

AGREEMENT TO USE RECYCLED WATER

THIS AGREEMENT, made and entered into this _____ day of _____ 2025,

By and between

LAGUNA COUNTY SANITATION DISTRICT,
a county sanitation district,
hereinafter referred to as “DISTRICT”

and

SANTA MARIA COUNTRY CLUB,
A California mutual benefit nonprofit corporation, its successors or
assigns, hereinafter referred to as “USER”

RECITALS:

- A. *WHEREAS*, the DISTRICT is required to secure long term effluent discharge alternatives;
- B. *WHEREAS*, water reclamation (recycling) is the beneficial use of treated wastewater for planned uses such as irrigation, industrial cooling, recreation, groundwater recharge, environmental enhancement, and other uses permitted under California law;
- C. *WHEREAS*, pursuant to the California Water Code, the Legislature finds that use of potable water for nonpotable uses is a waste and shall not be used if recycled water is available meeting the requirements for the beneficial use;
- D. *WHEREAS*, DISTRICT owns and operates a wastewater reclamation plant that produces Recycled Water;
- E. *WHEREAS*, USER owns certain real property in the County of Santa Barbara known as Assessor’s Parcel Nos. 111-070-003, 111-070-027, and 111-070-029 comprising the country club 18 hole golf course and club house facilities, as shown in Exhibit A;
- F. *WHEREAS*, DISTRICT finds that the distribution of recycled water to the Santa Maria Country Club is less costly than constructing other non-reuse discharge facilities;
- G. *WHEREAS*, USER owns and operates separate irrigation and potable onsite water systems. Irrigation water is supplied by two onsite wells and potable water is supplied by the City of Santa Maria, however, USER reserves the right to use the wells for potable service; and
- H. *WHEREAS*, it is desired to utilize Recycled Water at the Santa Maria Country Club by connecting a recycled water distribution system to the irrigation system.

NOW, THEREFORE, DISTRICT and USER agree as follows:

1. TERM

The term of this Agreement commences on the date first written above and terminates on December 31, 2050, unless terminated earlier under the conditions of Section 18 of this Agreement.

2. DEFINITIONS

- A. “Facility” means any type of building or structure, or a defined area of specific use that receives recycled water for allowable uses from an entity authorized to supply recycled water.
- B. “Recycled Water” means water which, as a result of treatment of waste, is suitable for a direct beneficial use or a controlled use that would not otherwise occur and is therefore considered a valuable resource.
- C. “Recycled Water Supervisor” refers to the individual who shall serve as USER’s point of contact for this Agreement, ensure the proper and lawful operation of USER’s Recycled Water System and use of Recycled Water, train at least annually USER’s employees and contractors in handling Recycled Water, contact DISTRICT in the event of an emergency at the Facility, implement the requirements of this Agreement, and coordinate with DISTRICT and the Regulatory Agencies.
- D. “Recycled Water System” refers to the pipes, connections, fittings, appurtenances, irrigation systems, storage facilities, or physical improvements of any kind required by local, state, or federal laws or regulations and/or necessary to receive from DISTRICT and use Recycled Water.
- E. “Regulatory Agencies” refers to the local, state, and federal agencies which may have jurisdiction over this Agreement, Recycled Water, or the District including, but not limited to the California Water Resources Control Board- Division of Drinking Water, the Regional Water Quality Control Board, and the Santa Barbara County Department of Public Health- Environmental Health Services or their successors.
- F. “Use Area” means an area of Recycled Water use with defined boundaries. A Use Area may contain one or more Facilities.

3. SCOPE OF AGREEMENT

- A. Pursuant to this Agreement, DISTRICT shall supply USER with Recycled Water for the Use Area depicted in Exhibit A and the Facility described in Exhibit B, the Santa Maria Country Club.

4. QUALITY OF RECYCLED WATER

- A. DISTRICT shall deliver to USER Recycled Water of at least the quality required to be classified as disinfected tertiary recycled water as defined by 22 CCR § 60301.230 or an applicable successor regulation.
- B. The quality of the Recycled Water supplied by DISTRICT shall be sufficient for USER's uses, including, but not limited to, those contemplated in Section 5 of this Agreement.

