

EXHIBIT A

COST SHARING AGREEMENT
BY AND BETWEEN
MONTECITO SANITARY DISTRICT
AND
MONTECITO WATER DISTRICT

The Montecito Sanitary District (“MSD”), and the Montecito Water District (“MWD”), with the intent to be contractually bound, agree as follows:

BACKGROUND AND PURPOSE

A. MSD is a Sanitary District organized and existing under and by virtue of the Sanitary District Act of 1923 [Health and Safety Code §§6400-6830]. MSD has collected, treated, and disposed of wastewater for the Montecito community since 1961. The mission of MSD is to protect the public health and safety and to preserve the natural environment through the collection, treatment and disposal of wastewater in the most cost-effective way possible.

B. MWD is a County Water District organized and existing under and by virtue of the County Water District law [Water Code §§30000-33901]. MWD has served the Montecito and Summerland communities since 1921 and 1926, respectively. The mission of MWD is to provide an adequate and reliable supply of high-quality water to the residents of Montecito and Summerland, at the most reasonable cost.

C. MSD and MWD have each taken action to state their support of implementing meaningful wastewater reuse as expediently as possible for the Montecito and Summerland communities.

D. MWD’s 2015 Urban Water Management Plan Update details its diverse water supply portfolio and identifies additional potential future uses of supply, including recycled water.

E. In December, 2018, MWD completed a Recycled Water Facilities Plan which assessed various recycled water opportunities and ultimately recommended a non-potable reuse project with MSD.

F. MSD and MWD have agreed to partner in the preparation of a Preliminary Design Report (“PDR”) and 30% design for the project. The PDR will be prepared for the full-scale recycled water project as recommended in MWD’s 2018 Recycled Water Facilities Plan (Large NPR project), followed by development of 30% design of a Phase 1 project.

G. The PDR and 30% design will further develop the conceptual design and confirm assumptions provided in the 2018 Recycled Water Feasibilities Plan for the project. Specifically, the PDR and 30% design will: (1) provide a more thorough understanding of the

near-term and long-term project requirements; (2) define the appropriate approach to project phasing that considers essential factors such as construction, operations, customer demands, and economic factors; and (3) establish a more refined estimate of near term and long-term project costs such that a Phase 1 project capable of supplying recycled water sufficient to meet the needs of the Santa Barbra Cemetery (at a minimum) can be implemented initially, with subsequent phasing to achieve the larger project being pursued in the future.

H. In furtherance of the development of the PDR and 30% design, MSD and MWD have retained [CONSULTANT] to perform professional services as described in the contract and scope of work attached to this agreement as Exhibit "A".

I. MSD and MWD desire to share in the cost of the professional services provided by [CONSULTANT]. The purpose of this agreement is to set forth how those costs will be shared by and between MSD and MWD.

TERMS OF AGREEMENT

1. MWD and MWD will equally share the cost of payments for work performed by [CONSULTANT] under the attached contract and scope of work with each entity paying 50% of the cost. MWD will administer the contract with [CONSULTANT] and will invoice MSD for its respective share of the cost of payments made by MWD. Invoices will show the total cost of payments for the invoice period and each party's respective share of that cost. MSD will reimburse MWD for its share as detailed on the invoice not later than 30 days after the invoice date.

2. This agreement is limited to the cost of payments to [CONSULTANT] not to exceed [AMOUNT], which is the limit of the compensation to be paid to [CONSULTANT] for the work performed. MSD and MWD will cooperate in good faith to amend this agreement to share costs beyond [AMOUNT], if necessary, for completion of the scope of work of the [CONSULTANT] contract, provided, however, that nothing in this agreement limits the legislative discretion of the governing bodies of MSD or MWD with respect to any future costs. Additionally, nothing in this agreement limits the legislative discretion of MSD or MWD with respect to assessments, decisions, determinations, evaluations, and/or findings as to whether any project should be approved, implemented and/or pursued.

3. This agreement constitutes the entire agreement between MWD and MSD with respect to the subject of this agreement and supersedes all prior representations and understandings with respect to the subject of this agreement. Parole evidence will be inadmissible to show agreement by and among MSD and MWD to any term or condition contrary to or in addition to the terms and conditions contained in this agreement.

4. No amendment, modification, or waiver of this agreement will be binding unless executed in writing by MSD and MWD.

5. This agreement will become effective upon execution by MSD and MWD and will remain in effect until terminated, which may occur only by mutual agreement of MSD and

MWD and/or the completion of all services by [CONSULTANT] as exemplified by a “Notice of Final Payment” to [CONSULTANT].

6. This agreement shall be interpreted in accordance with the laws of the State of California. Venue for any action, claim or proceeding related to this agreement shall be in the County of Santa Barbara.

7. If any provision of this agreement is determined to be invalid or unenforceable, the remaining valid and enforceable provisions shall continue to be fully operative.

8. Each signatory to this agreement represents that he or she has executed this agreement on behalf of that party represented by the signatory, under authority delegated by the governing body of that party.

9. This agreement may be executed in counterparts, each of which constitutes an original and all of which will be deemed together as a single document. Counterparts or signature pages may be delivered via delivery of an original or duplicate in person or by mail, or a duplicate, including scanned copy, in an electronic format, including transmission by electronic mail, secure Internet drop-box, facsimile, or similar other standard interchange format capable of reproduction and storage. A party may execute this document by electronic signature or other electronic method for execution of contracts authorized by law.

EXECUTION

Montecito Sanitary District

Dorinne Lee Johnson, Board President

Date

Montecito Water District

Tobe Plough, Board President

Date