

**MEMORANDUM OF AGREEMENT
BETWEEN THE SAN DIEGO COUNTY WATER AUTHORITY
AND THE UNITED STATES ARMY CORPS OF ENGINEERS,
LOS ANGELES DISTRICT**

THIS AGREEMENT is entered into as of this 17th day of Dec., 2009 by and between the San Diego County Water Authority, (hereinafter the "**Water Authority**") and the Department of the Army, represented by the United States Army Corps of Engineers, Los Angeles District (hereinafter the "**Corps**"), collectively referred to as the "**Parties**."

RECITALS

WHEREAS, section 214 of the federal Water Resources Development Act of 2000, Public Law 106-541 ("**WRDA 2000**") provides as follows:

(a) IN GENERAL. - In Fiscal Years 2001 through 2003, the Secretary [of the Army], after public notice, may accept and expend funds contributed by non-Federal public entities to expedite the evaluation of permits under the jurisdiction of the Department of the Army.

(b) EFFECT ON PERMITTING. - In carrying out this section, the Secretary shall ensure that the use of funds accepted under subsection (a) will not impact impartial decision-making with respect to permits, either substantively or procedurally.

WHEREAS, Public Law 108-137, was signed into law on December 1, 2003, extending the sunset clause for section 214 of WRDA 2000 to September 30, 2005; and

WHEREAS, Public Law 109-99, was signed into law on November 11, 2005, extending the sunset clause for section 214 of WRDA 2000 to March 31, 2006; and

WHEREAS, Public Law 109-209, was signed into law on March 24, 2006, extending the sunset clause for section 214 of WRDA 2000 to December 31, 2006; and

WHEREAS, Public Law 109-434, was signed into law on December 20, 2006, extending the sunset clause for section 214 of WRDA 2000 to December 31, 2008; and

WHEREAS, section 2002 of Public Law 110-114, was signed into law November 8, 2007, extending the sunset clause of Section 214 of the WRDA 2000 to December 31, 2009; and

WHEREAS, it is expected that this statutory authority will be extended again prior to its current sunset date of December 31, 2009; and

WHEREAS, the Secretary of the Army has delegated the responsibility of carrying out section 214 of WRDA 2000 to the Chief of Engineers and his delegated representatives; and

WHEREAS, the Chief of Engineers, by memorandum dated March 29, 2004, as modified October 1, 2008, has authorized District and Division Engineers of the Corps to accept and expend funds contributed by non-federal entities subject to certain limitations; and

WHEREAS, the Water Authority is a non-Federal entity and requires expedited and priority review of certain projects by the Corps; and

WHEREAS, the Corps issued an initial Public Notice dated May 10, 2006, regarding its intent to accept and expend funds contributed by the Water Authority; and

WHEREAS, the Corps' Los Angeles District Engineer has determined that, consistent with the terms and conditions of this Memorandum of Agreement ("MOA"), expenditure of funds received from the Water Authority is appropriate; and

WHEREAS, it is understood and acknowledged by all Parties that the Corps' review of permit applications for Water Authority-designated priority projects will be completely impartial and in accordance with all applicable Federal laws and regulations; and

WHEREAS, the Water Authority is willing to provide funds to the Corps for the purpose of receiving expedited permit evaluation-related services for Water Authority-designated priority projects, as more fully described in this MOA; and

WHEREAS, the Corps is willing to provide expedited permit evaluation-related services for Water Authority-designated priority projects upon receipt of funding from the Water Authority as more fully described in this MOA.

NOW, THEREFORE, the Water Authority and the Corps agree as follows:

Article I. - PURPOSE AND AUTHORITIES

Pursuant to section 214 of WRDA 2000, as extended, this MOA is entered into by the Parties for the purpose of establishing a mutual framework governing the respective responsibilities of the Parties for the acceptance and expenditure of funds contributed by the Water Authority to provide expedited permit evaluation-related services for Water Authority-designated priority projects under the jurisdiction of the Corps. This MOA is not intended as the exclusive means of obtaining Corps review of Water Authority projects. This MOA is a vehicle by which the Water Authority may obtain expedited permit evaluation-related services, outside of the ordinary Corps review process.

Article II. - SCOPE

A. The Water Authority will provide funds to the Corps to expedite permit

evaluation-related services for Water Authority-designated priority projects under the jurisdiction of the Corps for three (3) years. The Water Authority may elect to extend the services of the Corps' Regulatory staff beyond three (3) years, subject to approval of additional funding by the Water Authority and written amendment to this MOA. The Corps' regulatory program is funded as a congressionally appropriated line item in the annual Federal budget. Funds received from the Water Authority will be used to augment the Corps' regulatory budget in accordance with the provisions of WRDA 2000.

