

COST SHARING AGREEMENT

This Cost Sharing Agreement (“**Agreement**”) is made and entered into by and between the undersigned Groundwater Sustainability Agencies (“**GSAs**”), individually referred to as a “**Party**” and collectively referred to as the “**Parties**,” subject to the following understanding:

RECITALS

1. The Sustainable Groundwater Management Act (“**SGMA**”), codified at California Water Code section 10720 et seq., became effective on January 1, 2015.
2. SGMA requires GSAs for medium and high priority groundwater basins (as designated by the California Department of Water Resources (“**DWR**”) to achieve groundwater sustainability through the adoption and implementation of Groundwater Sustainability Plans (“**GSPs**”) or approved alternative plans.
3. Many GSAs managing basins or sub-basins with an average annual groundwater extraction of less than 10,000 acre-feet per year (“**Small GSAs**”) face disproportionate administrative and compliance costs relative to their size and groundwater usage.
4. The Parties, through their respective staff members and representatives (“**Party Representatives**”), desire to cooperatively fund and manage shared interests and efforts that benefit Small GSAs under SGMA, while retaining their independent local authority. Therefore, in consideration of the mutual promises, covenants and conditions herein set forth, the Parties agree as follows:

AGREEMENT

1. PURPOSE.

The purpose of this Agreement is to establish the cost-sharing and administrative framework for the Party Representatives to coordinate advocacy efforts regarding SGMA implementation challenges unique to Small GSAs.

2. COST SHARING.

- a) **Equal Shares.** Each Party shall contribute an equal share to the total cost of retaining (i) an Advocacy Administrator; and (b) an Advocate. Each Party shall contribute an equal portion of the total cost, with payments made in accordance with subsection 2(b) of this Agreement, below.
- b) **Annual Budget and Payment Thereof.** The Parties’ cost-sharing obligations shall be based on and limited by an annual budget for the Fiscal Year beginning on July 1 and ending on June 30, as follows:
 - i) On or before March 1 of each year, the Administrator shall prepare and distribute a draft budget for review by the Party Representatives

- ii) On or before April 1 of each year, the Administrator shall prepare and distribute a revised budget for final review and approval by at least three-fourths of the Parties on or before May 1.
 - iii) On or before July 1 of each year, the Administrator shall invoice each Party their respective share of the approved final budget. Payment shall be due within 60 days of receipt such invoice.
 - iv) For the last six months of Fiscal Year 2025-2026, the Parties costs for advocacy and management will total \$30,000. The Administrator shall issue invoices for January 1, 2026 through June 30, 2026 on or before by January 1, 2026 and payments shall be due within 60 days of receipt of such invoice.
- c) **Deferment of Payment.** Any Party with a fiscal year other than July 1 to June 30 may defer payment to October 1, provided however that the Party provide written notice of such fact to the Administrator on or before July 1.
- d) **Nonpayment.** Failure to submit payment within 60 days after receipt of an invoice from the Administrator shall constitute a default of this Agreement and result in that Party's removal and termination of this Agreement with respect to the defaulting party. In addition, the remaining Parties hereby reserve the right to pursue recovery of any unpaid obligations from the delinquent Party.

3. RETENTION OF INDEPENDENT CONTRACTORS.

- a) **The Administrator.** The Party Representatives may appoint by majority vote (with one Party Representative voting on behalf of its GSA), an Administrator as an independent contractor to act as the custodian of the funds and maintain accurate accounting records, in accordance with subsection 3(d) of this Agreement and in an amount not to exceed the amount set forth in the annual budget. The Administrator may be a Party, a private individual, or an entity. The initial Administrator of the Coalition shall be Ann DuBay.
- b) **The Advocate.** The Party Representatives may appoint by majority vote (with one Party Representative voting on behalf of its GSA) an Advocate as an independent contractor to represent the Parties' interests before the State Legislature, State agencies, and other stakeholders as determined by the Parties, in accordance with subsection 3(c) of this Agreement and in an amount not to exceed the amount set forth in the annual budget. The Advocate may be a private individual or an entity.
- c) **Contract for Services.** The Scope of Work for the Administrator and Advocate shall be approved by a majority of the Parties' General Managers or contracting officers (collectively, the "**Contracting Officers**"). The Contracting Officers are authorized to designate one or more Contracting Officers to execute an engagement letter or agreement for the services of the Administrator and Advocate.

- d) **Representation.** The Administrator and the Advocate will consider their client to be all of the parties funding and participating in this Agreement, and will take direction from a majority vote of the Party Representatives (with one Party Representative voting on behalf of its GSA).
- e) **Oversight.** The Party Representatives may meet in person or virtually as needed to review work product, costs, or other matters related to or associated with the Administrator and/or Advocate. These meetings may be held virtually or in person, as determined by the Party Representatives.

