

MEMORANDUM OF UNDERSTANDING

PREPARATION OF WATER MANAGEMENT PLAN FOR THE HEMET/SAN JACINTO MANAGEMENT AREA

This Memorandum Of Understanding: Preparation of Water Management Plan for the Hemet/San Jacinto Management Area ("MOU"), is hereby entered into this 17th day of June, 2004 by and between the EASTERN MUNICIPAL WATER DISTRICT, a California municipal water district ("EMWD"), LAKE HEMET MUNICIPAL WATER DISTRICT, a California municipal water district ("LHMWD"), CITY OF HEMET, a California general law city ("Hemet"), and CITY OF SAN JACINTO, a California general law city ("San Jacinto"), (collectively referred to hereinafter as the "Parties"), based on the following facts:

RECITALS

A. Groundwater in the Hemet/San Jacinto Management area has been, and will remain, a significant source of water for the people and agribusiness of Riverside County providing an invaluable contribution to the local economy and public good. As a result, the Parties have acknowledged their collective interest in the management of local water resources within the Hemet/San Jacinto Management area.

B. In furtherance of this collective interest, the Parties entered into that "Memorandum of Understanding to Work Cooperatively to Promote Conjunctive Use Projects and Programs in Upper San Jacinto River Basins" dated June 19, 2001 (the "Conjunctive Use MOU"). The purpose of the Conjunctive Use MOU is to encourage cooperation among the Parties to facilitate and support local groundwater management efforts and conjunctive use programs particularly those that could increase dry-year water supplies, within the safe-yield and without the overdraft of San Jacinto groundwater basins.

C. In the cooperative spirit of the Conjunctive MOU and with assistance from the State Department of Water Resources, the parties engaged in several rounds of policy discussions and technical investigations into suitable methods to alleviate the overdraft, manage long term water supplies, and provide for demands of growth. As the result of these efforts, the Parties each approved a statement of principles entitled "Principles for Water Management" (the "Principles") in February 2004 with regard to the Hemet and San Jacinto Basins. The Principles established the framework from which the Parties agreed to develop a Water Management Plan for the Hemet and San Jacinto Basins.

D. The intent of this MOU is to provide for the creation of the Water Management Plan ("WMP") called for in the Principles, to appoint Eastern Municipal Water District as the Contract Administrator for preparation of the WMP, and to establish an equitable mechanism for funding the WMP by the Parties.

OPERATIVE PROVISIONS

NOW, THEREFORE, in consideration of the promises made and recited herein, the Parties do hereby enter into this Memorandum of Understanding setting forth their pledges, commitments, understandings and appropriate limiting conditions, as follows:

ARTICLE 1.0 AGREEMENT TO UNDERTAKE WMP

1.1 **Cooperation.** The Parties agree that the WMP shall be timely undertaken and completed in accordance with this MOU. In order to ensure the timely and efficient completion of the WMP within the budget described in this MOU, the Parties agree to cooperate with and amongst each other, to share information necessary for the preparation of the WMP, and to take such other reasonable actions as may be necessary for the timely completion of the WMP, provided such actions do not result in additional costs to the Parties.

1.2 **Scope of Work.** The WMP shall be prepared in accordance with the Scope of Work attached hereto and incorporated herein by reference as Attachment 1 (hereinafter referred to as the "Scope of Work"). The Scope of Work defines the extent of the WMP, the tasks necessary for its completion, assigns responsibility for those tasks, and outlines the basic content of each constituent section.

1.3 **Consultant.** The Parties agree that the WMP shall be prepared by an independent contractor, except for those sections which the Scope of Work designates will be prepared by EMWD or the Parties collectively. The Parties agree that Water Resources & Information Management Engineering, Inc. (hereinafter "WRIME") is hereby selected to be the independent contractor principally responsible for undertaking and completing the Scope of Work. However, it is contemplated that WRIME will subcontract with, or EMWD will enter into separate contracts with, GEOSCIENCE, Support Services, Inc., and Stetson Engineering (hereinafter collectively referred to as "Subconsultants") for certain work identified in the Scope of Work. Subconsultants shall serve as consultants for WRIME with regard to performance of the Scope of Work and shall not serve as consultants for Hemet or San Jacinto or their attorneys for performance of the Scope of Work.