5. USE OF RECYCLED WATER

- A. USER shall use Recycled Water only for those purposes permitted by applicable local, state, or federal laws or regulations, including, but not limited to, those promulgated by the Regulatory Agencies.
- B. USER's anticipated uses for Recycled Water include landscape irrigation and impoundment.
- C. USER's estimated annual irrigation need is 140 million gallons (430 acre-feet).
- D. USER shall use Recycled Water from DISTRICT as available as primary and use its existing irrigation well system as secondary.

6. DELIVERY OF RECYCLED WATER

- A. Upon approval and verification by the Regulatory Agency(ies) that the appropriate backflow prevention has been installed and tested as required by §7604 of Title 17 of the California Code of Regulations, DISTRICT may commence delivery of Recycled Water to USER.
- B. Annually, USER shall conduct any backflow testing required by DISTRICT or the Regulatory Agencies on USER's irrigation system. DISTRICT will likewise conduct any backflow testing as may be required on DISTRICT's recycled water distribution system.
- C. USER agrees that prior to DISTRICT's initial delivery of Recycled Water to USER, DISTRICT shall be permitted to test USER's irrigation system for leaks and cross connections to USER's potable water system. USER shall make its best effort to repair any and all such leaks or cross connections in a reasonable amount of time and prior to DISTRICT initiating delivery of Recycled Water.
- D. DISTRICT's delivery of Recycled Water to USER shall not exceed USER's needs and shall not exceed amounts available in consideration of needs other users or discharges as may be at the discretion of DISTRICT.

7. LIMITATIONS ON DELIVERY OF RECYCLED WATER

- A. Notwithstanding the delivery of Recycled Water as stated in Section 6 of this Agreement, both parties recognize and agree that such delivery of Recycled Water to USER may at times be interrupted for reasons beyond the control of the DISTRICT. In this respect, DISTRICT shall deliver Recycled Water to USER as stated in Section 6 of this Agreement unless said delivery is prevented by causes outside the control of DISTRICT including, but not limited to, natural disasters, malfunctions of DISTRICT's treatment or distribution systems, or acts of a third party.
- B. Whenever DISTRICT's delivery of Recycled Water to USER is interrupted for reasons outside the control of the DISTRICT, DISTRICT shall make its best effort to correct the cause of interruption and restore delivery of Recycled Water to USER as soon as possible.
- C. DISTRICT shall suspend delivery of Recycled Water to USER if ordered to do so by a Regulatory Agency. In such case, DISTRICT may resume delivery of Recycled Water to USER only after receiving authorization to do so from a Regulatory Agency.
- D. Whenever DISTRICT's delivery of Recycled Water to USER is interrupted for reasons outside the control of the DISTRICT or suspended pursuant to an order from a Regulatory Agency, DISTRICT shall communicate to USER that delivery of Recycled Water has been suspended and, if known, the expected duration of the suspension, and that USER may use other water sources at USER's expense until DISTRICT can restore delivery of Recycled Water.
- E. If DISTRICT knows in advance that DISTRICT's delivery of Recycled Water to USER will be interrupted or suspended for any reason, then prior to such interruption or suspension, DISTRICT shall provide USER with advance notice of the interruption or suspension and of the anticipated date on which delivery of Recycled Water will resume.

8. LIMITATIONS ON RECEIPT OF RECYCLED WATER

- A. Notwithstanding the use of Recycled Water by USER as stated in Section 5 of the Agreement, both parties recognize and agree that such receipt of Recycled Water may at times be precluded for reasons beyond the control of USER. In this respect, USER shall be required to use Recycled Water as stated in Section 5 of this Agreement unless said use is prevented by causes outside the control of USER including, but not limited to, natural disasters, malfunctions of USER's irrigation systems, or acts of a third party.
- B. Whenever the receipt of Recycled Water is interrupted, USER shall notify DISTRICT and make its best effort to correct the cause of interruption and restore

the ability to receive Recycled Water from DISTRICT in a reasonable amount of time.

9. RECYCLED WATER SUPERVISOR

- A. USER shall designate and maintain an individual as USER's Recycled Water Supervisor. USER shall inform DISTRICT of the name, position, and telephone number of USER's Recycled Water Supervisor prior to startup of USER's Recycled Water System and shall promptly inform DISTRICT of any change of designated Recycled Water Supervisor or telephone number or other contact information during the term of this Agreement.
- B. DISTRICT shall assist in providing adequate training of USER's Recycled Water Supervisor and provide USER with a reasonable number of operating manuals, guidelines, checklists and instructions to assist USER's Recycled Water Supervisor in training USER's employees and contractors handling Recycled Water.

