

COST SHARING AGREEMENT

Delta-Mendota Subbasin Coordination

This Cost Sharing Agreement (“**Agreement**”) is made effective as of _____, 2018 by and among the groundwater sustainability agencies within the Delta-Mendota Subbasin and the San Luis & Delta-Mendota Water Authority (“**SLDMWA**”). The entities listed above may be referred to herein individually as a “**Party**” or jointly as “**Parties**.” For purposes of this Agreement, the “**Effective Date**” shall be the date the last Party executes this Agreement.

RECITALS

- A. The Sustainable Groundwater Management Act (“**SGMA**”) requires all groundwater subbasins designated as high or medium priority to manage groundwater in a sustainable manner.
- B. The Delta-Mendota Subbasin (Basin Number 5-22.07, DWR Bulletin 118) within the San Joaquin Valley Groundwater Basin (“**Subbasin**”), has been designated as a high-priority basin by the California Department of Water Resources (“**DWR**”).
- C. The Delta-Mendota Subbasin includes multiple groundwater sustainability agencies (“**GSAs**”) that intend to manage the Subbasin through the development and implementation of multiple different groundwater sustainability plans (“**GSPs**”).
- D. The GSA parties to this Agreement (“**GSA Parties**”) have organized into groundwater sustainability plan (“**GSP**”) groups (“**GSP Groups**”) and have agreed to be represented by “**GSP Group Representatives**,” on terms to be developed and implemented by separate agreements between each GSP Group and the parties within such GSP Group.
- E. SGMA allows local agencies to engage in the sustainable management of groundwater, but requires GSAs in all basins that are managed by more than one GSP to enter into a Coordination Agreement to coordinate the multiple GSPs to sustainably manage the Subbasin pursuant to SGMA.
- F. The GSP Groups desire to dictate terms describing the mechanisms for the sharing of the costs associated with the coordination activities described in below and in a Delta-Mendota Subbasin Coordination Agreement (“**Coordination Agreement**”) that the Parties plan to execute. The Coordination Agreement will establish a Coordination Committee (“**Coordination Committee**”) to provide the forum for the parties to accomplish the coordination obligation of SGMA and will enumerate the Coordination Committee’s responsibilities. The Coordination Agreement will also establish the roles of Secretary and Plan Manager and enumerate their respective responsibilities.
- G. The SLDMWA has been assisting the GSP Groups with SGMA compliance, and will act as the initial Secretary of the Coordination Committee (“**Secretary**”) and the initial Plan Manager with respect to the Coordination Agreement (“**Plan Manager**”). As part of that effort, the SLDMWA and/or its agents agrees to undertake all activities required of it under the

Coordination Agreement, so long as each GSP Group reimburses the SLDMWA for that GSP Group's apportioned share of the "**Coordinated Plan Expenses**," described in Section 2 below.

- H. The Parties desire to enter into this Agreement to refine the Parties' informal agreements prior to the date of execution and to accomplish all of the foregoing matters on the terms and conditions set forth herein.

