

**DEPOSIT/REIMBURSEMENT AGREEMENT
FOR REVIEW OF REQUEST FOR WRITTEN VERIFICATION**

THIS DEPOSIT/REIMBURSEMENT AGREEMENT (“Agreement”) is made and effective this ____ day of _____, _____, by and between the Santa Ynez River Valley Groundwater Basin Western Management Area Groundwater Sustainability Agency (“GSA”), and as the owner of the property where the well is proposed _____ (“Applicant”). GSA and Applicant are each referred to as a “Party” and collectively referred to as the “Parties” in this Agreement.

RECITALS:

A. Applicant is submitting an Application (“Application”) to the Santa Barbara County Environmental Health Services (“EHS”) for a water well permit within the GSA’s jurisdiction.

B. Executive Order N-7-22, signed by the Governor on March 28, 2022, requires that, before EHS grant said Application, the GSA provide written verification to EHS that “groundwater extraction by the proposed well would not be inconsistent with any sustainable groundwater management program established in any applicable Groundwater Sustainability Plan ... and would not decrease the likelihood of achieving a sustainability goal for the basin covered by such a plan.” The Applicant’s request for written verification from the GSA will be referred to herein as a “Request.”

C. Pursuant to Resolution WMA-2022-002 of the GSA, review by the GSA of the Request is to be funded by fees paid by the Applicant, and before review begins Applicant must make a deposit as determined by the GSA.

D. This Agreement is intended to specify the terms of Applicant’s deposit and reimbursement for the GSA’s review of the Request.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants set forth herein, and for other consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Construction.

This Agreement shall be liberally construed to accomplish its intent.

2. The Deposit; Additional Advances.

- a) Establishing and Supplementing Deposit. Within three (3) business days following execution of this Agreement, Applicant shall provide to the GSA an initial deposit of \$ 1,200.00 (“Initial Deposit”) to reimburse the GSA for Eligible Expenses, as defined in Section 2(b). The GSA shall monitor its expenses and the balance in the deposit account and whenever it believes, in good faith, that there will be insufficient funds to pay the GSA’s expenses for the Request for the next ninety (90) days, the GSA may make one or more written requests for additional funds (each an “Additional Advance”), which shall state the existing balance and the additional amount requested. The GSA may request the funds it reasonably believes necessary to cover a period not exceeding

ninety (90) days. The Initial Deposit and Additional Advance funds are hereinafter collectively referred to as the "Deposit." Applicant shall make the Additional Advance within five (5) business days of the GSA's written request therefor. If Applicant fails to timely make the Additional Advance, Applicant agrees that the GSA may cease any or all additional work on the Request until the GSA receives the Additional Advance from Applicant.

- b) Eligible Expenses. The Deposit shall be used to reimburse the GSA for costs incurred by the GSA in connection with the following (all of which shall be deemed "Eligible Expenses"): (i) the fees and expenses of the consultant(s) employed by the GSA in connection with administering the Request; and (ii) all other actions, if any, reasonably taken by the GSA in connection with administering the Request.
- c) Administration of Deposit. The Deposit may be placed in the GSA account with other funds for purposes of investment and safekeeping. The Deposit shall not accrue interest. The GSA shall administer the Deposit and use the Deposit to reimburse the GSA for Eligible Expenses. The GSA shall maintain satisfactory accounting records as to the expenditure of the Deposit at all times.
- d) Unexpended Funds. Upon the granting or denial of a Request by the GSA, the GSA shall return any then-unexpended portion of the Deposit to Applicant, without interest, less an amount equal to any unpaid Eligible Expenses previously incurred by the GSA.
- e) Statements of Account. The GSA shall provide Applicant a summary of expenditures made from the Deposit, and the unexpended balance thereof, whenever requesting any Additional Advance and within ten (10) business days of receipt by the GSA of a request therefore submitted by Applicant.

3. Independent Judgment of the GSA; GSA Not Liable

The GSA shall use its independent judgment in determining whether the written verification required by the Executive Order should be issued. As further set forth by separate Indemnification Agreement, neither the GSA nor any of its member agencies shall be liable in any manner whatsoever in relation to EHS's action on an Application or the GSA's issuance of a written verification.

Applicant expressly understands and agrees that any consultant retained on behalf of the GSA is under contract solely on behalf of the GSA, and the GSA is free to exercise its independent judgment in making payments to the consultants or revising or accepting the consultant's work product, without any liability whatsoever by the GSA to Applicant therefor.

4. Notices.

Any notices, requests, demands, documents, approvals, or disapprovals given or sent under this Agreement from one Party to another (collectively, the "Notices") shall be given to the Party entitled thereto at its address set forth below, or at such other address as such Party may provide to the other Party in writing from time to time, namely:

If to Applicant:

If to The GSA:

Santa Ynez River Valley Groundwater Basin
Western Management Area GSA
P.O. Box 719
Santa Ynez, CA 93460

Each such Notice shall be deemed delivered to the Party to whom it is addressed: (i) if personally served or delivered, upon delivery; (ii) if given by facsimile, upon the sender's receipt of an appropriate answerback or other written acknowledgement; (iii) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, seventy-two (72) hours after such notice is deposited with the United States mail; (iv) if given by overnight courier, with courier charges prepaid, twenty-four (24) hours after delivery to said overnight courier; or (v) if given by any other means, upon delivery at the address specified in this Section.

5. Choice of Law; Venue.

This Agreement, and any dispute arising from the relationship between the Parties, shall be governed by, construed in accordance with, and interpreted under the laws of the State of California. Any dispute that arises under or relates to this Agreement (whether contract, tort, or both) shall be resolved in a California State Court in the County of Santa Barbara, or if jurisdiction over the action cannot be obtained in a State Court, in a Federal Court in the Central District of California.

6. Entire Agreement.

This Agreement represents the full, final, and complete Agreement between the Parties hereto regarding the subject matter of this Agreement. No change or amendment to this Agreement shall be valid unless in writing and signed by both Parties.

7. Severability.

If a court of competent jurisdiction holds any provision of this Agreement to be illegal, unenforceable, or invalid for any reason, the validity and enforceability of the remaining provisions of this Agreement shall not be affected.

8. Attorneys' Fees.

In any litigation or other proceeding by which one Party seeks to enforce its rights under this Agreement (whether in contract, tort, or both) or seeks a declaration of any rights or obligations under this

Agreement, the prevailing Party shall be entitled to an award of reasonable attorneys' fees, together with any costs and expenses, to resolve the dispute and to enforce the final judgment.

9. Ambiguities.

Each Party and its counsel have participated fully in the review and revision of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting Party shall not be applied in interpreting this Agreement.

10. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which together will constitute one instrument.

11. Authority.

The persons executing this Agreement on behalf of the Parties warrant that: (i) such Party is duly organized and existing; (ii) they are duly authorized to execute and deliver this Agreement on behalf of said Party; (iii) by so executing this Agreement, such Party is formally bound to the provisions of this Agreement; and (iv) the entering into of this Agreement does not violate any provision of any other agreement to which said Party is bound.

IN WITNESS THEREOF, the Parties have caused this Agreement to be executed on the date first written above.

**WESTERN MANAGEMENT AREA
GROUNDWATER SUSTAINABILITY
AGENCY**

PROPERTY OWNER

Signature

Signature

Print Name

Print Name

Title

Title