

**INTERIM COST SHARING AGREEMENT**  
**Santa Ynez River Valley Groundwater Basin - Eastern Management Area**

This Interim Cost Sharing Agreement (“Agreement”) is made as of November 15, 2023 by and among the Santa Barbara County Water Agency (“Water Agency”), Santa Ynez River Water Conservation District (“SYRWCD”), City of Solvang (“Solvang”), and Santa Ynez River Water Conservation District, Improvement District No.1 (“ID No.1”). The entities listed above may be referred to herein individually as a “Party” or jointly as the “Parties.” For purposes of this Agreement, the “Effective Date” shall be the date the last Party executes this Agreement.

RECITALS

- A. Whereas, on or about April 27, 2017, the Parties entered into the “Memorandum of Agreement for Formation of a Groundwater Sustainability Agency for the Eastern Management Area in the Santa Ynez Valley Groundwater Basin under the Sustainable Groundwater Management Act” (the “2017 MOA”); and
- B. Whereas, among the stated purposes of the 2017 MOA are to form a Groundwater Sustainability Agency (“GSA”) for the Eastern Management Area (“EMA”) of the Santa Ynez River Valley Groundwater Basin (“Basin”) under the Sustainable Groundwater Management Act (“SGMA”), and to develop and submit a Groundwater Sustainability Plan (“GSP”) for the EMA portion of the Basin; and
- C. Whereas, the EMA is one of three Management Areas in the Basin, and pursuant to separate 2017 Memoranda of Understanding, the local public agencies in the Western Management Area (“WMA”) and Central Management Area (“CMA”), respectively, formed a WMA GSA and a CMA GSA; and
- D. Whereas, in January 2022, the EMA GSA, the WMA GSA, and the CMA GSA each timely adopted and submitted to the California Department of Water Resources (“DWR”) its own GSP for its respective Management Area; and
- E. Whereas, the EMA GSP identifies various Projects and Management Actions (“PMAs”) to be pursued in the EMA, some to be pursued in the initial years following adoption and submittal of the GSP, to help achieve sustainable groundwater management in accordance with SGMA and the GSP, where funding will be needed for the development and implementation of said PMAs; and
- F. Whereas, SGMA and other applicable law authorize the imposition of fees and charges, including, but not limited to, permit fees and fees and charges on groundwater extraction or other regulated activity to fund, without limitation, the costs of a groundwater sustainability program and implementing a GSP in accordance with SGMA; and
- G. Whereas, to date, the EMA GSA has not imposed any fees or charges to generate funding needed for the development and implementation of PMAs identified in the EMA GSP; and
- H. Whereas, the Department of Water Resources (“DWR”) has awarded a grant to the three GSAs for certain PMAs (“DWR Grant Funds”); and

- I. Whereas, the Parties to this Agreement are currently negotiating the formation of a new Joint Powers Agency (“JPA”) to serve as the EMA GSA, with authority under SGMA and other applicable law to adopt and impose fees and charges throughout the EMA to carry out sustainable groundwater management, including, but not limited to, the administration, development, and implementation of PMAs identified in the EMA GSP, the preparation and administration of reports and other documentation required for SGMA compliance, and the carrying out of other administrative functions for the EMA GSA; and
- J. Whereas, the Parties to this Agreement recognize that a source or sources of interim funding is needed to begin administration, development, and implementation of certain PMAs identified in the EMA GSP, to prepare reports and other documentation required for SGMA compliance, and to carry out other administrative functions for the EMA GSA, where such interim funding is needed prior to the receipt of DWR Grant Funds and/or prior to when the EMA JPA has developed its own funding sources; and
- K. Whereas, the purpose of this Agreement is to address interim cost sharing among the Parties as one source of funding to assist with initial efforts to administer, develop, and implement PMAs identified in the EMA GSP, prepare reports and other documentation required for SGMA compliance, and carry out other administrative functions for the EMA GSA prior to the receipt of DWR Grant Funds and/or prior to when the EMA JPA has developed its own funding sources, recognizing that the interim cost sharing arrangement set forth by this Agreement is specifically limited in term, function, and scope as set forth below.

