

Appendix 9
RWVG
Memorandum of Understanding

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FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF
SAN DIEGO, COUNTY OF SAN DIEGO AND SAN DIEGO COUNTY WATER
AUTHORITY FOR FISCAL YEARS 2005-2009 FOR THE INTEGRATED REGIONAL
WATER MANAGEMENT GRANT PROGRAM

RECITALS

WHEREAS, on June 13, 2005, the City of San Diego [CITY], the County of San Diego [COUNTY] and the San Diego County Water Authority [WATER AUTHORITY] (collectively, the "PARTIES") entered into a Memorandum of Understanding [MOU] for the purposes of forming a Regional Water Management Group (RWMG), developing an Integrated Regional Water Management (IRWM) Plan and applying for Chapter 8, Proposition 50 grant funding. Acting as the RWMG, the PARTIES applied for grant funding under the first cycle of Proposition 50, but were not awarded grant funding. The RWMG is now focusing on completing the IRWM Plan and preparing for additional funding cycles.

WHEREAS, the PARTIES are currently in the process of preparing an IRWM Plan, which is scheduled to be completed by January 2008 and will be presented to the PARTIES' governing bodies for approval. The MOU did not address or provide funding for implementation of the IRWM Plan if adopted. In order to efficiently implement the IRWM Plan, the PARTIES believe it would be desirable to create a separate institutional structure, which will include the active participation of the stakeholders whose projects have been incorporated into the IRWM Plan.

WHEREAS, Proposition 84, approved by the voters in November of 2006, will allocate an additional \$91 million dollars in grant funding for projects developed under IRWM Plans for the San Diego Hydrologic region.

WHEREAS, the MOU did not anticipate provide funding to prepare Proposition 50, Chapter 8, grant applications beyond the first cycle or potential grant applications under Proposition 84.

WHEREAS, it is estimated that it will cost approximately \$600,000 to apply for additional IRWM Plan grant funding, conduct public/stakeholder outreach activities, and establish an agreement between all stakeholders for the creation of an institutional structure that will carry out the implementation of the IRWM Plan.

WHEREAS, the PARTIES understand that only through a collaborative effort with the many stakeholders involved in water management planning can the IRWM Plan process be successful in the San Diego region.

WHEREAS, as part of the public outreach and stakeholder involvement effort, the PARTIES have formed a Regional Advisory Committee (RAC). The RAC is currently comprised of 25 representatives appointed by the PARTIES from the water management areas of water supply, water quality and natural resources/watersheds management, and representatives of businesses, academia, and other interested members of the public. The purpose of the RAC is to make recommendations to the PARTIES on key issues related to IRWM Plan preparation and Proposition 50 Chapter 8 grant application.

NOW THEREFORE, IN CONSIDERATION OF THE RECITALS AND MUTUAL OBLIGATIONS OF THE PARTIES HEREIN EXPRESSED, WATER AUTHORITY, CITY, AND COUNTY AGREE TO AMEND THE MOU AS FOLLOWS:

1. Upon execution of this First Amendment to the MOU, in lieu of the process set forth in Section 1, Integrated Regional Water Management Implementation Grant Application, the PARTIES agree to apply for IRWM Plan grant funding under Proposition 50, Chapter 8, as follows:
 - a. WATER AUTHORITY will have lead responsibility for developing and submitting the IRWM Plan implementation grant application(s) (APPLICATION) and will submit the APPLICATION to the State on behalf of the PARTIES.
 - b. WATER AUTHORITY will enter into an agreement for contractor services to develop the APPLICATION and associated tasks, and will manage the contractor agreement.
 - c. WATER AUTHORITY will provide funding for the contractor in order to expedite the APPLICATION process. The contractor expenses incurred will be equally shared and paid between the WATER AUTHORITY, CITY and COUNTY, subject to the funding procedures described in Section 4, Funding.
 - d. CITY and COUNTY will be active participants in the APPLICATION development process and shall provide timely input, review, and approvals.
 - e. The APPLICATION will be developed in accordance with the State's grant funding guidelines and schedule established pursuant to Proposition 50 and Proposition 84 standards.
 - f. The PARTIES will have the necessary reviews and approvals completed by their respective organizations prior to approval.
2. The PARTIES agree to administer any grant funding projects under the terms of Section 3 of the MOU.
3. In accordance with Section 4 of the MOU, Funding, the PARTIES agree to provide up to an additional \$600,000 in funding to be equally shared among the PARTIES (up to \$200,000 each) for the following purposes:
 - a. Prepare and submit APPLICATION;
 - b. Conduct public and stakeholder outreach activities to complete the IRWM Plan, gain support for the IRWM Plan, and obtain input on APPLICATION; including jointly planning and conducting an IRWM Plan public outreach program to interested governmental agencies, non-governmental organizations and members of the public, informational meetings held at various locations in San Diego County, preparation of public information materials, maintenance of a project website, and other generally accepted means.
 - c. Create a new institutional structure that will carry out the implementation of the IRWM Plan, if adopted.
4. The PARTIES are committed to a cooperative relationship with the RAC. The RAC's consensus recommendation will be incorporated into draft documents prepared for presentation to the PARTIES' governing bodies. The RAC shall be considered the project advisory committee. The PARTIES' governing bodies will give primary

consideration to the recommendations of the RAC as part of any decision related to the following:

- a. Adoption of the final IRWM Plan for the San Diego region;
- b. Criteria for prioritizing projects for funding under Proposition 50 or Proposition 84;
- c. Approval and submission of IRWM Plan grant APPLICATION ;
- d. Transition responsibility for implementation of the IRWM Plan to a new institutional structure.

5.If the IRWM Plan is adopted, the PARTIES agree to continue to work with the RAC to establish the new institutional structure and to transition responsibility for implementation of the IRWM Plan, and the administration of any grant funding obtained through APPLICATION submitted under this MOU to the new institutional structure, if approved by the PARTIES' governing bodies.

6. Section 2 of the MOU, Intergrated Regional Water Management Plan Development, is amended by changing the date for proposed adoption of the PLAN set forth in Subsection (g) to January 1, 2008.

7. Section 9 of the MOU, Notice, is amended by changing CITY's point of contact to
City of San Diego Water Department
600 B Street, Suite 600
San Diego, CA 92021
Attn: Jeffery Pasek

8. This First Amendment to the MOU may be signed in counterpart by the PARTIES.

County of San Diego

San Diego County Water Authority

By: _____
Winston F. McColl, Director
Department of Purchasing and Contracting

By: _____
Ken Weinberg, Director
Water Resources Director

Date: _____

Date: _____

City of San Diego

By: _____
J. M. Barrett
Water Department Director

I hereby approve the form and legality of the foregoing First Amendment this _____ day of _____, 20_____.

General Counsel, San Diego County Water Authority

By: _____

Deputy General Counsel

I hereby approve the form and legality of the foregoing First Amendment this _____ day of _____, 20_____.

JOHN SANSONE, COUNTY COUNSEL

By: _____

Senior Deputy County Counsel

I hereby approve the form and legality of the foregoing First Amendment this _____ day of _____, 20_____.

MICHAEL J. AGUIRRE, City Attorney

By: _____

Deputy City Attorney