

SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 3.7
(ID # 19120)

MEETING DATE:
Tuesday, August 30, 2022

FROM : EXECUTIVE OFFICE:

SUBJECT: EXECUTIVE OFFICE: Approve and Execute the Third Amendment to Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area, for a Period of Seven Months. Districts 1 and 3. [\$0] (CEQA Exempt) (Companion to MT# 18453)

RECOMMENDED MOTION: That the Board of Supervisors:

1. Find that the Third Amendment to Memorandum of Understanding ("Third Amendment to MOU") is exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3); and
2. Approve the Third Amendment to MOU between and among the County of Riverside, the Riverside County Flood Control and Water Conservation District, the Rancho California Water District, collectively referred to as the Riverside County Upper Santa Margarita Regional Water Management Group ("Riverside County RWMG"); the San Diego County Water Authority, the City of San Diego, and the County of San Diego, collectively referred to as the San Diego County RWMG; and the County of Orange, the Municipal Water District of Orange County, and the South Orange County Wastewater Authority, collectively referred to as the Orange County RWMG; and

Continued on page 2

ACTION: Policy

Aaron Gettis
Aaron Gettis, Deputy County Counsel

8/9/2022

Rania Odenbaugh
Rania Odenbaugh, Director of Constituent Services

8/23/2022

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Perez and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: August 30, 2022
xc: E.O., Flood (Companion Item 11.4)

Kecia R. Harper
Clerk of the Board
By: *[Signature]*
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

RECOMMENDED MOTION: That the Board of Supervisors:

3. Authorize the Chair of the Board of Supervisors to execute the Third Amendment to MOU documents on behalf of the County; and
4. Authorize the Executive Officer and designees to take necessary steps to implement the Third Amendment to MOU on behalf of the County, including (i) extension of term of the MOU to implement eligible projects, and (ii) the negotiation, approval and execution of subsequent reallocation of existing State funds within the San Diego Sub-Region Funding Area among Riverside County RWMG, San Diego County RWMG and Orange County RWMG, subject to approval as to form by County Counsel.

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	\$ 0
SOURCE OF FUNDS: N/A			Budget Adjustment: N/A	
			For Fiscal Year: N/A	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

In 2006, California voters approved Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act (Public Resources Code, §§ 75020-75029) ("Prop. 84"). Prop. 84 authorized the California Legislature to appropriate State bond funding to Integrated Regional Water Management (IRWM) projects. Prop. 84 charged the Department of Water Resources (DWR) with the task of allocating funds among nine (9) regional funding areas within the State.

Under Prop 84, the DWR allocated Ninety-One Million Dollars (\$91,000,000) to the San Diego Sub-Region Funding Area ("Funding Area"), which is comprised of three Regional Water Management Groups (RWMG): the San Diego County RWMG, the Orange County RWMG and the Riverside County Upper Santa Margarita RWMG ("Riverside County RWMG"). The Riverside County RWMG is comprised of the County, Riverside County Flood Control and Water Conservation District (District), and the Rancho California Water District.

On March 31, 2009 (Agenda Item 3.7), the Board of Supervisors approved a Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area ("MOU") between the County and the other RWMG participating agencies within the Funding Area.

The MOU established the Tri-County Funding Area Coordination Committee ("Tri-County FACC"), comprised of at least one representative from each of the three RWMGs in the Funding

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STATE OF CALIFORNIA**

Area, and established a formula for the internal division of Prop. 84 funds allocated to the Funding Area.

In November 2014, the voters approved Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act (Public Resources Code, Sections 79740-79744), which appropriated new funding for competitive grants for IWRM projects.

On January 6, 2015 (Agenda Item 3.6), the MOU was amended to extend the term from December 31, 2014 to December 31, 2020, and to also reallocate funds between the Riverside County and San Diego County RWMGs to address agreed upon cost-shares for a mutually beneficial joint Prop. 84 IRWM project that was being led by the San Diego County RWMG in the Santa Margarita Watershed.