NOW, THEREFORE, based on the Recitals set forth above, and on the terms and conditions set forth below, the Parties agree as follows:

#### AGREEMENT

- 1. Cost Sharing / Reimbursement. Upon execution of this Agreement, the Parties agree to share in expenses (“Shared Costs”) for certain initial efforts to help implement SGMA in the EMA, as further described in Sections 2 and 3, below. This initial cost sharing arrangement is being agreed to by each Party pursuant to the express understanding and condition that any amounts paid in accordance with this Agreement by any Party on or after the Effective Date, including but not limited to each Party’s proportionate share of Shared Costs, shall be reimbursed, without interest, by the EMA GSA (whether the future EMA JPA or the GSA established under the 2017 MOA and any amendment thereto) through grant funds received by or on behalf of the EMA GSA to the extent allowed by the terms of such grant(s), or through other funds generated, acquired, or otherwise held by or on behalf of the EMA GSA, including but not limited to SGMA-related fees, charges, loans, or other funding, to the extent such reimbursement is authorized by law. Such reimbursement will be made when the EMA GSA determines it has funds available for such reimbursement that may legally be used for that purpose and such reimbursement will be made no later than December 2026, unless such date is extended by written agreement by the Parties hereto.

2. Cost Share Activities. Subject to other terms and conditions of this Agreement, the Parties acknowledge and agree that EMA GSA activities for which Shared Costs may be needed under this Agreement may include, without limitation:
  - Consultant/Contractor work to prepare and submit Annual Report(s) required by SGMA;
  - Consultant/Contractor work to prepare and submit materials in response to comments or requests from DWR and/or the State Water Resources Control Board;
  - Consultant/Contractor work in support of developing, adopting, and implementing fees and/or charges authorized by SGMA and other applicable law to implement the EMA GSP;
  - Consultant/Contractor work in support of grant writing or other applications to secure funding to implement the EMA GSP;
  - Consultant/Contractor work to assist with the administration of this Agreement and/or other administrative activities on behalf of the EMA GSA to comply with SGMA;
  - Consultant/Contractor work in support of Group 1 PMAs set forth in the EMA GSP;
  - Securing and maintaining applicable insurance coverage(s) to be held by the EMA GSA.
  
3. Approval of Shared Costs. Each separate and specific activity to be undertaken by or on behalf of the EMA GSA for which the Parties agree to contribute Shared Costs under this Agreement (individually, a “Cost Share Activity”), such as an activity identified in Section 2 above, shall be expressly described and set forth as a new and separate Task Order, where each Party will have an opportunity to review and determine whether to contribute its portion of Shared Costs for such Cost Share Activity. Each proposed Cost Share Activity set forth as a new Task Order shall include a not-to-exceed dollar amount for the work to be undertaken, plus a ten percent (10%) contingency, the total of which shall constitute the “Total Cost” of said Cost Share Activity. On each occasion where all Parties are presented with a proposed Cost Share Activity and corresponding Total Cost, the Parties collectively shall endeavor in good faith to reach unanimous agreement on whether the Total Cost is acceptable, and upon reaching such unanimity, as applicable, each Party shall endeavor in good faith to notify the other Parties in writing within three (3) business days regarding its agreement to cost share. On any occasion where all Parties are informed that the costs to complete a Cost Share Activity will exceed its corresponding Total Cost as originally approved by the Parties (individually, a “Total Cost Exceedance”), the Parties collectively shall endeavor in good faith to reach unanimous agreement on whether the amount of the Total Cost Exceedance is acceptable, and upon reaching such unanimity, as applicable,

each Party shall endeavor in good faith to notify the other Parties in writing within three (3) business days regarding its agreement to cost share.

No Party shall be responsible for a proportionate or any other share of Shared Costs in excess of the maximum limits established in this Agreement without the express written agreement of that Party.

4. Allocation of Shared Costs. The Shared Costs shall be allocated among the Parties as follows:

Water Agency:	25%
SYRWCD:	25%
Solvang:	25%
ID No.1:	25%
Total:	100.0%

5. Administrative Coordination. The Parties agree to cooperatively share in the administrative duties related to this Agreement, including but not limited to soliciting, entering into, and coordinating professional services agreement(s) for consultant work contemplated by this Agreement. The Parties agree that any work undertaken by any Party, including its elected officials, officers, managers, employees, consultants, attorneys, experts, or agents, shall be at that Party's sole cost and expense and shall not become part of any Shared Costs incurred by or paid to any Party under this Agreement, except as otherwise expressly agreed upon in writing by all Parties to this Agreement.
6. Payments and Accounting. For each approved Task Order, the Parties agree to designate one Party, which designation must be unanimously agreed to by the Parties, for the purpose of administering payments and refunds of Shared Costs by and to the Parties, and administering expenses of Shared Costs for activities authorized by this Agreement. For each approved Total Cost or Total Cost Exceedance, each Party shall pay its proportionate share of Shared Costs on a lump sum basis. For each approved Task Order, to the extent that final actual costs are less than the corresponding Total Cost or Total Cost Exceedance as approved under this Agreement, the remaining Shared Costs shall be refunded to each contributing Party in proportion to its contribution of Shared Costs; provided, however, a Party may elect to carry forward any refund due under this Section as a credit of Shared Costs.
7. Term. This Agreement shall commence on the Effective Date and shall continue in effect for up to two (2) years unless extended, amended, or terminated by the Parties in accordance with Sections 9 or 10, below.
8. Extension or Amendment. The term of this Agreement may be extended by the Parties at any time prior to its expiration by unanimous written agreement of the Parties. The terms of this Agreement may be amended or modified only by the mutual written agreement of

the Parties. No extension, supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by all Parties.