B. The Corps will provide staffing resources exclusively dedicated to expediting permit evaluation related services, as described in Article II.D., below, for Water Authority designated priority projects and/or other programmatic efforts to support efficient decision-making related to the Water Authority's Clean Water Act (CWA) section 404 permitting needs.

C. The Corps will establish a separate internal account to track receipt and expenditure of the funds associated with its review of permit applications submitted by the Water Authority. Corps regulatory personnel will charge their time and expenses against the account when they perform work to either expedite resolution of permit requests designated by the Water Authority as a priority or undertake other programmatic efforts to support efficient decision-making related to the Water Authority's CWA section 404 permitting needs. Corps regulatory personnel will focus on the work as prioritized by the Water Authority, and if no or few projects are designated by the Water Authority as a priority, Corps personnel will then work on other programmatic efforts. The project(s) designated as a priority by the Water Authority are listed in **Attachment A** to this MOA. The list may be changed by the Water Authority's Principal Representative without requiring an amendment to this MOA. Such changes shall be submitted to the Corps in writing and will be effective upon receipt thereof.

D. Funds contributed by the Water Authority hereunder will be expended by the Corps to defray the costs of regulatory staff (including salary, associated benefits, overhead, and local travel expenses) and other costs in order to expedite the evaluation of priority permit applications designated by the Water Authority. Such activities will include, but not be limited to, the following: application intake review, permit database entry, jurisdictional determinations, site visits, federal register and public notice preparation, preparation of correspondence, NEPA document review, conduct of the public interest review, preparation of draft permit decision documents, meetings with the Water Authority and other agencies, and any other permit evaluation-related responsibilities that may be mutually agreed upon. Funds will *not* be expended for review of Regulatory Project Manager's work by supervisors or other persons or elements of the Corps in the decision-making chain of command. Enforcement or compliance activities will not be paid for from the funds contributed by the Water Authority, nor will such funds be used for paying the costs of public hearings and distribution of public notices.

E. Funds may also be expended by the Corps to hire contractors to perform select duties, including but not limited to site visits; preparing and providing technical

materials, including environmental documentation; preparing regional general permits for use by the Water Authority and others; preparing Essential Fish Habitat assessments; and augmenting the resources available to the Corps for expediting priority projects and activities designated by the Water Authority. If such expenditures, when combined with the costs of the regulatory staff specified in Article II.D., require funding in excess of the amount available under this MOA, then said contractors shall not be hired by the Corps until and unless additional funds are provided by the Water Authority and a written amendment to this MOA is executed.

F. If the funds provided by the Water Authority are expended and not replenished, any remaining Water Authority priority permit applications will be handled like those of any other non-participant, in a manner decided by the assigned Regulatory Project Manager and his or her supervisor.

Article III. - INTERAGENCY COMMUNICATIONS

To provide for consistent and effective communication between the Corps and the Water Authority, each party will appoint a Principal Representative to serve as its central point of contact on matters relating to this MOA. Additional representatives may also be appointed to serve as points of contact on specific permit actions or issues. Each party will issue a letter to the other designating the Principal Representative for each party within fifteen (15) days of execution of this MOA. The Principal Representative for each party may be changed upon written notification to the other party.

Article IV. - RESPONSIBILITIES OF THE PARTIES

A. The Water Authority shall:

1. Provide adequate information regarding projects and other specific activities to initiate permit evaluation. Information required for the Corps to deem a permit application complete thereby allowing initiation of the permit review process can be found in Corps regulations at 33 C.F.R. §§ 325.1(d), 325.3(a), and in General Condition 27 of the Nationwide Permit Program as published in the Federal Register (72, Fed. Reg. 11194, dated March 12, 2007). Upon request, the Water Authority shall provide supplemental information necessary to complete the permit application. Additional information [33 CFR Part 325.1(e)] required to complete the permit evaluation process may exceed what is needed to initiate the process. On a case-by-case basis, if requested by the Corps, the Water Authority shall provide such additional information so as to ensure the Corps can effectively accomplish the required review.

2. Make a reasonable effort to provide the Corps with information on other projects with Water Authority involvement to enable the Corps to most efficiently apply available staff resources and plan for workload cycles.

3. In consultation with the Corps, schedule Corps involvement in the priority projects identified by the Water Authority. The list of initial priority project is shown on

Attachment A; the Water Authority will periodically identify additional priority projects in writing as necessary.

4. To the best of its ability, ensure the participation of all essential personnel, customers, and decision makers during the permit evaluation process.