10. DISTRICT'S RECYCLED WATER SYSTEM

- A. Upon appropriate approvals by Regulatory Agencies and funding, DISTRICT shall construct recycled water pipeline facilities to USER's property including the placement of pipelines and meter facilities.
- B. USER shall allow DISTRICT to construct pipeline facilities on USER's property at agreeable locations as shown on approved plans to fill USER's existing two water impoundments. DISTRICT shall own and maintain said pipeline facilities as located on USER's property during the term of this agreement or extension thereof unless DISTRICT agrees to convey and USER agrees to accept ownership of said pipeline to USER.
- C. Certain control equipment will be installed by DISTRICT to USER's existing irrigation system to allow joint use of recycled water and well water. USER shall own, maintain and operate said control equipment as located on USER's property.
- D. DISTRICT shall replace existing surface facilities in kind that are disturbed by the installation of said pipeline and equipment but shall not be responsible for future maintenance, paving, repaving, landscaping or other improvements that were disturbed for the installation of said pipeline extension.

11. USER'S IRRIGATION SYSTEM

- A. USER shall retain ownership and maintenance responsibility of the existing irrigation facilities. New control equipment stated above shall become responsibility of USER to own and maintain.

- B. USER understands that some operational activities may change as a result of using Recycled Water on the Use Area. These possible changes are not intended to appreciably increase USER's operational costs or activities.
- C. DISTRICT shall provide initial modifications to USER's irrigation system as may be required to comply with local, state, and federal laws or regulations and/or permit conditions pertaining to the use of Recycled Water. USER shall operate and maintain its irrigation system including initial modifications required to comply with local, state, and federal laws or regulations and/or permit conditions pertaining to the use of Recycled Water. DISTRICT shall assist USER in identifying the modifications, upgrades, and/or design features required in USER's Facility. Said initial modifications include but are not limited to surface improvements such as sprinkler head caps, valve box lids, etc.
- D. DISTRICT shall provide initial signage or markings as may be required by applicable law or regulations to identify USER's Project Area as using Recycled Water. Subsequent replacement or maintenance of these shall be provided by USER.
- E. DISTRICT and USER understand that the use of Recycled Water is primary over the use of groundwater per Section 5.D.

12. DRAWINGS

- A. DISTRICT shall prepare drawings for the construction of facilities to connect Recycled Water to USER's irrigation system for use on the Use Area. USER shall provide DISTRICT with drawings showing the layout of its existing irrigation system. USER's drawings must show any other onsite water systems that may be physically affected by the use of Recycled Water and shall be accurate to the best knowledge of USER including the locations of all pipelines, controller, valves, fountains, buildings, structures, property, boundaries, and any other features known or considered to be important to the onsite use of Recycled Water.
- B. USER shall provide DISTRICT with drawings showing any proposed modifications to USER's irrigation system.
- C. DISTRICT shall secure the approval of any applicable Regulatory Agency(ies) of the proposed Recycled Water System, as well as any future proposed modifications to its constructed Recycled Water System.
- D. Upon completing construction of the Recycle Water System, DISTRICT shall provide USER with drawings reflecting the as-built condition of the portions of facilities to be owned by USER. In addition, DISTRICT shall provide USER

plans showing the DISTRICT's extension to USER's existing landscape irrigation system and connection thereto.

13. PRICE OF RECYCLED WATER

- A. USER shall pay DISTRICT for recycled water at a rate of \$203.53 per million gallons (\$66.31 per acre-foot) for fiscal year 2025-2026. The recycled water rate thereafter will be subject to annual increases effective July 1, 2026 and each July 1 of each succeeding year of the Agreement based on the Consumer Price Index (CPI), but not less than zero and no more than 2% per year. The CPI to be used shall be the annual average U.S. Bureau of Labor Statistics for Los Angeles-Long Beach-Anaheim, all urban consumers, not seasonally adjusted, Series ID CUURS49ASA0 from the prior calendar year. If this CPI is changed or modified, the CPI issued by this agency most nearly answering the description of the CPI above shall be used. If the CPI is no longer published or issued, the parties agree to use such other index as generally recognized and accepted for similar determinations of consumer purchasing power.
- B. DISTRICT shall read the recycled water meter(s) approximately monthly consistent with DISTRICT's normal meter reading schedule for tracking and reporting. Invoices for water use may be issued monthly or quarterly. USER may periodically review DISTRICT's meter readings if desired.