On December 8, 2015 (Agenda Item 3.7), the MOU was amended to extend the term to December 31, 2025, and to include a formula for the fixed distribution of Fifty-Two Million Five Hundred Thousand Dollars (\$52,500,000) in San Diego Sub-Region Proposition 1 grant funds between the three County IRWM Regional Management Groups using the existing cost-sharing formula agreed upon for Prop. 84.

The Budget Act of 2021 (Stats. 2021, Ch. 240, § 80) authorized the State Legislature to appropriate funding for interim and immediate drought relief to urban communities by implementation of projects with multiple benefits through the Urban and Multibenefit Drought Relief Program. The San Diego Sub-Region has been allocated Five Million Dollars (\$5,000,000) through the 2021 Urban and Multibenefit Drought Grant. The purpose of this proposed Third Amendment to the MOU is to:

1. Extend the term of the existing MOU among the three RWMGs for an additional seven months (from December 31, 2025 to July 31, 2026); and
2. Allocate existing Proposition 1 funds among the three RWMGs based on the formula derived from a combination of land area and population as of 2013; and
3. Incorporate 2021 Urban and Multibenefit Drought Grant funds for allocation among the three RWMGs based on the same formula used for allocation of Proposition 1 funds.

This Third Amendment to the MOU was reviewed and determined to be categorically exempt from the California Environmental Quality Act (CEQA) under State CEQA Guidelines § 15061(b)(3), the "Common Sense" exemption. The amendment extends the term of an existing funding agreement and allocates additional grant funds among the parties to the MOU. There is no possibility that such amendments may have a significant effect on the environment.

County Counsel has approved this Third Amendment to MOU as to legal form.

A companion item appears on the District's Board agenda on this same date.

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Impact on Residents and Businesses

This Amendment addresses the division of existing State funds and will entail no new fees, taxes or bonded indebtedness to residents or businesses.

Additional Fiscal Information

The County is not obligated to make any financial contributions to the TRI-County FACC at this time.

ATTACHMENTS:

- Third Amendment to MOU for IRWM Planning and Funding in the San Diego Sub-Region Funding Area
- Vicinity Map


Scott Bruckner 8/9/2022

**Third Amendment to Memorandum of Understanding
for Integrated Regional Water Management Planning and Funding
in the San Diego Sub-Region Funding Area**

The Memorandum of Understanding (MOU) for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area between the San Diego County Regional Water Management Group (SDRWGMG Planning Region Agencies), Orange County Regional Water Management Group (OCRWMG Planning Region Agencies), and Riverside County Upper Santa Margarita Regional Water Management Group (RCRWMG Planning Region Agencies), which was executed by the parties on April 28, 2009 and amended by the parties on January 29, 2015 and May 23 2016, is hereby further amended as follows:

1. The term of the MOU is extended for seven months and the termination date is changed from December 31, 2025 to July 31, 2026. Section 9 of the MOU is amended to reflect this change.

2. Add new Recital B as follows:

Budget Act of 2021 (Stats. 2021, ch. 240, § 80), authorizes Legislature to appropriate funding for interim and immediate drought relief to urban communities by implementation of projects with multiple benefits through the Urban and Multibenefit Drought Relief Program. Funding is administered by the Department of Water Resources (DWR).

3. The existing Recitals B through I are renamed Recitals C through J.

4. The renamed Recital F is amended to add the following paragraph:

The San Diego Funding Area has been allocated \$5 million through the 2021 Urban and Multibenefit Drought Grant.

5. Attachment C, Allocation of Proposition 1 Funds, is amended as reflected in the Third Amendment Attachment C (Amended) Allocation of Proposition 1 Funds, to reflect incorporation of the 2021 Urban and Multibenefit Drought Grant allocations.

6. Attachment D, Allocation of Underrepresented Community and Tribal Set-Aside of DWR's Urban and Multi Benefit Drought Grant Funds, attached, is added to the MOU and its provisions incorporated by reference into the MOU as if fully set forth therein.