5. Work closely with the Corps to adjust priorities and schedules in order to make optimal use of available staff resources. While the Water Authority will make every effort to not overlap Project schedules, occasional overlaps may occur and the Water Authority will work with the Corps to prioritize such overlaps.

6. Provide funding pursuant to the terms of this MOA.

B. The Corps shall:

1. Expedite review of the Water Authority's priority projects in accordance with the purpose, terms, and conditions of this MOA or any amendments thereto. The Corps shall not redirect resources from, or otherwise postpone, other projects submitted by the Water Authority through the standard Corps review process.

2. Upon submittal of new permit applications and following any meetings and discussions to clarify the scope of anticipated permit application review processes, Corps staff will provide the Water Authority with an estimated schedule to complete the permit evaluation process for each application submitted. The Water Authority shall be able to comment on these schedules and adjust priorities if workloads allow for such changes.

3. Consult with the Water Authority regarding an adjustment of priorities or establishment of relative priorities if the current and/or projected workload of priority projects and activities exceeds Corps' ability to provide the services specified in this MOA.

4. Consult with the Water Authority regarding the purpose, need, and estimated costs for hiring any contractor(s) to assist on Water Authority priority projects.

5. Provide the Water Authority a brief quarterly summary report of progress made under this MOA. Progress will be itemized for each permit application review completed during the quarter and for each permit application pending at the end of the quarter. For each priority project, this report will describe the type of action(s) undertaken (e.g. permit review, consultation, scoping meeting, etc.), total hours and hourly labor rate charged to the account specified in Article II.C, above, for each Corps staff classification, any amounts charged by contractors, achievements, including any improvements the Corps has documented in coordinating and improving the efficiency of environmental reviews, and will summarize expenditures to date. The report also will identify any recommendations for improving consultation and coordination among the Parties to this MOA and will provide an estimate of costs expected for the ensuing quarter. The report shall not be in excess of five (5) pages.

6. Designate a Regulatory Project Manager who will make his or her best efforts to attend periodic meetings with the Water Authority.

7. Expend funds pursuant to the terms of this MOA.

Article V. - IMPARTIAL DECISIONMAKING

It is understood and agreed that in order to ensure that the funds will not impact impartial decision-making with respect to permit evaluation-related services for Water Authority-designated priority projects under the jurisdiction of the Corps, the following procedures, mandated from Headquarters, U.S. Army Corps of Engineers, will apply to all cases using additional funds provided by the Water Authority as a participating non-Federal public entity:

1. In all cases where funds are used, all final permit decisions must be reviewed and signed by a supervisor at least one level above the decision-maker (person with signature authority), unless the decision maker is the District Commander.

2. All documents involved in the decision making process (e.g., decision document and permit instrument, if applicable) must be reviewed and signed by the one-level-above reviewer as defined above.

3. All jurisdictional determinations made on projects where funds are used must have documentation that a non-funded, Regulator reviewed and agreed with the determination (e.g. peer review). This review does not need to be a field review.

4. In all cases where funds are used, final permit decisions will be made available and updated monthly on the Corps' Regulatory web page in an area separate from any other final actions, clearly identifiable as being for projects funded through this program.

5. Any procedures or decisions that would otherwise be required for a specific type of project or permit under consideration cannot be eliminated; however, process improvements that are developed can be shared in order for all members of the regulated public to benefit.

6. The Corps must comply with all applicable laws and regulations.

7. Funds will not be expended for the review of the decision maker's decision. If contractors are used to develop decision documents, such decision documents must be drafts only and shall be reviewed and adopted by the Corps before the permit decision is made.

8. Funds will not be used for enforcement activities. Funding may be used for compliance activities including monitoring of mitigation sites.

Article VI. – FUNDING

A. The Water Authority will pay the Corps an initial amount not to exceed \$250,000 for purposes of funding designated and additional Regulatory Project Manager(s), including overhead, and associated support personnel; and any additional services that may be required to process Water Authority priority projects pursuant to Article II.E for the term of this MOA. Replenishment funding may occur repeatedly throughout the term of this MOA (“**Funding**”). Additional payments by the Water Authority to the Corps, in an amount and schedule mutually agreed to by the Parties, may be made when priority projects are added to Attachment A. Replenishment funding may occur repeatedly throughout the term of this MOA. The Water Authority may elect to extend the services of the Regulatory Project Manager(s) beyond three years, subject to additional funding by the Water Authority and written amendment to this MOA. Funding required under this MOA may be increased by the Corps annually to account for the Federal Government’s General Schedule increases and locality adjustments. Any carry-over funds from year to year would be credited to the following fiscal year’s payment, or refunded if this MOA is terminated or expires.

B. Expediting of permit actions by the Corps will be provided under this MOA only after funds have been transferred to the Corps.