4. ADMISSION, WITHDRAWAL, AND TERMINATION

- a) **Admission.** Any Small GSA may become party to this Agreement upon written consent by majority vote of the Party Representatives (with one Party Representative voting on behalf of its GSA) and execution of an amendment to this Agreement by the additional party.
- b) **Withdrawal.** Any Party may withdraw from this Agreement upon 30 days' advance written notice to the Administrator. Upon receipt of such notice, the Administrator shall immediately provide notice to all other Parties of the anticipated withdraw. Withdrawal shall not affect, alleviate, or otherwise terminate any financial obligations of the withdrawing Party's incurred or otherwise existing prior to the date of notice of withdrawal nor shall withdraw entitle the withdrawing Party to a refund for any portion of any contributed portion of the budget.
- c) **Termination.** This Agreement shall remain in effect so long as at least five Parties remain party to this Agreement.

5. INDEMNIFICATION.

Each Party shall indemnify, defend, and hold harmless the other Parties, their officers, employees, and agents from and against any and all claims liabilities, and expenses ("**Claims**") arising out of or in connection with this Agreement except to the extent any such Claims arise out of that Party's negligent acts or omissions in connection with this Agreement.

6. RELATIONSHIP OF THE PARTIES.

Each Party is an independent public agency collaborating voluntarily on a common issue. Nothing in this Agreement shall create a joint venture, partnership, or agency relationship among the Parties.

7. DISPUTE RESOLUTION; CHOICE OF LAW.

Any dispute arising under this Agreement shall first be addressed through good-faith negotiations. If unresolved within 30 days, the dispute shall proceed to mediation, and if necessary, binding arbitration under California Code of Civil Procedure Part III, Title 9. Venue for all proceedings shall be Sacramento County, California. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

8. AMENDMENTS.

Except for admission of new Small GSAs a member to this Agreement, this Agreement may be amended upon written consent of all Parties.

9. EFFECTIVE DATE AND TERM.

This Agreement shall become effective on January 1, 2026, and shall remain in effect so long as at least five Parties remain party to this Agreement.

10. EXTENSIONS OF TIME.

Whenever the last day of any period described herein falls on a Saturday, Sunday, or holiday, the period shall be automatically extended to 11:59 p.m. of the next business day, Pacific Time. The time in which any act provided under this Agreement is to be done shall be computed by excluding the first day and including the last day, unless the last day is a Saturday, Sunday or legal holiday, and then it is also excluded.

11. NOTICES.

Any notice authorized or required to be given pursuant to this Agreement shall be made in writing and sent via electronic mail to the email address provided beneath the Party’s signature, below, and shall be deemed to have been given when the e-mail is sent. Any notice sent to the Administrator shall be made in writing and sent via electronic mail to anndubay@sonic.net or any successor Administrator as appointed by the Party Representatives. Any Party or the Administrator may change their e-mail address for purpose of receiving notice by providing such information in accordance with the process set forth herein.

12. COUNTERPARTS AND ELECTRONIC SIGNATURES.

This Agreement may be executed in counterparts, including by electronic or digital signature, each of which shall be deemed an original and together constitute one instrument.

13. ENTIRE AGREEMENT.

This Agreement, including the Recitals which are a material part of the Agreement and are incorporated herein, constitute the full and complete understanding among the Parties concerning the subject matter herein and supersede all prior and contemporaneous agreements or memoranda of understanding relating to said subject matter.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the dates set forth below.

CARPINTERIA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

INDIO SUBBASIN GROUNDWATER SUSTAINABILITY AGENCY

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

MONTECITO GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

MOUND BASON GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

OJAI BASIN GROUNDWATER MANAGEMENT AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

PETALUMA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

SALINAS VALLEY GROUNDWATER SUSTAINABILITY AGENCY, MONTEREY SUBBASIN

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

SALINAS VALLEY GROUNDWATER SUSTAINABILITY AGENCY, LANGLEY AREA SUBBASIN

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

SAN GORGONIO PASS GROUNDWATER SUSTAINABILITY AGENCY

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

SANTA CRUZ MID-COUNTY GROUNDWATER SUSTAINABILITY AGENCY

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

SANTA MARGARITA GROUNDWATER SUSTAINABILITY AGENCY

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

**SANTA YNEZ RIVER VALLEY GROUNDWATER BASIN CENTRAL
MANAGEMENT AREA GROUNDWATER SUSTAINABILITY AGENCY**

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

SIERRA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

By: _____
Name: _____
Title: _____
Email: _____
Date: _____

SISKIYOU GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

SPADRA BASIN GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

SONOMA VALLEY GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

UKIAH VALLEY GROUNDWATER SUSTAINABILITY AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____

UPPER VENTURA RIVER GROUNDWATER AGENCY

By: _____

Name: _____

Title: _____

Email: _____

Date: _____