7. Section 12 is amended as follows:

Any notices sent or required to be sent to any party shall be mailed to the following addresses:

San Diego Agencies

Lesley Dobalian, Principal Water Resources Specialist

WHEN DOCUMENT IS FULLY EXECUTED RETURN
CLERK'S COPY
to Riverside County Clerk of the Board, Stop 1010
Post Office Box 1147, Riverside, Ca 92502-1147
Thank you.

AUG 30 2022 11.4 & 3.7

San Diego County Water Authority
4677 Overland Ave., San Diego CA 92129

Keli Balo, Program Manager, Public Utilities Department
City of San Diego
525 B Street, 3rd Floor, San Diego CA 92101

Rich Whipple, Deputy Director
Department of Public Works
5510 Overland Avenue, Suite 210 (MS O350) San Diego, CA 92123-1239

Orange County Agencies

Amanda Carr, Deputy Director, OC Environmental Resources
Orange County Public Works
601 N Ross St, Santa Ana, CA 92701

Charles Busslinger, Director of Engineering, District Engineer
Municipal Water District of Orange County
18700 Ward Street, Fountain Valley, CA 92708

Betty Burnett, General Manager
South Orange County Wastewater Authority
34156 Del Obispo Street, Dana Point, CA 92629

Riverside County Agencies

Justin Haessly, Water Use Efficiency & Grants Manager
Rancho California Water District
42135 Winchester Road, Temecula, CA 92590

Scott Bruckner, Principal Management Analyst
County of Riverside
4080 Lemon Street 4th floor, Riverside, CA 92501

Jason Uhley, General Manager-Chief Engineer
Riverside County Flood Control and Water Conservation District
1995 Market St. Riverside, CA 92501

8. All other terms, covenants, and conditions in the original MOU as amended shall remain in full force and effect and shall be applicable to this Third Amendment.

The individuals executing this Third Amendment to the MOU represent and warrant they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this Third Amendment to the Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area on the last date shown on the attached counterpart signature page.

San Diego County agencies

Kelley Gage, Director of Water Resources
San Diego County Water Authority
4677 Overland Ave., San Diego CA 92123

Jeff Moneda, Director
Department of Public Works
County of San Diego
5510 Overland Ave, Suite 410 (MS O332), San Diego, CA 92123

Alia Khouri
Deputy Chief Operating Officer
City of San Diego
Office of the Chief Operating Officer
202 C Street, San Diego CA 92101

Orange County agencies

Amanda Carr, Deputy Director, OC Environmental Resources
Orange County Public Works
N Ross St, Santa Ana, CA 92701

Megan Yoo Schneider, President (Maribeth Goldsby, Secretary)
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Matt Collings, Chairman
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

Riverside County agencies

Robert Grantham, General Manager
Rancho California Water District
42135 Winchester Road, Temecula, CA 92590

Jeff Hewitt, Chairman
Supervisor Fifth District
Riverside County Board of Supervisors
4080 Lemon St
Riverside, CA 92501

Karen Spiegel, Chair
Supervisor, Second District
Riverside County Flood Control & Water Conservation District
1995 Market St
Riverside, CA 92501

SAN DIEGO COUNTY WATER AUTHORITY

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement of the date shown heron.

Date: _____ By: _____
KELLEY GAGE
Director of Water Resources

APPROVED AS TO FORM
San Diego County Water Authority

Date: _____ By: _____
General Counsel
San Diego County Water Authority

COUNTY OF SAN DIEGO

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement of the date shown heron.

Date: _____ By: _____
Jeff Moneda, Director
Department of Public Works

APPROVED AS TO FORM
County Counsel
San Diego County, California

Date: _____ By: _____
Thomas Deak
Senior Deputy County Counsel

Jeff Moneda, Director
Department of Public Works
County of San Diego
5510 Overland Avenue, Suite 410, Mailstop O332
San Diego, CA 92123

CITY OF SAN DIEGO

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement of the date shown heron.