1.4 **Project Cost.** The Parties agree that the amount to be paid to WRIME and Subconsultants for undertaking and completing the Scope of Work shall not exceed that amounts reflected on the WMP Budget attached hereto and incorporated herein by reference as Attachment 2. The WMP Budget reflects a total, not to exceed, project cost of \$180,894 ("Total Project Cost"). The Parties agree that the approximately \$16,869 remaining in the budget for the Hemet/San Jacinto Groundwater Association ("GWA") and the approximately \$20,000 remaining in the budget for the Integrated Water Management Plan ("IWMP") shall be reprogrammed and allocated toward payment of the Total Project Cost. After application of these funds, a cost of \$144,025 remains to be funded by and apportioned among the Parties ("Adjusted Project Cost"). The Adjusted

Project Cost excludes individual expenses of the Parties regarding for their own review, comment, and approval of the WMP as well as expenses of EMWD in preparing sections of the WMP for which the Scope of Work indicates it is principally responsible.

ARTICLE 2.0 OBLIGATIONS OF THE PARTIES

2.1 **Funding of WMP.** Each of the Parties individually agrees to fund up to their apportioned share of the Adjusted Project Cost as determined in Article 3.0 "Apportionment of Cost" and to pay such share in a lump sum payment within thirty (30) calendar days of receipt of an invoice from EMWD, provided that EMWD invoices the parties in July of 2004 or thereafter in accordance with Attachment 3.

2.2 **Administration of Contract.** EMWD hereby agrees to act as the contracting agency for the preparation of the WMP. In this regard, EMWD shall enter into and execute the appropriate contract(s) with WRIME and the Subconsultants to perform the Scope of Work for an amount not to exceed the Project Cost. EMWD shall also perform the duties set forth in Attachment 3.

ARTICLE 3.0 APPORTIONMENT OF COST

3.1. **Method of Apportionment.** The Parties agree to apportion the Adjusted Project Cost among themselves based on each Party's pro rata share of the total base production of all the Parties as determined by the Hemet/San Jacinto Policy Committee and shown below:

Apportionment of Adjusted Project Cost (*900 af credit taken out)			
Agency	Base Production (AF)	Percentage	Cost Contribution
City of Hemet*	5,420	17.7 %	\$ 25,492
City of San Jacinto*	3,131	10.3 %	\$ 14,835
LHMWD.	11,063	36.3 %	\$ 52,281
EMWD	10,869	35.7 %	\$ 51,417
Totals	30,483	100.0 %	\$144,025

ARTICLE 4.0 MISCELLANEOUS PROVISIONS

4.1 **Term.** This MOU shall terminate, unless extended by the mutual agreement of the Parties memorialized in writing, upon acceptance of the completed WMP by the governing boards of each of the Parties, provided the Consultant has been fully paid for the Scope of Work and has released the Parties, and each of them, from any claims for further or additional compensation for the Scope of Work.

4.2 **Ownership of Documents.** The WMP together with all data, information, materials and reports (including electronically or digitally stored materials) produced in the preparation of the WMP shall become the joint property of the Parties upon acceptance of the WMP.

4.3 **Individual Costs & Expenses.** Except for the costs and expenses which the Parties have collectively agreed to fund as provided in Article 3.0 "Apportionment of Funding" of this MOU, any cost or expense incurred any one of the Parties with regard to the WMP or its review or approval, shall remain the sole cost and expense of the incurring Party.

4.4 **Authority.** The individuals executing this Agreement on behalf of the Parties and the instruments referenced on behalf of the Parties represent and warrant that they have the legal power, right and actual authority to bind the Parties to the terms and conditions hereof and thereof.

4.5 **Counterpart Originals.** This Agreement may be executed in original counterparts, which together shall constitute a single agreement.

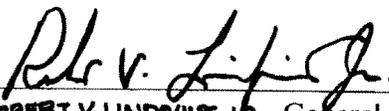
4.6 **Effective Date.** This MOU has become effective among and between the Parties on the date by which each Party's governing board or council has approved the MOU and the authorized representative of each Party has executed the MOU.

IN WITNESS WHEREOF, the Parties hereto have executed this Memorandum of Understanding on the date and year first above written.

**EASTERN MUNICIPAL WATER
DISTRICT**

By: 
AS GACK, General Manager

**LAKE HEMET MUNICIPAL WATER
DISTRICT**

By: 
ROBERT V. LINDQUIST, JR., General Manager

[additional signatures on following page]

CITY OF HEMET

By: 
Steve Temple, City Manager

ATTEST:

By: Sarah McComas
~~Stephen Clayton~~ Sarah McComas
Deputy City Clerk

Approved as to Form:

By: Julie Biggs
~~Eric S. Veil~~ Julie H. Biggs
Assistant City Attorney

CITY OF SAN JACINTO

By: Peter A. Cassin
Peter A. Cassin, City Manager

ATTEST:

By: Dorothy L. Chauinard
City of San Jacinto
City Clerk

Approved as to Form:

By: Robert H. [Signature]
Robert H. [Signature], City Attorney