14. PERMISSION TO ENTER

- A. USER agrees to allow DISTRICT and the Regulatory Agencies, acting through their duly authorized employees, agents, representatives, or contractors, reasonable access at reasonable times to the Use Area and/or Facility, for the purposes of (i) observing construction or modification of USER's irrigation system, (ii) reading Recycled Water meters and other testing or sampling, (iii) observing and verifying that USER's irrigation system, operation of its irrigation system, and/or use of Recycled Water complies with this Agreement and any applicable local, state, or federal laws or regulations, and (iv) reviewing modifications to USER's irrigation system.
- B. While present at the Use Area or Facility, DISTRICT or the Regulatory Agencies shall minimize interference with USER's operation of the Use Area and Facility.

15. ENTIRE AGREEMENT AND MODIFICATION

- A. This Agreement contains all agreements of the parties with regard to the subject of this Agreement and cannot be enlarged, modified, or changed in any respect except by written agreement between the parties.

- B. The Use Area may be reduced, extended, or enlarged by mutual, written agreement of USER and DISTRICT, subject to approval by the applicable Regulatory Agency(ies).
- C. To provide additional Facilities, including those within the Use Area, with Recycled Water, USER and DISTRICT agree to execute an amendment or separate agreement as applicable.

16. GENERAL CONDITIONS

- A. This Agreement shall be construed and interpreted in accordance with the laws of the State of California and venue shall be in the state courts in the County of Santa Barbara.
- B. USER agrees that this Agreement, USER's irrigation system, and USER's use of Recycled Water are all subject to oversight and/or regulation by the Regulatory Agencies.
- C. The unenforceability, invalidity, or illegality of any provision of this Agreement shall not render the other provisions unenforceable, invalid, or illegal. The remaining provisions of this agreement shall be interpreted, enforced and applied so as to give reasonable effect to the material purposes for the agreement.
- D. The captions, titles, and headings in this Agreement shall have no effect on the interpretation of this Agreement of any part thereof.
- E. This Agreement shall be for the benefit of the real property affected and shall be binding on the heirs, successors, lessees, sublessees, assigns, and transferees of the parties.

17. INDEMNIFICATION

- A. USER shall defend, indemnify, and hold DISTRICT, its officers, employees, and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees), or claims for injury or damages arising out of the performance of this Agreement, caused by or result from the negligence, recklessness, or willful misconduct on the part of the USER. USER may not admit liability, settle or resolve any claim against DISTRICT without the DISTRICT's written consent but such consent shall not unreasonably be withheld.
- B. To the fullest extent permitted by the law, DISTRICT shall not be liable for:
 - 1. Ensuring, verifying, or evaluating whether USER's uses of Recycled Water, USER's irrigation system, and/or USER's operation of its irrigation system complies with local, state, or federal laws or regulations.

18. TERMINATION

- A. For Breach of Agreement. Should one party breach any of the terms and conditions in this Agreement, written notice of such breach shall be given to the breaching party by the other party. If reasonable steps towards correcting the breaching conditions are not taken within thirty (30) days from such notice, the other party may, in addition to any remedies provided in this Agreement and by law, terminate this Agreement on sixty (60) days written notice to the breaching party.
- B. By DISTRICT. DISTRICT may terminate this Agreement upon written notice to USER if:
 1. DISTRICT, at its sole determination, is, or will be, unable to deliver sufficiently treated Recycled Water to USER for any reason whatsoever provided the reason for non-delivery is outside the reasonable control of DISTRICT.
 2. A Regulatory Agency changes DISTRICT's discharge requirements for Recycled Water to a more stringent level, which DISTRICT cannot reasonably meet.
 3. DISTRICT is ordered to cease delivery of Recycled Water to USER by a Regulatory Agency.
 4. This Agreement is not approved by the applicable Regulatory Agency(ies).
 5. DISTRICT, upon 60 days notice, for any reason, including DISTRICT's decision to divert all or a portion of its recycle water to a beneficial reuse other than irrigation, i.e., indirect potable reuse or direct potable reuse.
 6. DISTRICT cannot supply USER with a quantity of Recycled Water sufficient to meet USER's needs.
- C. By USER. USER may terminate this Agreement upon written notice to DISTRICT if:
 1. A Regulatory Agency disallows USER to use Recycled Water for the purposes contemplated by this Agreement.
 2. USER determines that the DISTRICT's Recycled Water is causing significant damage to its land in the Use Area.