CITY OF SAN DIEGO

Date: _____ By: _____
ALIA KHOURI
Deputy Chief Operating Officer

I HEARBY APPROVE the form of the foregoing Memorandum of Understanding.

City of San Diego
MARA W. ELLIOT
City Attorney

Date: _____ By: _____
Deputy City Attorney
City of San Diego

ORANGE COUNTY

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement by a duly authorized representative as of the date shown hereon.

Date: _____

By: _____

Amanda Carr

Deputy Director, OC Environmental Resources

APPROVED AS TO FORM:

COUNTY COUNSEL

Date: _____

By: _____

Julia Woo

Senior Deputy County Counsel

MUNICIPAL WATER DISTRICT OF ORANGE COUNTY

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement of the date shown hereon.

Date: _____ By: _____

Megan Yoo Schneider, President

Municipal Water District of Orange County

APPROVED AS TO FORM

Date: _____ By: _____

Joseph Byrne, Best, Best & Krieger

Legal Counsel for Municipal Water District of Orange County

SOUTH ORANGE COUNTY WASTEWATER AUTHORITY

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement of the date shown heron.

Date: _____ By: _____

Matt Collings
Chairman, Board of Directors

Date: _____ By: _____

Secretary

APPROVED AS TO FORM


Date: _____ By: _____

General Counsel

COUNTY OF RIVERSIDE

IN WITNESS WHEREOF, the parties hereto have executed this Third Amendment to Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area, on the dates set forth below.

COUNTY OF RIVERSIDE

By  Dated AUG 30 2022
JEFF HEWITT, Chairman
Board of Supervisors

ATTEST:
KECIA HARPER
Clerk of the Board

By  Dated AUG 30 2022
Deputy

(Seal)

APPROVED AS TO FORM:
COUNTY COUNSEL

By  Dated August 9, 2022
Caroline Monroy
Deputy County Counsel

RANCHO CALIFORNIA WATER DISTRICT

A California Water District

IN WITNESS WHEREOF, the parties hereto have executed this third amendment to this MOU Agreement of the date shown heron.

By: 

Robert Grantham
General Manager

Date: 6/20/22

ATTEST:

By: 

Kelli Garcia
District Secretary

Date: 06/20/22

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By Karen S. Spiegel
Karen Spiegel, Chair
Riverside County Flood Control and Water
Conservation District Board of Supervisors

Dated AUG 30 2022

RECOMMENDED FOR APPROVAL:

By Edwin Quinones
Jason Uhley
General Manager-Chief Engineer

Dated 7/26/2022

ATTEST:

KECIA HARPER
Clerk of the Board

By Yvonne Kasso
Deputy

Dated AUG 30 2022

(Seal)

APPROVED AS TO FORM:
COUNTY COUNSEL

By Steph Nelson
Stephanie Nelson
Deputy County Counsel

Dated 8/9/22

Third Amendment
Attachment C (Amended)
Allocation of Proposition 1 Funds

Each of the three planning regions in the San Diego Funding Area has IRWM projects and program needs that far exceed the funding allocated to the funding area. Significant local match funding for selected projects is available in each planning region. Funding for planning and timing of implementation may vary among the planning regions. Because of these factors and because not all of the Proposition 1 funding may be made available at the same time, the Tri-County FACC members will cooperate and coordinate on individual funding cycle applications to ensure that the sum of the total grant requests does not exceed the amount identified for the funding area in any given cycle. Total allocations to the parties will be divided according to the schedule below. The allocations are based on a formula that is similar to that used to allocate funding in the Proposition 1 bond language. (Note: Proposition 1 allocates \$52.5 million to the San Diego Funding Area. DWR has indicated it will spend approximately 10 percent of the funds for program delivery costs. Therefore, the allocations to the three planning regions are indicated in percentages of the total funds that will be available over the life of the program.)

