

**Memorandum Of Understanding between the County of Monterey
and the San Lucas County Water District**

This memorandum of understanding (MOU) establishes a formal partnership between the San Lucas County Water District (District) and the County of Monterey, a political subdivision of the State of California which shall be effective retroactively as of July 1, 2025.

RECITALS

WHEREAS, the San Lucas County Water District (“District”) has the authority to construct, operate and maintain the public water system for the unincorporated community of San Lucas; and

WHEREAS, the goal of this partnership is to work together on the implementation of the San Lucas Water District Clean Drinking Water Supply Project (Project); and

WHEREAS, the District and County desire to enhance the provision and protection of the drinking water supplied to the consumers of the said public water system; and

WHEREAS, the existing public water system has identified contaminants that impact the reliability of water supplied to the community; and

WHEREAS, the County and District are looking to increase collaboration to benefit community members and enhance public health through implementation of the Project; and

WHEREAS, the District has requested that the County assist the District to improve its community water supply by seeking funding and, if funding is acquired, to oversee the preparation of necessary engineering and environmental studies and reports, acquire right-of-way, apply for permits, and, with concurrence by the District, design and construct a new municipal water supply Project; and

WHEREAS, the proposed Project will install new wells and a companion treatment system to remove contaminants and provide a safe and reliable water supply. The State of California has contracted with a private consulting engineering firm who completed Engineering Reports to focus specifically on the District’s selected preferred alternative calling for the installation of two wells/water sources, installation of a new water treatment system, and necessary infrastructure (including transmission and distribution system improvements) to potentially allow California Water Service to managerially consolidate the new San Lucas system with their King City Division; and

WHEREAS, the County, working on behalf of the District, is presently seeking funding from State, Federal, and private sources for this critical water project for the San Lucas community. This MOU will further authorize the County to assist the District to improve its community water supply when funding is secured, by overseeing preparation of necessary engineering and environmental studies and reports, acquiring right-of-way, applying for permits, and, with the concurrence of the District, designing and constructing the new municipal water supply Project; and

WHEREAS, grant funding provided will support County staff's effort on the Project to meet its oversight responsibilities; and

WHEREAS, the District has indicated its intent to agree, upon completion by County of any system improvements, and upon certification of completion and compliance with applicable operational and health requirements, to accept ownership of the constructed improvements, and to operate and maintain said improvements at its sole cost - and/or work with the State of California - State Water Resources Control Board and California Water Service to managerially consolidate the new San Lucas system with their King City Division; and

WHEREAS, the County is willing to assist the District with securing funding and also with Project implementation, having been engaged in efforts to secure necessary grant funding from both State and Federal sources for over 10 years; and

WHEREAS, the County has been actively working to secure recently authorized specific "Earmark" funds from both the United States Environmental Protection Agency (EPA) Community Grants Program and the State of California - State Water Resources Control Board, Division of Financial Assistance, Drinking Water State Revolving Fund (DWSRF) via formal grant applications since mid-2025; and

WHEREAS, the County has adopted necessary Resolutions authorizing the Director of Public Works, Facilities and Parks (PWFP), or the Director's designee, to act as agent for the County in processing all documentation to secure these funds.

NOW THEREFORE, it is hereby agreed by and between the County and the District as follows:

1. PURPOSE AND SCOPE

The purpose of this MOU is to clearly identify the roles and responsibilities of each party as they relate to the implementation of the Project.

2. RESPONSIBILITIES UNDER THIS MOU

A. County shall undertake the following activities on behalf of the District:

- Complete and submit applications for financial assistance to the U.S. Environmental Protection Agency (US-EPA), California State Water Board Division of Financial Assistance (State Water Board-DFA) and other sources that may become available; and
- When funds are secured, oversee the preparation of necessary engineering and environmental studies and reports, right-of-way acquisition, apply for permits, and, upon concurrence by District, design and construct a new municipal water supply Project, all at no cost to the District; and
- Upon completion of any system improvements, provide/obtain certification of completion and compliance with applicable operational and health requirements.