D. DISTRICT or USER may implement such termination for reasons specified above with as much advance notice as may be necessary depending on the circumstances and urgency.

E. Responsibilities Following Termination.

1. DISTRICT shall be responsible for disconnection and removal of DISTRICT facilities at no cost to USER if either (i) DISTRICT terminates this Agreement pursuant to Section 18B, or (ii) USER terminates the Agreement due to a breach by DISTRICT, provided USER has complied with Section 18A.
2. USER shall be responsible for disconnection and removal of DISTRICT facilities at no cost to DISTRICT if DISTRICT terminates the Agreement due to a breach by USER, provided DISTRICT has complied with Section 18A.

19. NOTICES

A. Any notices given by either party to the other party relative to this Agreement shall be in writing and deposited, postage paid, for physical delivery to one of the following addresses:

DISTRICT:
Laguna County Sanitation District
620 West Foster Road
Santa Maria, California, 93455
Email: kethomp@countyofsb.org
Telephone: (805) 703-8750

USER:
Santa Maria Country Club
505 West Waller Lane
Santa Maria, California, 93455
Email: jwatkins@santamariacc.org
Telephone: (805) 937-2025

In the event that notice is required on an urgent basis, notice shall be provided by email and telephone, with follow up written notice.

20. BINDING ON SUCCESSORS

A. All the terms, covenants, conditions and restrictions herein imposed shall be binding upon and inure to the benefit of the successors in interest of USER and shall run with the real property and each part thereof. Upon any sale or division of the real property, the terms of this Agreement shall apply separately to each parcel and the owner of each parcel shall succeed to and be bound by the obligations imposed on USER by this agreement.

21. FUTURE USE OF ALTERNATIVE WATER SUPPLIES

- A. It is the parties' intent that USER's agreement to use Recycled Water for the Use Area shall not adversely affect USER's ability to change the use of the property upon termination of this Agreement.

[illegible]

IN WITNESS WHEREOF, DISTRICT and USER have executed this Agreement as of the date and year first written above.

ATTEST:

Mona Miyasato
County Executive Officer
Ex-officio Clerk of the Board

By: _____

Shulachta Guerra

DISTRICT:

Laguna County Sanitation District
Laura Capps
Chair, Board of Directors

By: _____

[Signature]

RECOMMENDED FOR APPROVAL:

Chris Sneddon, PE
Department Head

By: _____

DocuSigned by:
Chris Sneddon
67CEC4FE68B848C...

Date: _____

5-13-25

APPROVED AS TO FORM:

Rachel Van Mullem
County Counsel

By: _____

Signed by:
Tyler Sprague
0AC66B8DE46F483...
Tyler Sprague, Deputy County Counsel

USER:

Santa Maria Country Club
A California mutual benefit nonprofit organization

By: _____

DocuSigned by:
VINCE MARTINEZ
325212091F1C480...
Vincent Martinez, President

APPROVED AS TO FORM:

Gregory Milligan, ARM
Risk Manager

By: _____

Signed by:
Greg Milligan
05F555F00269466...

By: _____

DocuSigned by:
RYAN RENFROW
000BB6DAFE2848D...
Ryan Renfrow, Secretary

APPROVED AS TO ACCOUNTING FORM:

Betsy M. Schaffer, CPA
Auditor-Controller

By: _____

DocuSigned by:
[Signature]
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Deputy

RECOMMENDED FOR APPROVAL:

John Watkins
General Manager

By: _____

Signed by:
John Watkins
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EXHIBIT A

EXHIBIT B

PROJECT USE LOCATION

USER’s Project Use as described in Section 2.F, is estimated to be as follows:

Location	Address	Approximate Area
Santa Maria Country Club	505 West Waller Lane	120.32 Acres
APNs 111-070-03, -027, -029	Santa Maria, California	