In January 2022, additional State grant funding was made available to the San Diego Funding Area from the Urban and Multibenefit Drought Grant (see Attachment D to this MOU). While separate from Proposition 1 funds, this additional grant was awarded through the IRWM Programs on a Funding Area basis. As such, the total funding allocation addressed in this MOU was revised for the Tri-County FACC IRWM planning regions. The total percent allocation for each Tri-County FACC remains unchanged for the combined Drought Grant and Proposition 1 funding awards and is shown in Table C-2.

The Proposition 1 Round 2 funding cycle is expected to be the final grant cycle under Proposition 1. In the event that one or more of the IRWM Regions is unable to utilize the amount of Proposition 1 funding available to them in Round 2 under this MOU, all Parties may approve a change to the funding split. Such a change must be approved of by all Parties and documented in writing or via email and would not require an additional amendment to this MOU , notwithstanding Section 15F.

Table C-2. Proposition 1 Allocation

Planning Region	Population	Area (Acres)	Original Allocations (in % of \$52.5M total) for Proposition 1 Funds			Allocations (in % of \$5M total) for Drought Funds	Revised Proposition 1 Allocations (in % of \$52.5M total) to Swap for Drought Funds	TOTAL Proposition 1 and Drought Allocations (in % of \$57.5M total) for Combined Funds
			\$14.5 M on Land	\$38 M on Population	Total			
Riverside Upper Santa Margarita	292,227	405,233	16.38%	6.84%	9.46%	0%	10.46%	9.46%
South Orange County	613,800	168,192	6.80%	14.37%	12.29%	13.59%	12.15%	12.29%
San Diego County	3,364,191	1,901,203	76.83%	78.78%	78.25%	86.41%	77.39%	78.25%
Total	4,270,218	2,474,628	100%	100%	100%	100%	100%	100%

Note: This amended Attachment supersedes Attachment C in Amendment 2.

**Third Amendment
Attachment D**

Allocation of Underrepresented Community and Tribal Set-Aside of DWR's Urban and Multi Benefit Drought Grant Funds

The Budget Act of 2021 (Stats. 2021, ch. 240, § 80) allocated \$300 million to DWR to deliver grants for interim and immediate drought relief to urban communities and multibenefit projects through the Urban and Multi Benefit Drought Grant Fund (Urban and Multibenefit Drought Grant). These grants are intended to provide water to communities that face the loss or contamination of their water supplies, address immediate impacts on human health and safety, and protect fish and wildlife resources.

The San Diego Funding Area was able to receive up to \$5 million for Underrepresented Community (URC) and Tribal drought relief projects through a set-aside included in the Urban and Multibenefit Drought Grant program. The Upper Santa Margarita IRWM planning region determined that there were no eligible drought relief projects to fund in the Region during the Drought Grant timeframe. The San Diego Funding Area agencies exchanged the Upper Santa Margarita IRWM Planning Region's Drought Grant funds for Proposition 1 Implementation Grant funds and reallocated the Drought Grant monies between the San Diego and South Orange County planning regions. The remaining Proposition 1 Implementation Grant funding, available under the Proposition 1 Round 2 grant cycle, for these two planning regions was subsequently reduced and allocated to the Upper Santa Margarita IRWM Region. The total allocation for the San Diego Funding Area remains unchanged for the Drought Grant and Proposition 1 combined.

Table D-1. Drought Grant and Proposition 1 Allocation

Planning Region	Funding Allocation, Drought Grant and Proposition 1			
	Drought Grant: URC/Tribal Set-Aside, using original Proposition 1 Funding Allocation	Drought Grant Funds Included in Application	Revised Proposition 1 % Allocation (See Attachment C)	Total % Allocation (Drought Grant and Proposition 1)
Riverside Upper Santa Margarita	\$469,264	\$0	10.46%	9.46%
South Orange County	\$617,668	\$679,368	12.15%	12.29%
San Diego County	\$3,913,068	\$4,320,632	77.39%	78.25%
Total	\$5,000,000	\$5,000,000	100%	100%

