of the 2012 MOU shall control. The parties specifically agree that the last sentence of the first full paragraph of Section 6, which states that:

"In the event that the role of single eligible contracting entity is assumed by another entity for some phase of the IRWM process as allowed for by DWR, the provisions of this MOU will not apply to that phase."

shall be interpreted to refer only to those terms assigning responsibilities or obligations to the County Water Agency and defining the obligations of the Project Manager. In all other respects, the provisions of the 2012 MOU continue to apply.

4. Like the 2012 MOU, this Agreement may be executed in counterparts. Each counterpart shall have the same effect as an original.

5. Notices and other official correspondence related to this Agreement, including payments required herein, shall be addressed to:

Anne Coates  
Executive Director  
Cachuma Resource Conservation District  
920 East Stowell Road  
Santa Maria, California 93454

Email notification and Direct Deposit Authorization forms shall be sent to:  
acoates@rcdsantabarbara.org.

IN WITNESS WHEREOF, the parties have executed this Agreement effective when all of the Participating Project Proponents have approved and executed this

Agreement and shall automatically terminate at the conclusion of the Round 2 Implementation Process.

CACHUMA RESOURCE CONSERVATION DISTRICT:

By \_\_\_\_\_  
Anne Coates, Executive Director

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

PARTICIPATING PROJECT PROPONENTS:

Santa Maria Valley Water Conservation District ("SMVWCD")

By \_\_\_\_\_

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

City of Guadalupe ("Guadalupe")

By \_\_\_\_\_

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

City of Santa Barbara ("City of SB")

By \_\_\_\_\_

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

Laguna County Sanitation District ("Laguna San")

By \_\_\_\_\_

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