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

AGREEMENT

1. Administrative Coordination. For so long as desired by the Coordination Committee, the SLDMWA will be responsible for undertaking all activities required of it under the Coordination Agreement including, but not limited to: intrabasin coordination; activities required in its role as Secretary; activities required in its role as Plan Manager; and entering into professional services agreement(s) and any supplemental agreements required for the consultant work necessary to meet the objectives of the Coordination Agreement.
2. Coordinated Plan Expenses. The Parties agree that **Coordinated Plan Expenses** incurred under the Coordination Agreement shall mean any expenses incurred by the Secretary and Plan Manager at the direction of the Coordination Committee within approved annual cost estimates pursuant to Section 5 of this Cost Sharing Agreement for purposes of developing and implementing the Coordination Agreement, including actual expenses incurred in executing obligations under the Coordination Agreement for intrabasin and interbasin coordination beginning in August 2017. The GSA Parties agree to make payments for Coordinated Plan Expenses through their GSP Groups, described in Section 6 below.
3. Participation Percentages. The Parties acknowledge and agree that the participation percentages in Exhibit "A" ("**Participation Percentages**") shall be utilized to determine the share of Coordinated Plan Expenses allocated to each GSP Group.
 - a. Initial Participation Percentages. Coordinated Plan Expenses will be paid proportionally by each GSP Group through the Responsible Agency to Invoice ("**Responsible Agency**") identified on Exhibit "A," pursuant to each GSP Group's respective Participation Percentage, which is initially set in equal percentages, as indicated in Exhibit "A."
 - b. Updated Participation Percentages. Participation Percentages may be evaluated by the Coordination Committee from time to time, including to consider new information concerning the relative contribution or responsibility of each GSP Group towards achieving the Subbasin-wide sustainability goal of their coordinated GSPs.
 - c. Ongoing Documentation of Participation Percentages. The most current Participation Percentages of each GSP Group shall be dated and attached as Exhibit "A" to this Agreement, effective upon the date approved by the Parties under delegated authority

by their respective GSP Groups, without any further Amendment to this Agreement being required.

4. Obligations Outside of Cost Sharing Agreement. It is the responsibility and obligation of each GSA Party under this Agreement that is part of a multi-party GSP Group to provide documentation to the Secretary and the Coordination Committee establishing that such GSP Group has a binding agreement or mechanism assuring that the GSP Group will pay its Participation Percentage set forth on Exhibit “A,” as said Exhibit “A” may be modified or amended from time to time (pursuant to a modification or amendment of this Agreement under Section 14, below), including documentation of provisions regarding the default or withdrawal of any GSA Party within such GSP Group. Provided, that the Secretary shall not be obligated to evaluate or provide an opinion on the legal sufficiency of the documentation.
5. Cost Estimates. The SLDMWA will obtain and provide the GSP Groups, through the GSP Group Representatives on the Coordination Committee, with a written estimate (“**Estimate**”) of the cost of each task required for executing its obligations under the Coordination Agreement prior to March 1 each year, and as new tasks arise. Each Estimate will be subject to approval by the Coordination Committee, pursuant to the Coordination Agreement. The SLDMWA shall account for Coordinated Plan Expenses in accordance with standard public agency accounting procedures and shall invoice amounts to be collected from the GSP Groups in accordance with Section 6 below. All costs related to workgroups shall be the responsibility of each Party providing the workgroup participant.
6. Invoicing and Payment. The SLDMWA shall bill the GSP Groups, through the Responsible Agency identified on Exhibit “A,” for all Coordinated Plan Expenses based upon their respective Participation Percentages, upon receipt of each individual invoice. Payment is due from each Responsible Agency thirty (30) days following receipt of the invoice by the Responsible Agency. Amounts in arrears for more than thirty (30) days shall earn interest at the applicable legal rate. Each Responsible Agency is responsible to collect payment from members of its GSP Group, if any.
7. Reporting. The SLDMWA shall present a cumulative Coordinated Plan Expense report to the GSP Groups on a monthly basis, through the Responsible Agency identified on Exhibit “A.” Each Invoice, described in Section 6 above, shall be accompanied by a Coordinated Plan Expenses report (“**Report**”). The Report shall consist of a cumulative itemized statement of all costs and expenses incurred pursuant to the Coordination Agreement and any disbursement of funds received by the SLDMWA under this Agreement.
8. Records. The SLDMWA shall maintain separate records regarding Coordinated Plan Expenses, including records of billing and payment and other documents related to the execution of its obligations under the Coordination Agreement. The Parties and their designated agents shall have the right to inspect all records maintained by the SLDMWA associated with this Cost Sharing Agreement at any time within normal business hours, with fifteen (15) business days’ advance notice to the SLDMWA in writing.