9. Termination. This Agreement may be terminated, and such termination shall be effective immediately, upon unanimous written consent of all Parties.
10. Withdrawal. Any Party may unilaterally withdraw from this Agreement without causing or requiring termination of this Agreement, where such withdrawal shall be effective immediately upon written notice to the other Parties. Upon withdrawal of a Party, the remaining Parties may agree in writing to a different allocation of Shared Costs in accordance with Section 4.
11. Effect of Termination or Withdrawal. Upon termination of this Agreement or unilateral withdrawal of a Party, each Party, including a withdrawing Party, shall remain obligated to pay its entire share(s) and obligation(s) of Shared Costs pursuant to the terms of this Agreement, but only to the extent that such share(s) and obligation(s) of Shared Costs were approved by the obligated Party prior to the effective date of such termination or withdrawal. No termination of, or withdrawal from, this Agreement shall be construed as affecting any Party's right to reimbursement from the EMA GSA (whether the future EMA JPA or the GSA established under the 2017 MOA and any amendment thereto) of any Shared Costs paid by said Party under this Agreement.
12. Relationship. Nothing in this Agreement creates an attorney-client relationship between any attorney and any Party that is not represented by that attorney as its legal counsel.
13. Written Notice. Whenever notice under this Agreement is required to be in writing, it shall be provided to all Parties by United States Mail with postage prepaid, by overnight delivery service, or via electronic mail, at the following addresses:

To Water Agency:

130 E. Victoria Street, Suite 200  
Attn: Matt Young  
Santa Barbara, CA 93101  
[mcyoung@countyofsb.org](mailto:mcyoung@countyofsb.org)

To SYRWCD:

P.O. Box 719  
Attn: William Buelow  
Santa Ynez, CA 93460  
[bbuelow@syrwcd.com](mailto:bbuelow@syrwcd.com)

To Solvang:

1644 Oak Street  
Attn: Randy Murphy  
Solvang, CA 93463  
[randym@cityofsolvang.com](mailto:randym@cityofsolvang.com)

To ID No.1:

P.O. Box 157  
Attn: General Manager  
Santa Ynez, CA 93460  
[pgarcia@syrwd.org](mailto:pgarcia@syrwd.org)

If sent by United States Mail, notice shall be considered to have been given forty-eight (48) hours after it has been deposited in the United States Mail with postage prepaid, addressed as set forth above. If sent by overnight delivery service, notice shall be considered to have been given twenty-four (24) hours after it has been deposited with the overnight delivery service.

14. Conditional Approval of Shared Cost Contributions. The Parties agree that their contributions of Shared Costs under this Agreement are conditioned upon and subject to approvals by the EMA GSA (including the future EMA JPA and the GSA established under the 2017 MOA and any amendment thereto) to provide reimbursement to the Parties as provided in Section 1 of this Agreement.
15. Law Governing. This Agreement is made in and shall be construed in accordance with the laws of the State of California.
16. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing the operative language of this Agreement or to define or limit the scope of any provision of this Agreement.
17. Severability. If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.
18. Construction of Agreement. Each Party acknowledges and agrees that said Party has had an informed and complete opportunity to participate in the negotiation and drafting of this Agreement and has had access to competent legal counsel to advise said Party concerning the terms and effects of this Agreement, and all Parties agree that no Party shall be deemed to be the drafting Party of this Agreement in any dispute involving construction of the terms of this Agreement.
19. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same instrument.

- 20. No Third Party Beneficiary. This Agreement shall not be construed or deemed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action hereunder for any cause whatsoever.
- 21. Authorized Signature. Each Party represents that the individual signing this Agreement on its behalf is duly authorized to execute this Agreement and will legally bind that Party to the terms of this Agreement.

IN WITNESS WHEREOF, the Parties hereto agree to the terms and conditions hereof and have executed this Agreement.