**Second Amendment to Memorandum of Understanding
for Integrated Regional Water Management Planning and Funding
in the San Diego Sub-Region Funding Area**

The Memorandum of Understanding (MOU) for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area between the San Diego County Regional Water Management Group (SDRWGMG Planning Region Agencies), Orange County Regional Management Group (OCRWMG Planning Region Agencies), and Riverside County Upper Santa Margarita Regional Water Management Group (RCRWMG Planning Region Agencies), which was executed by the parties on April 28, 2009 and amended by the parties on January 29, 2015, is hereby amended as follows:

1. The term of the MOU is extended for five years and the termination date is changed from December 31, 2020 to December 31, 2025. Section 9 of the MOU is amended to reflect this change.

2. Add new Recital B as follows:

Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Public Resources Code, sections 79740-79744), authorizes the Legislature to appropriate funding for competitive grants for Integrated Regional Water Management (IRWM) projects. Funding is administered by the Department of Water Resources (DWR).

3. The existing Recital B is renamed Recital C and is amended as follows:

The intent of the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act of 2006 and the Water Quality, Supply, and Infrastructure Improvement Act of 2014 is to encourage integrated regional strategies for management of water resources and to provide funding through competitive grants, for projects that protect communities from drought, protect and improve water quality, promote environmental stewardship, and improve local water security by reducing dependence on imported water.

4. The existing Recitals C-H are renamed Recitals D-I.

5. The renamed Recital E is amended to add the following paragraphs::

The San Diego Sub-Region has been allocated \$91 million through Proposition 84. For the purposes of this agreement, the formula for allocating Proposition 84 funds among the Parties will be based on a combination of land area and population as of 2007. The division of funding shall be consistent with Attachment B.

The San Diego Sub-Region has been allocated \$52.5 million through Proposition 1.

6. For the purposes of this agreement, the formula for allocating Proposition 1 funds among the Parties will be based on a combination of land area and population as of 2013. The division of

funding shall be consistent with Attachment C.

7. Section 12 is amended as follows:

Any notices sent or required to be sent to any party shall be mailed to the following addresses:

San Diego Agencies

Mark Stadler, Principal Water Resources Specialist
San Diego County Water Authority
4677 Overland Ave., San Diego CA 92129

Lan Wibord, Deputy Director of Long Range Planning & Water Resources
City of San Diego
525 B Street, 3rd Floor, San Diego CA 92101

Ramin Abidi, Deputy Director
Land Development Division, Department of Public Works
5510 Overland Avenue, Suite 210 (MS O350) San Diego, CA 92123-1239

Orange County Agencies

Mary Anne Skorpanich, Director, OC Watersheds
Orange County Public Works
333 W. Santa Ana Blvd., 5th Floor, Santa Ana, CA 92701

Karl Seckel, Assistant General Manager
Municipal Water District of Orange County
18700 Ward Street, Fountain Valley, CA 92708

Tom Rosales, General Manager
South Orange County Wastewater Authority
34156 Del Obispo Street, Dana Point, CA 92629

Riverside County Agencies

Perry Louck, Director of Planning
Rancho California Water District
42135 Winchester Road, Temecula, CA 92590

Mike Shetler, Senior Management Analyst
County of Riverside
4080 Lemon Street 4th floor, Riverside, CA 92501

Warren D. Williams

Riverside County Flood Control and Water Conservation District
1995 Market St. Riverside, CA 92501

8. Attachment C, Allocation of Proposition 1 Funds, is added.
9. All other terms, covenants, and conditions in the original MOU as amended shall remain in full force and effect and shall be applicable to this first amendment.

The individuals executing this second amendment to the MOU represent and warrant they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this Second Amendment to the Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area on the last date shown on the attached counterpart signature page.