9. Notice. Whenever notice is required to be in writing, it shall be provided to the GSP Groups, through the Responsible Agency identified on Exhibit “A.” Notice shall be provided to the SLDMWA at the following address:

San Luis & Delta-Mendota Water Authority
P.O. Box 2157
Los Banos, CA 93635
Attn: Andrew Garcia
E-mail: andrew.garcia@sldmwa.org

If sent by United States Mail, notice will be considered to have been given forty-eight (48) hours after it has been deposited in the United States Mail, addressed as set forth above, with postage prepaid. If sent by overnight delivery service, notice will be considered to have been given twenty-four (24) hours after it has been deposited with the overnight delivery service. Any GSP Group may change the Responsible Agency for notice or that Responsible Agency’s address for these purposes by giving written notice of the change to all other Parties. The SLDMWA may also change its address or contact by giving written notice of the change to all other Parties.

10. Law Governing. This Agreement is made in the State of California under the constitution and laws of the State of California and is to be so construed.
11. Section Headings. All section headings in this Agreement are for convenience of reference only and are not to be construed as modifying or governing this language in the section referred to or to define or limit the scope of any provision of this Agreement.
12. Entire Agreement. This Agreement (including the preamble and Recitals) constitutes the entire Agreement between the Parties and supersedes prior agreements or discussions relating to the matters set forth herein, if any, both written and oral.
13. 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.
14. Modification or Amendment. The Parties hereby agree that, this Agreement may be supplemented, amended, or modified only by the mutual written agreement of the Parties. No supplement, amendment, or modification of this Agreement shall be binding unless it is in writing and signed by all Parties.
15. Withdrawal.
- a. Withdrawal by a GSA Party. A GSA Party may withdraw from this Agreement without causing or requiring termination of this Agreement, effective upon thirty (30) days written notice to all other Parties. Any GSA Party who withdraws shall remain obligated to pay its share of all Coordinated Plan Expenses accrued prior to the effective date of such withdrawal. The SLDMWA will notify DWR within thirty (30) days of any GSA Party’s withdrawal from this Agreement.

- b. Withdrawal by the SLDMWA. The SLDMWA may withdraw from this Agreement effective: (1) upon notification by the Coordination Committee that the SLDMWA's services are no longer required as Secretary and Plan Manager; or (2) upon sixty (60) days written notice by the SLDMWA to the GSA Parties. In the event the SLDMWA withdraws from this Agreement, such withdrawal shall terminate this Agreement, unless the Coordination Committee names a successor Secretary and Plan Manager pursuant to the Coordination Agreement, and the Parties and such successor entity or entities agree to continue the Agreement with the successor Secretary and Plan Manager agreeing to assume the role of the SLDMWA. If the Agreement continues between the GSA Parties and a successor to the SLDMWA, the SLDMWA agrees to reasonably cooperate in the transition to its successor; provided, the SLDMWA shall not be liable for performance of duties under this Agreement following the Coordination Committee's notice or the sixty (60)-day notice period set forth in this subsection, whichever is applicable.
16. Term. As modified pursuant to Section 14, this Agreement shall continue for a term coterminous with the requirements of SGMA.
17. Indemnification. The Parties agree that the GSA Parties shall, in proportion to the respective Participation Percentages of their GSP Groups, hold the SLDMWA free and harmless from and indemnify the SLDMWA against any and all costs, losses, damages, claims, and liabilities arising from this Agreement, unless such costs, losses, damages, claims, or liabilities are attributable to the sole negligence or willful misconduct of the SLDMWA. The Parties acknowledge that each GSP Group intends to pay only its share of Coordinated Plan Expenses, but acknowledge that the GSP Group may be required to pay an adjusted Participation Percentage (pursuant to a modification or amendment of this Agreement under Section 14, above) to meet its obligation to the SLDMWA and seek its remedy against any defaulting GSP Group.
18. Construction of Agreement. The Parties acknowledge that each has informed and able counsel to advise it concerning the terms of this Agreement, and agree that no Party shall be deemed the drafting Party in any dispute involving construction of the terms of the 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 Partnership. The Parties hereto do not intend to create a partnership for federal income tax purposes or state law purposes, and nothing herein shall be construed to create such a partnership. The provisions set forth in this Agreement, and the respective obligations of each Party hereto, shall be construed consistently with such intent.
21. Procedures for Resolving Conflicts. In the event of any dispute arising from or relating to this Agreement, the disputing Party shall, within thirty (30) calendar days of discovery of the events giving rise to the dispute, notify all Parties to this Agreement in writing of the basis for the dispute. Within thirty (30) calendar days of receipt of said notice, all interested Parties shall meet and confer in a good-faith attempt to informally resolve the dispute. All disputes that are not resolved informally shall be settled by non-binding arbitration. Within ten (10) days

