

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE MONTECITO WATER DISTRICT AND THE CARPINTERIA
VALLEY WATER DISTRICT FOR COORDINATION RELATED TO FORMATION OF
A GROUNDWATER SUSTAINABILITY
AGENCY FOR THE MONTECITO GROUNDWATER BASIN**

THIS MEMORANDUM OF UNDERSTANDING (MOU) is made and effective as of August 9, 2017, by and between the Montecito Water District, and the Carpinteria Valley Water District, collectively known as The Parties.

A. In 2014, California enacted the Sustainable Groundwater Management Act (SGMA), Water Code § 10720 *et seq.*, pursuant to which certain agencies may become participants in a Groundwater Sustainability Agency (GSA) and adopt Groundwater Sustainability Plans (GSP) in order to manage and regulate groundwater in underlying groundwater basins.

B. Montecito Water District (MWD) is a County Water District, organized pursuant to Water Code §§30000 *et seq.* with water supply and water management responsibilities in its service area. MWD is therefore a “Local Agency” for the Montecito Groundwater Basin, DWR Basin Number 3-49, “BASIN” hereafter, as defined by SGMA and is therefore qualified to become a GSA and adopt a GSP for the Basin.

C. Carpinteria Valley Water District (CVWD) is also a County Water District organized pursuant to Water Code §§30000 *et seq.* with a service area adjacent to the MWD service area and overlying a portion of the BASIN as it is described in DWR Bulletin 118.

D. The Parties wish to modify the boundary definition of the BASIN in DWR Bulletin 118 such that the BASIN lies completely within the MWD service area to simplify management activities of the Basin.

E. The Parties wish to coordinate in the implementation of SGMA within the BASIN and to provide a framework for such efforts to ensure that SGMA is implemented effectively, efficiently, fairly, and at reasonable cost.

F. This MOU does not apply to the activities associated with the formation of a GSA or management of the Carpinteria Groundwater Basin, DWR Basin Number 3-18 which is distinct from the BASIN.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose.** The primary purpose of this MOU is to memorialize a cooperative and ongoing working relationship between the Parties that will facilitate efforts to coordinate on the exploration, study, evaluation, and development of mutually beneficial approaches and strategies to implement SGMA in the BASIN.

2. **Formation of a Groundwater Sustainability Agency (GSA).** The Parties contemplate that the Montecito Water District will be the Local Agency that elects to be the GSA, and file said election with DWR pursuant to Water Code § 10723.8, for the entire BASIN.

- a. No GSA election shall be filed pursuant to Water Code 10723.8 for the BASIN without providing notice to other Parties of the proposed election.

- b. The Parties will cooperatively explore, study, and evaluate various approaches and strategies concerning the formation of a GSA and preparation of a GSP for the BASIN. This includes, but is not limited to, the method of formation of a GSA, which may include either an MOA or JPA. None of the parties are obligated through this MOU to execute a subsequent MOA or JPA.
- c. Any Party may withdraw from this MOU upon written notice to the other Party.
- d. If a Party withdraws from this MOU, this MOU does not preclude the withdrawing Party from electing to be a GSA in accordance with SGMA for all or any portion of the BASIN as applicable.

3. **Basin Boundary Modification.** Parties agree to work together to revise the BASIN boundary as currently defined in DWR Bulletin 118 through DWR's Basin Boundary Modification process in 2018, such that the BASIN lies completely within MWD service area on the East end of the Basin.

4. **Costs.** Each Party is responsible for and shall bear all individual costs it incurs with respect to its activities under this MOU. To the extent that the Parties undertake joint activities under this MOU, the costs of those activities will be divided equally by the Parties. Any request for reimbursement of costs for joint activities shall be supported by documentation supporting the amount requested.

5. **Staff.** Each Party shall designate a principal contact person and any other appropriate staff members and/or consultants to participate on Party's behalf in activities undertaken pursuant to this MOU. Each Party shall make its staff and its expertise reasonably available for activities under this MOU.

6. **Notices.** Any notice required by this MOU shall be in writing and shall be given personally, by facsimile, by electronic mail (email), or by U.S. or certified mail, postage prepaid, to the respective address set forth below.