B. District shall undertake the following activities:

- Authorize the County to act on its behalf, *retroactively*, to calendar year 2025 when the County became aware of specific “Earmark” funds from both the US-EPA and State Water Board-DFA; and
- Provide any information necessary to facilitate design and implementation of the Project; and
- Upon completion of any system improvements, and with certification of completion and compliance with applicable operational and health requirements, accept ownership of the constructed improvements, and operate and maintain said improvements at its sole cost; and
- Work with the State of California - State Water Resources Control Board and California Water Service to managerially consolidate the new San Lucas system with their King City Division; and
- Assist with securing any permits, permissions, licenses or certifications applicable to the Project or related design and implementation activities; and
- Provide an open channel of communication to and with County staff.

3. TERM

This MOU is in effect upon signing and will be for a term of 10 years, retroactively commencing on July 1, 2025. This MOU may be terminated on terms mutually agreed upon by the parties, or upon 30 days’ advance notice, without cause, by either party.

4. INDEMNITY

To the extent permitted by law, each Party shall indemnify, defend, and hold harmless the other Party, its officers, agents, employees, and volunteers from and against any and all claims, demands, liabilities, damages, losses, costs, and expenses, including reasonable attorneys' fees and court costs, to the extent arising out of the negligent acts, errors, omissions, or willful misconduct of the indemnifying Party, its officers, employees, agents, volunteers, contractors, subcontractors, or others acting on its behalf in the performance of this MOU. In the event a claim arises from the concurrent negligence or misconduct of both Parties, each Party shall be responsible only for its proportionate share of liability based upon its respective degree of fault.

5. INSURANCE

Each Party agrees to maintain, at its own expense, insurance coverage sufficient to cover its liabilities under this MOU, including but not limited to the indemnity obligations set forth herein.

- General Liability Insurance: Comprehensive or commercial general liability insurance with limits of not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury, and property damage.
- Automobile Liability Insurance: Coverage for all owned, hired, and non-owned vehicles with a combined single limit of not less than \$1,000,000 per accident for bodily injury and property damage.
- Workers' Compensation and Employers' Liability Insurance: Coverage as required by law, including Employers’ Liability limits of not less than \$1,000,000 per accident.
- Professional Liability Insurance (if applicable): Coverage for errors and omissions with limits of not less than \$1,000,000 per claim and \$2,000,000 aggregate.
- Upon request, each Party shall provide the other Party with a certificate of insurance or evidence of coverage demonstrating compliance with these requirements.

6. NON-DISCRIMINATION\COMPLIANCE WITH APPLICABLE LAWS

During the term of this MOU, District and their employees, Agents, and/or subcontractors shall not unlawfully discriminate against any person on the basis of race, religious creed, color, sex, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age, or sexual orientation. District agrees to comply with all federal, state and local laws, regulations and ordinances of these authorities, including any health and safety orders or requirements issued by local or state authorities,

7. GOVERNING LAW

This MOU shall be governed by and interpreted under the laws of the State of California; venue shall be in the County of Monterey.

8. ASSIGNMENT

District shall not assign or transfer interest in this MOU to any other party/parties without the prior written consent of the County.

9. CONSENT TO USE OF ELECTRONIC SIGNATURES

The Parties to this Agreement consent to the use of electronic signatures via DocuSign to execute this Agreement. The parties understand and agree that the legality of electronic signatures is governed by state and federal law, 15 U.S.C Section 7001 et seq.; California Government Code Section 16.5; and, California Civil Code Section 1633.1 et. seq. Pursuant to said state and federal law as may be amended from time to time, the parties to this Agreement hereby authenticate and execute this Agreement, and any and all Exhibits to this Agreement, with their respective electronic signatures, including any and all scanned signatures in portable document format (PDF) which may be delivered by mail, E-Mail, or Facsimile.

10. AUTHORITY

Any individual executing this Agreement on behalf of the County or the District represents and warrants hereby that he or she has the requisite authority to enter into this Agreement on behalf of such party and bind the party to the terms and conditions of this Agreement.

11. COUNTERPARTS

This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Agreement.

In witness whereof, County and District have executed this MOU as of the last date opposite the respective signatures below, and effective retroactively to July 1, 2025.

NAME: _____
Randell Ishii, MS, PE, TE, PTOE, Director

Date: _____

Public Works, Facilities and Parks Department
County of Monterey, California

NAME: _____

Sheri Braden, President,
San Lucas County Water District

Date: _____