following the failed informal proceedings, each interested Party shall nominate and circulate to all other interested Parties the name of one arbitrator. Within ten (10) days following the nominations, the interested Parties shall rank their top three among all nominated arbitrators, awarding 3 points to the top choice, 2 points to the second choice, 1 point to the third choice, and zero points to all others. Each interested Party shall forward its tally to the SLDMWA, who shall tabulate the points and notify the interested Parties of the name of the arbitrator with the highest cumulative score, who shall be the selected arbitrator. The SLDMWA may also develop procedures for approval by the Parties, for selection in the case of tie votes or in order to replace the selected arbitrator in the event such arbitrator declines or ceases to act. The arbitration shall be administered in accordance with the procedures set forth in the California Code of Civil Procedure, section 1280, et seq., and of any state or local rules then in effect for arbitration pursuant to said section. Upon completion of arbitration, if the controversy has not been resolved, any Party may exercise all rights to bring a legal action relating to the controversy. Any dispute resolution or arbitration under this Section, however, will not terminate the Parties' obligations under Sections 2, 4, and 6 nor the Parties' obligations under Section 16.

22. **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 have executed this Agreement.

PATTERSON IRRIGATION DISTRICT GSA				
Patterson Irrigation District		Date:		
Signature _____				
Name of Representative:				
WEST STANISLAUS IRRIGATION DISTRICT GSA 1				
West Stanislaus Irrigation District		Date:		
Signature _____				
Name of Representative:				
DM II GSA				
Del Puerto Water District		Date:	Oak Flat Water District	Date:
Signature _____			Signature _____	
Name of Representative:		Name of Representative:		
CITY OF PATTERSON GSA				
City of Patterson		Date:		
Signature _____				
Name of Representative:				

NORTHWESTERN DELTA-MENDOTA GSA					
County of Merced		Date:	County of Stanislaus		Date:
Signature			Signature		
Name of Representative:			Name of Representative:		
CENTRAL DELTA-MENDOTA REGION MULTI-AGENCY GSA					
San Luis Water District		Date:	Panoche Water District		Date:
Signature			Signature		
Name of Representative:			Name of Representative:		
Tranquillity Irrigation District		Date:	Fresno Slough Water District		Date:
Signature			Signature		
Name of Representative:			Name of Representative:		
Eagle Field Water District		Date:	Pacheco Water District		Date:
Signature			Signature		
Name of Representative:			Name of Representative:		
Santa Nella County Water District		Date:	Mercy Springs Water District		Date:
Signature			Signature		
Name of Representative:			Name of Representative:		
County of Merced		Date:	County of Fresno		Date:
Signature			Signature		
Name of Representative:			Name of Representative:		
ORO LOMA WATER DISTRICT GSA					
Oro Loma Water District		Date:			
Signature					
Name of Representative:					
WIDREN WATER DISTRICT GSA					
Widren Water District		Date:			
Signature					
Name of Representative:					
SAN JOAQUIN RIVER EXCHANGE CONTRACTORS GSA					
San Joaquin River Exchange Contractors GSA		Date:			
Signature					
Name of Representative:					