7. **Entire Agreement.** This MOU incorporates the entire agreement of the Parties with respect to the matters described herein and supersedes all prior negotiations and agreements (written, oral, or otherwise) related thereto. This MOU may be amended, including without limitation to add new Parties only in a writing executed by all of the Parties.

8. **Termination.** This MOU shall terminate upon formation of a GSA for the Basin, by the mutual consent of the Parties, or upon the withdrawal of all Parties.

9. **Assignment.** No rights or duties of any of the Parties under this MOU may be assigned or delegated without the express prior written consent of all of the other Parties, and any attempt to assign or delegate such rights or duties without such written consent shall be null and void.

10. **Confidentiality.** The Parties acknowledge that, in connection with their joint activities under this MOU, each of them may share sensitive and/or confidential information with the other Parties. To the fullest extent permitted by law, each of the Parties shall maintain any information, documents, or materials shared by the other Parties or mutually developed pursuant to this MOU in confidence and shall not voluntarily provide or reveal such information, documents or

materials to any third party without the consent of all Parties to this MOU. If any party receives a request or order from a third party that the receiving Party believes requires it to disclose any such information, documents or materials, the receiving party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, (ii) defer any disclosure of such information, documents or materials for as long as legally permitted, and (iii) cooperate with any other Party that wishes to pursue an order protecting the disclosure of such information, documents, or materials.

11. **Indemnification.** To the fullest extent permitted by law, the Parties shall defend indemnify and hold each other (including the directors, officers, employees and authorized volunteers of each party) free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity (collectively "Claims") in any manner arising out of, pertaining to, or incident any work and/or services to this Agreement and the work and/or services to be performed hereunder. This includes without limitation the payment of all actual damages, consequential damages, expert witness fees and attorney's fees and other related costs and expenses, including but not limited to legal costs and expense incurred by the parties in connection with any Claims or in enforcing this mutual indemnification. This indemnity does not include Claims that arise out of the sole active negligence, or willful misconduct of the party requesting indemnification. Indemnity requirements are not limited to the amount of any insurance available to either party and survive the termination of this Agreement for any reason.

IN WITNESS WHEREOF, the Parties have executed this MOU effective as of the date first above written.

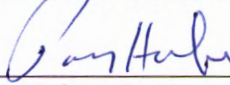
MONTECITO WATER DISTRICT

By: _____
Richard Shaikewitz, Board President

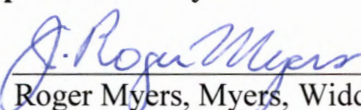
**APPROVED AS TO FORM
Montecito Water District General Counsel**

By: _____
Robert M. Cohen, Cohen & Burge LLP

CARPINTERIA VALLEY WATER DISTRICT

By:  _____
Polly Holcombe, Board President

**APPROVED AS TO FORM
Carpinteria Valley Water District Counsel**

By:  _____
Roger Myers, Myers, Widders, Gibson, Jones & Feingold, L.L.P.

materials to any third party without the consent of all Parties to this MOU. If any party receives a request or order from a third party that the receiving Party believes requires it to disclose any such information, documents or materials, the receiving party shall (i) immediately notify the other Parties and provide them with a copy of such request or order, (ii) defer any disclosure of such information, documents or materials for as long as legally permitted, and (iii) cooperate with any other Party that wishes to pursue an order protecting the disclosure of such information, documents, or materials.

11. **Indemnification.** To the fullest extent permitted by law, the Parties shall defend indemnify and hold each other (including the directors, officers, employees and authorized volunteers of each party) free and harmless from any and all claims, demands, causes of action, suits, actions, proceedings, costs, expenses, liability, judgments, awards, decrees, settlements, loss, damage or injury of any kind, in law or equity (collectively "Claims") in any manner arising out of, pertaining to, or incident any work and/or services to this Agreement and the work and/or services to be performed hereunder. This includes without limitation the payment of all actual damages, consequential damages, expert witness fees and attorney's fees and other related costs and expenses, including but not limited to legal costs and expense incurred by the parties in connection with any Claims or in enforcing this mutual indemnification. This indemnity does not include Claims that arise out of the sole active negligence, or willful misconduct of the party requesting indemnification. Indemnity requirements are not limited to the amount of any insurance available to either party and survive the termination of this Agreement for any reason.

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CARPINTERIA VALLEY WATER DISTRICT

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Polly Holcombe, Board President