

**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 11th day of Oct., 2006 between the San Diego County Water Authority, a county water authority duly organized pursuant to California law, with principal place of business located at 4677 Overland Avenue, San Diego, California, 92123, (hereinafter the "Water Authority") and the Department of the Army, represented by the United States Army Corps of Engineers, Los Angeles District with offices located at 911 Wilshire Boulevard, Los Angeles, California, 90017 (hereinafter the "Corps"). Collectively, the Water Authority and the Corps shall be 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 the WRDA 2000 to September 30, 2005; and

WHEREAS, Public Law 109-99, signed into law on November 11, 2005, extends through March 31, 2006, the authority of the Secretary of the Army to accept and expend funds contributed by non-Federal public entities to expedite the processing of permits; and

WHEREAS, Public Law 109-209, signed into law on March 24, 2006, extends through December 31, 2006, the authority of the Secretary of the Army to accept and expend funds contributed by non-Federal public entities to expedite the processing of permits; 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 authorized the Corps' District and Division Engineers to accept and expend funds contributed by non-federal entities subject to certain limitations including the publishing of public notices; and

WHEREAS, the Los Angeles District issued an initial Public Notice dated May 10, 2006, regarding its intent to accept and expend funds contributed by non-Federal public entities for such purposes; and

WHEREAS, the Los Angeles District Engineer has determined that expenditure of funds received from the Water Authority will be in compliance with section 214 of WRDA 2000, and a public notice dated August 21, 2006, regarding the District Engineers' decision has been issued; 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 a non-Federal public entity; 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 Memorandum of Agreement; 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 Memorandum of Agreement.

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

#### Article I. - PURPOSE AND AUTHORITIES

Pursuant to section 214 of WRDA 2000 (Public Law 106-541) and section 114 of the Energy and Water Appropriations bill (Public Law 108-137), this Memorandum of Agreement ("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 expedite the evaluation of permits under the jurisdiction of the Army. 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 review of Water Authority projects designated as priorities, outside of the ordinary Corps review process.

#### Article II. - SCOPE

A. The Water Authority will provide additional funds to the Corps to expedite the evaluation of various Water Authority priority permit applications under the jurisdiction of the Corps. The Corps' regulatory program is funded as a congressionally appropriated line item in the annual

Federal budget. Additional 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 the processing of permits, as described in Article IID, below, for Water Authority designated priority projects and activities.

C. The Corps will establish a separate internal account to track receipt and expenditure of the funds associated with its review of Water Authority permit applications. Corps regulatory employees will charge their time against the account when they do work to expedite resolution of permit requests designated by the Water Authority as a priority. Corps employees will not charge the account for work performed on projects not designated as a priority by the Water Authority. The projects 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 will be expended by the Corps to defray the costs of an exclusively dedicated and additional Corps Regulatory Project Manager(s) (including salary, associated benefits, overhead, and travel expenses) and other costs in order to expedite the evaluation of permit applications submitted by the Water Authority and designated as priority requests. Such activities will include, but not be limited to, the following: application intake review, permit database entry, drawing correction, jurisdictional determinations, site visits, public notice preparation, preparation of correspondence, 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, such as site visits, technical writing, copying, reviewing technical materials, preparing regional general permits for use by the Water Authority and others, Essential Fish Habitat assessments, and other technical documents, including draft environmental documents for the purpose of augmenting the resources available to the Corps' designated Regulatory Project Manager for expediting priority permit applications submitted by the Water Authority. No contractors will be hired by the Corps with these funds unless the Water Authority has had the opportunity to comment on the selection. If such expenditures, when combined with the costs of the Regulatory Project Manager(s) specified in Article IID, 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 permit applications will be handled like those of any other non-

participant, in a manner decided by the designated 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. Each party will issue a letter to the other designating the Principal Representative for each agency within fifteen (15) days of MOA execution. 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 13 of the Nationwide Permit Program as published in the Federal Register (Vol. 67, No. 10 Pg. 2090, dated January 15, 2002). 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 projects is shown on Attachment A; the Water Authority will periodically identify additional priority projects in writing as necessary. If the Water Authority fails to identify its priority projects and activities, the Corps shall establish its own priorities in accordance with the objectives of this MOA.

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.

6. Provide funding pursuant to the terms of this MOA

#### **B The Corps shall**

1. Expedite review of Water Authority permit requests in accordance with the purpose, terms, and conditions of this MOA or any amendments thereto. This includes, but is not limited to, participation in scoping, planning and other project development meetings; inter-agency review meetings; local and regional planning meetings; coordination and review required environmental documents, processing of permits under Corps jurisdiction to the point of decision, and performing other related priority tasks as requested by the Water Authority. The Corps shall not redirect resources from, or otherwise postpone, other Water Authority projects submitted 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 cost and schedule to complete the permit evaluation process for each application submitted.