TURNER ISLAND WATER DISTRICT -2 GSA	
Turner Island Water District	Date:
Signature _____	
Name of Representative:	
CITY OF MENDOTA GSA	
City of Mendota	Date:
Signature _____	
Name of Representative:	
CITY OF FIREBAUGH GSA	
City of Firebaugh	Date:
Signature _____	
Name of Representative:	
CITY OF LOS BANOS GSA	
City of Los Banos	Date:
Signature _____	
Name of Representative:	
CITY OF DOS PALOS GSA	
City of Dos Palos	Date:
Signature _____	
Name of Representative:	
CITY OF GUSTINE GSA	
City of Gustine	Date:
Signature _____	
Name of Representative:	
CITY OF NEWMAN GSA	
City of Newman	Date:
Signature _____	
Name of Representative:	
COUNTY OF MADERA -3 GSA	
County of Madera	Date:
Signature _____	
Name of Representative:	
MERCED COUNTY DELTA-MENDOTA GSA	
County of Merced	Date:
Signature _____	
Name of Representative:	

GRASSLAND GSA			
Grassland Water District	Date:	Grassland Resource Conservation District	Date:
Signature _____		Signature _____	
Name of Representative:		Name of Representative:	
FARMERS WATER DISTRICT GSA			
Farmers Water District	Date:		
Signature _____			
Name of Representative:			
FRESNO COUNTY MANAGEMENT AREA A+B GSAs			
County of Fresno	Date:		
Signature _____			
Name of Representative:			
ALISO WATER DISTRICT GSA			
Aliso Water District	Date:		
Signature _____			
Name of Representative:			
SAN LUIS & DELTA-MENDOTA WATER AUTHORITY			
San Luis & Delta-Mendota Water Authority	Date:		
Signature _____			
Name of Representative:			

EXHIBIT A – GSP Groups and Responsible Agencies to Invoice

	Groundwater Sustainability Plan Group	Responsible Agency to Invoice / Address	Participation Percentage
1	<p>Northern / Central Delta-Mendota Region – 2 Representatives Central DM Subgroup – 1 Member representing the following: Central Delta-Mendota Multi-Agency GSA Oro Loma Water District GSA Widren Water District GSA Northern DM Subgroup – 1 Member representing the following: City of Patterson GSA DM-II GSA Northwestern Delta-Mendota GSA Patterson Irrigation District GSA West Stanislaus Irrigation District-GSA 1</p>	<p>San Luis & Delta-Mendota Water Authority (for invoices) P.O. Box 2157 Los Banos, CA 93635 Attn: Andrew Garcia</p> <p>West Stanislaus Irrigation District (for other notices) 116 E Street P.O. Box 37 Westley, CA 95387 Attn: Robert Pierce</p>	16.7%
2	<p>San Joaquin River Exchange Contractors – 2 Representatives City of Dos Palos GSA City of Firebaugh GSA City of Gustine GSA City of Los Banos GSA City of Mendota GSA City of Newman GSA Madera County GSA Merced County Delta-Mendota GSA San Joaquin River Exchange Contractors GSA Turner Island Water District-2 GSA</p>	<p>San Joaquin River Exchange Contractors 541 H Street P.O. Box 2115 Los Banos, CA 95363 Attn: Steve Chedester</p>	16.7%
3	<p>Farmers Water District – 1 Representative Farmers Water District GSA</p>	<p>Farmers Water District 4460 W. Shaw Ave., #219 Fresno, CA 93722 Attn: Jim Stillwell</p>	16.7%
4	<p>Aliso Water District – 1 Representative Aliso Water District GSA</p>	<p>Aliso Water District 10302 Avenue 7-1/2 Firebaugh, CA 93622 Attn: Roy Catania</p>	16.7%
5	<p>Grassland Water District – 1 Representative Grassland Water District GSA Grassland WD and Grassland Resource Conservation District Merced County Delta-Mendota GSA</p>	<p>Grassland Water District 200 W. Willmont Ave. Los Banos, CA 93635 Attn: Ricardo Ortega</p>	16.7%

6	Fresno County Management Area A & B – 1 Representative Fresno County Management Area A GSA Fresno County Management Area B GSA	County of Fresno Department of Public Works and Planning 2220 Tulare St., 6th Floor Fresno, CA 93721 Attn: Division of Water and Natural Resources	16.7%
---	---	--	-------