C. Initial and additional funding will be payable in one lump sum thirty (30) days in advance of the Corps incurring any financial obligations under this MOA. Payment will be made to the Finance and Accounting Officer, U.S. Army Corps of Engineers, Los Angeles District.

D. The Corps will neither accept nor expend funds under this MOA after December 31, 2009, unless federal law extends the Corps’ authority, under section 214 of the WRDA 2000, to accept and expend funds contributed by non-Federal public entities to expedite the processing of permits.

Article VII. - APPLICABLE LAWS

The applicable statutes, regulations, policies, directives, and procedures of the United States will govern this MOA and all documents and actions pursuant to it. Unless otherwise required by law, all expediting of permit applications undertaken by the Corps will be governed by Corps regulations, policies and procedures.

Article VIII. - DISPUTE RESOLUTION

The Parties agree that, in the event of a dispute between the Parties, the Water Authority and the Corps shall use their best efforts to resolve the dispute in an informal fashion through consultation and communication, or other forms of non-binding alternative dispute resolution mutually acceptable to the Parties. The Parties agree that, in the event such measures fail to resolve the dispute, they shall refer the dispute for resolution to an appropriate forum in accordance with Federal law.

Article IX. - PUBLIC INFORMATION

Justification and explanation of Water Authority programs or projects before other agencies, departments and offices will not be the responsibility of the Corps. The Corps may provide, upon request from the Water Authority, any assistance necessary to support justification or explanations of activities conducted under this MOA. In general, the Corps is responsible only for public information regarding Corps regulatory activities.

Article X. - MISCELLANEOUS

A. Other Relationships or Obligations

This MOA will not affect any pre-existing or independent relationships or obligations between the Water Authority and the Corps.

B. Survival

Under the provisions of section 214 of WRDA 2000 as extended no funds may be expended pursuant to this MOA after December 31, 2009. However, if prior to this date, this statutory authority is extended, then provisions of this MOA shall remain in force consistent with the provisions of the statutory extension until the expiration date as provided in this MOA.

C. Severability

If any provision of this MOA is determined to be invalid or unenforceable, the remaining provisions will remain in force and unaffected to the fullest extent permitted by law and regulation.

Article XI. - AMENDMENT, MODIFICATION AND TERMINATION

A. This MOA may be modified or amended only by written, mutual agreement of the Parties.

B. Either party may terminate this MOA by providing written notice to the other party. Such termination shall be effective upon the sixtieth (60th) calendar day following notice, unless a later date is set forth. In the event of termination, the Water Authority will continue to be responsible for all costs incurred by the Corps in performing expedited environmental permit review services up to the time of notice.

C. This MOA shall remain in force until whichever of these events occurs first: 1) December 31, 2009, unless the sunset clause of WRDA 2000 is extended, in which case the MOA will remain in effect for the duration of the statutory extension but not to exceed an amount of time equal to three (3) years from the effective date of this MOA, or 2) the MOA is amended pursuant to this Article and Article II.A above, or 3) the MOA is

terminated pursuant to this Article.

D. Within ninety (90) days of termination, or the expiration of the MOA, the Corps shall conduct an accounting to determine the actual costs of the work. Within thirty (30) days of completion of this accounting, the Corps shall return to the Water Authority any funds advanced in excess of the actual costs. Funds may be provided to the Water Authority either by check or electronic funds transfer.

Article XII. - EFFECTIVE DATE

This MOA will become effective on the date of signature by the last Party.

Article XIII. - INTEGRATION

This MOA, including any documents incorporated by reference or attachments thereto, constitute the entire agreement between the Parties. All prior or contemporaneous agreements, understandings, representations and statements, oral or written, are merged herein and shall be of no further force or effect.

IN WITNESS WHEREOF, this MOA is executed as of the date stated in the introductory clause by the San Diego County Water Authority, acting by and through its Director of Water Resources, and by the U.S. Army Corps of Engineers, through its authorized officer.

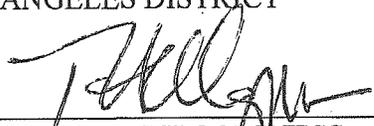
SAN DIEGO COUNTY WATER
AUTHORITY

Dated: 12/18/09

By 
Ken Weinberg
Director of Water Resources

U.S. ARMY CORPS OF ENGINEERS
LOS ANGELES DISTRICT

Dated: 12-17-09

By 
THOMAS H. MACNESS
Colonel, US Army
District Commander

Attachment A

The projects designated as a priority by the Water Authority are:

1. Tijuana River Valley Wetlands Mitigation Project
2. Regional Wetlands Mitigation Banking Program (UBEI)