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. Provide the Water Authority a 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 IIC, above, for each Corps staff classification, 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.

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

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

#### Article V. - IMPARTIAL DECISIONMAKING

It is understood and acknowledged by the Parties that the Corps' review of Water Authority-designated priority projects will be completely impartial and in accordance with all applicable Federal laws and regulations. It is further understood and agreed that in order to ensure that the funds will not impact impartial decision-making with respect to Water Authority permit applications, 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. All final permit decisions for cases where these funds are used must be reviewed by at least one level above the decision-maker, unless the decision-maker is the District

Engineer. For example, if the decision-maker would be the Chief, Regulatory Branch, then the reviewer would be the Chief, Construction-Operations Division.

2. All final permit decisions for cases where these funds are used will be made available on the Los Angeles District Regulatory web page.

3. The Corps will not eliminate any procedures or decision criteria that would otherwise be required for that type of project and permit application under consideration.

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

5. Funds will only be expended to expedite the final decision on the permit application according to the terms and conditions of this MOA. 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 be reviewed and adopted by the Corps regulatory program employees before the final permit decision is made.

#### Article VI. – FUNDING

A. The Water Authority will pay the Corps an initial amount not to exceed \$250,000 for purposes of funding a designated and additional Regulatory Project Manager(s), associated support personnel and any additional services that may be required pursuant to Article IIE for the term of this MOA. 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 of the MOA account may occur repeatedly throughout the term of the 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 funds will be payable in one lump sum 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, 2006 unless federal law extends the Corps' authority, under section 214 of 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 Corps will be governed by Corps regulations, policies and procedures.

#### Article VIII. - DISPUTE RESOLUTION

The Parties agree that, in the event of a dispute, 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

A. Advocacy 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. Though the Corps will not have approval authority over formal and official statements by the Water Authority regarding Corps activities funded under this MOA, the Water Authority will give the Corps at least three (3) days advance notice before releasing such statements.

B. Nothing in this MOA will preclude the Water Authority from complying with the California Public Records Act, Government Code §§ 6250, et. seq., as the Water Authority deems appropriate in its sole and absolute discretion.

#### 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 by section 114 of Public Law 108-137, section 1 of Public Law 109-99, and section 1 of 109-209, no funds may be expended pursuant to this MOA after December 31, 2006. 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. Either party may terminate this Agreement by providing written notice to the other party. Such termination shall be effective upon the thirtieth (30<sup>th</sup>) calendar day following notice, unless a later date is set forth. In the event of termination, the Corps shall cease work and provide to the Water Authority a final report on work completed to date and work that can be performed in the remaining 30 days including the funds required to perform the work. 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.

B. This MOA shall remain in force until whichever of these events occurs first: 1) December 31, 2006, 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 terminated pursuant to this Article.

C. Within sixty (60) days of termination, or the expiration of the MOA, the Corps shall conduct an accounting to determine the actual costs of the work completed by the Corps and to determine the amount of any unused funds. Within thirty (30) days of completion of this accounting, any funds in excess of actual costs shall be returned to the Water Authority either by check or by electronic funds transfer.

## Article XII. - EFFECTIVE DATE

This MOA will become effective after execution 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.

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IN WITNESS WHEREOF, the San Diego County Water Authority, acting by and through its Director of Water Resources and the U.S Army Corps of Engineers, acting by and through its authorized officer, the District Engineer, executes the MOA.

For the San Diego County Water Authority



FOR KEN WEINBERG  
Director of Water Resources

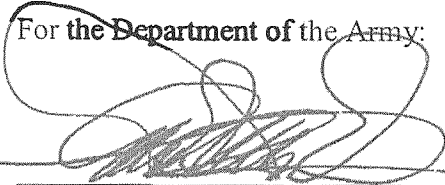
Date: 8/29/06

APPROVED AS TO FORM:  
DANIEL HENTSCHKE  
General Counsel



Date: 8/29/06

For the Department of the Army:



ALEX C. DORNSTAUDER  
Colonel, US Army  
District Engineer  
U.S. Army Corps of Engineers, Los Angeles

Date: 10/11/06

**ATTACHMENT A**

**List of projects designated as a priority by the Water Authority:**

Priority Order	Project Name	Priority Date
1.	Carryover Storage and San Vicente Dam Raise Project	MOA execution