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT

By: William J. Buelow Date: 11/9/2023  
William J. Buelow  
Assistant General Manager

CITY OF SOLVANG

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Randy Murphy  
City Manager

SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,  
IMPROVEMENT DISTRICT NO.1

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Paeter Garcia  
General Manager

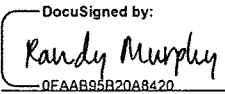
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**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
William J. Buelow  
Assistant General Manager

**CITY OF SOLVANG**

By:  \_\_\_\_\_ Date: 11/14/2023  
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Randy Murphy  
City Manager

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,  
IMPROVEMENT DISTRICT NO.1**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Paeter Garcia  
General Manager



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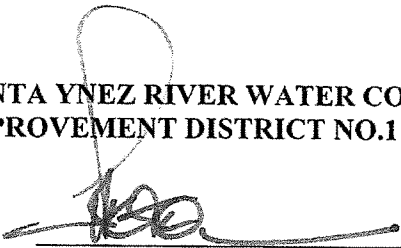
**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
William J. Buelow  
Assistant General Manager

**CITY OF SOLVANG**

By: \_\_\_\_\_ Date: \_\_\_\_\_  
Randy Murphy  
City Manager

**SANTA YNEZ RIVER WATER CONSERVATION DISTRICT,  
IMPROVEMENT DISTRICT NO.1**

By:  \_\_\_\_\_ Date: 11/22/23  
Paeter Garcia  
General Manager

SANTA BARBARA COUNTY WATER AGENCY

ATTEST:

Mona Miyasato  
County Executive Officer  
Clerk of the Board, Ex Officio Clerk of  
the Santa Barbara County Water Agency

By: *Sheik al-Ghannay*  
Deputy Clerk

By: *Steve Lavagnino*  
Steve Lavagnino Chair  
Board of Directors

Date: 2-13-24

RECOMMENDED FOR APPROVAL:

Santa Barbara County Water Agency

By: DocuSigned by:  
*Scott McGolpin*  
2C7CB1830C5741F...  
Scott D. McGolpin  
Public Works Director

APPROVED AS TO FORM:

Greg Milligan, ARM  
Risk Manager

By: DocuSigned by:  
*Greg Milligan*  
53A8AAB798BA4D7  
Risk Management

APPROVED AS TO FORM:

Rachel Van Mullem  
County Counsel

By: DocuSigned by:  
*Johannah Hartley*  
C156A3FB83F7454  
Deputy County Counsel

APPROVED AS TO ACCOUNTING  
FORM:

Betsy M. Schaffer, CPA  
Auditor-Controller

By: DocuSigned by:  
*C. Schaffer*  
A99ED58D71D04FB  
Deputy

## Priority Contract Work Being Performed

February 13, 2024

### Flood Control District Work

#### Santa Maria River Restoration of Alignment Project – (23GU01), 5<sup>th</sup> Supervisorial District

General Project Work Description: Debris removal will include vegetation and siltation removal near the center of the original river footprint.

Project location description: State Route 1 to the Pacific Ocean near the City of Guadalupe.

**Amendments:**        **Amendment No. 1 to the Agreement for Services of Independent Contractor with R.W. Scott Construction Company, Inc. (BC No. 23-034) increasing the not to exceed amount by \$2,000,000 to a total not to exceed amount of \$4,000,000**

**Amendment No. 1 to the Agreement for Services of Independent Contractor with V. Lopez Jr. and Sons General Engineering Contractors Inc. (BC No. 23-037) increasing the not to exceed amount by \$3,000,000 to a total not to exceed amount of \$4,000,000**

**Contract Award:**    **Landscaping Contract to Enviroscaoping Inc. in the amount of \$160,365 plus contingency of \$16,036.50**

General Project Work Description: Installing native plants and irrigation equipment for habitat restoration associated with the Santa Maria River emergency debris removal project (23GU01).

Project location description: Santa Maria River channel from approximately Highway 1 near the City of Guadalupe, downstream approximately 5 miles.

**Completion Date:**    **TBD**

Orcutt-Solomon Creek Debris Basin Emergency Cleanout (23STM1-004B), 4<sup>th</sup> Supervisorial District

General Project Work Description: Emergency removal, hauling and disposal of silt, sand, gravel, cobble and natural woody material from the debris basin to its cleanout plan limits.

Project location description: In the Orcutt area of Santa Barbara County, near the intersection of Hartnell Road and California Boulevard.

**Contract Award: Construction Contract to MD Construction Co., Inc. in the amount of \$214,462 plus contingency of \$21,446.20.**

**Authorization to advertise and receive bids**

**Approve Plans and Specifications**

**Completion Date: November 9, 2023**

**Approve Contract Amendment:**

**Amendment No. 1 to the Agreement for Services of Independent Contractor with MD Construction Co., Inc. (BC No. 23-162) increasing the not to exceed amount by \$59,850 to a total not to exceed amount of \$274,312.**

**Approve Statement of Final Quantities (SFQ)**

Santa Maria River Pilot Channel Project 2023 (SL2301), 4<sup>th</sup> Supervisorial District

General Project Work Description: Excavation and removal of soil and vegetation within the Santa Maria River bed.

Project location description: East of the City of Guadalupe, adjacent to San Luis Obispo County line approximately 5000 feet west of Bonita School Road.

**Contract Award: Construction Contract to Seamair Construction Inc. in the amount of \$ 358,446 plus contingency of \$30,422.30.**

**Authorization to advertise and receive bids**

**Approve Plans and Specifications**

**Completion Date: November 21, 2023**

**Approve Contract Amendment:**

**Amendment No. 1 to the Agreement for Services of Independent Contractor with Seamair Construction, Inc. (BC No. 23-161) increasing the not to exceed amount by \$44,002.15 to a total not to exceed amount of \$402,448.15.**

**Approve Statement of Final Quantities (SFQ)**

San Miguelito Debris Basin Emergency Cleanout (23STM1-C01B), 3<sup>rd</sup> Supervisorial District

General Project Work Description: Emergency removal, hauling and disposal of silt, sand, gravel, cobble and natural woody material from the debris basin to its cleanout plan limits.

Project location description: In the Lompoc area of Santa Barbara County, near the intersection of W. Olive Avenue and S. O Street.

**Contract Award: Remedial Transportation Services Inc. in the amount of \$331,568 plus contingency of \$29,078.40.**

**Authorization to advertise and receive bids**

**Approve Plans and Specifications**

**Completion Date: December 8, 2023**

**Approve Contract Amendment:**

**Amendment No. 1 to the Agreement for Services of Independent Contractor with Remedial Transportation Services, Inc. (BC No. 23-170) increasing the not to exceed amount by \$317,082.09 to a total not to exceed amount of \$648,650.09.**

**Approve Statement of Final Quantities (SFQ)**

Rodeo-San Pasqual Debris Basin Emergency Cleanout (23STM1-V04B), 3<sup>rd</sup> Supervisorial District

General Project Work Description: Emergency removal, hauling and disposal of silt, sand, gravel, cobble and natural woody material from the debris basin to its cleanout plan limits.

Project location description: In the Lompoc area of Santa Barbara County, near W Ocean Avenue between Lasalle Canyon Road and Douglass Avenue.

**Contract Award: Construction Contract to Blackpointe Group Construction & Management Inc. in the amount of \$ 199,575 plus contingency of \$19,957.50.**

**Authorization to advertise and receive bids**

**Approve Plans and Specifications**

**Completion Date: December 29, 2023**

**Approve Contract Amendment:**

**Amendment No. 1 to the Agreement for Services of Independent Contractor with Blackpointe Group Construction & Management Inc. (BC No. 23-171) increasing the not to exceed amount by \$116,920.93 to a total not to exceed amount of \$316,495.93.**

**TBD**

**Approve Statement of Final Quantities (SFQ)**

**Orcutt East Side Farmland Basin Outlet Structure (OR2301), 4<sup>th</sup> Supervisorial District**

General Project Work Description: Construct a new Outlet Control Structure for an existing farm siltation basin to improve stormwater runoff detention.

Project location description: In the Orcutt area of Santa Barbara County, East of US 101.

**Contract Award: Construction Contract to Taylor Jane Construction LP in the amount of \$ 431,346 plus contingency of \$34,067.30.**

**Contract Award: Construction Management and Inspection Contract to Cannon Corporation in the amount of \$69,659 plus a contingency of \$6,956.90**

**Authorization to advertise and receive bids**

**Approve Plans and Specifications**

**Completion Date: TBD**

**Approve Contract Amendment: TBD**

**Approve Statement of Final Quantities (SFQ)**

UVP-Bradley Basin Improvements – (OR2302), 4<sup>th</sup> Supervisorial District

General Project Work Description: Construct Wall Improvements at the existing UVP-Bradley Detention Basin to ensure overflow function.

Project location description: In the Orcutt area of Santa Barbara County, near the intersection of Union Valley Parkway and Bradley Road.

**Contract Award: Construction Contract to RCH Construction in the amount of \$120,823.94 plus contingency of \$12,082.39.**

**Authorization to advertise and receive bids**

**Approve Plans and Specifications**

**Completion Date: TBD**

**Approve Contract Amendment: TBD**

**Approve Statement of Final Quantities (SFQ)**