San Diego County agencies

Robert Yamada, Director
Department of Water Resources
San Diego County Water Authority
4677 Overland Ave., San Diego CA 92123

Richard Crompton, Director
Department of Public Works
County of San Diego
5510 Overland Ave, Suite 410 (MS O332), San Diego, CA 92123

Stacey LoMedico
Assistant Chief Operating Officer
City of San Diego
Office of the Chief Operating Officer
202 C Street, San Diego CA 92101

Orange County agencies

Chairman Pat Bates
County of Orange Board of Supervisors
Orange County Flood Control District
333 W. Santa Ana Blvd., 5th Floor
Santa Ana, CA 92701

Wayne Clark, President (Maribeth Goldsby, Secretary)
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Matt Disston, Chairman
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

Riverside County agencies

Matt Stone, General Manager
Rancho California Water District
42135 Winchester Road, Temecula, CA 92590

Jeff Stone, Chairman
Supervisor Third District
Riverside County Board of Supervisors
4080 Lemon St
Riverside, CA 92501

Marion Ashley, Chairman
Supervisor, Fifth District
Riverside County Flood Control & Water Conservation District
1995 Market St
Riverside, CA 92501

**Second Amendment
Attachment C
Allocation of Proposition 1 Funds**

Each of the three planning regions has IRWM project and program needs that far exceed the funding allocated to the funding area. Significant local match funding for selected projects is available in each planning region. Funding for planning and timing of implementation may vary among the planning regions. Because of these factors and because not all of the Proposition 1 funding may be made available at the same time, the Tri-County FACC members will cooperate and coordinate on individual funding cycle applications to ensure that the sum of the total grant requests does not exceed the amount identified for the funding region in any given cycle. Total allocations to the parties will be divided according to the schedule below. The allocations are based on a formula that is similar to that used to allocate funding in the Proposition 1 bond language. (Note: Proposition 1 allocates \$52.5 million to the San Diego Sub-Region (or Funding Area). DWR has indicated it will spend approximately 5 percent of the funds for program delivery costs. Therefore, the allocations to the three planning regions are indicated in percentages of the total funds that will be available over the life of the program.)

Table C-1: Proposition 1 Allocation

Planning Region	Population	Area (Acres)	Allocations (in % of \$ totals)		
			\$14.5 M on Land	\$38 M on Population	Total
Riverside Upper Santa Margarita	292,227	405,233	16.38%	6.84%	9.46%
South Orange County	613,800	168,192	6.8%	14.37%	12.29%
San Diego County	3,364,191	1,901,203	76.83%	78.78%	78.25%
Total	4,270,218	2,474,628	100%	100%	100%

FIRST AMENDMENT TO
MEMORANDUM OF UNDERSTANDING
FOR INTEGRATED REGIONAL WATER MANAGEMENT PLANNING
AND FUNDING IN THE SAN DIEGO SUB-REGION FUNDING AREA

The Memorandum of Understanding (MOU) for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area between the San Diego County Regional Water Management Group (SDRWGMG Planning Region Agencies), Orange County Regional Management Group (OCRWMG Planning Region Agencies), and Riverside County Upper Santa Margarita Regional Water Management Group (RCRWMG Planning Region Agencies), which was executed by the parties on April 28, 2009, is hereby amended as follows:

1. Pursuant to Section 9 (Term of Agreement) in the original MOU, which allows for contract extensions by mutual agreement of the Parties, the term of the contract is extended for six years and the termination date is changed from December 31, 2014, to December 31, 2020. Section 9 of the MOU is amended to reflect this change.
2. To better facilitate grant funding for identified mutual goals and projects, the allocation of Proposition 84 Funds shown in Attachment B of the MOU for Riverside Upper Santa Margarita (RCRWMG Planning Region Agencies) is decreased by \$181,875, and this amount shall be reallocated to San Diego County (SDRWGMG Planning Region Agencies) as RCRWMG Planning Region Agencies share of the two regions' jointly funded project, Implementing Nutrient Management in the Santa Margarita River Watershed, Phase 2, under the Department of Water Resources' Proposition 84, Round 2 grant program.
3. All other terms, covenants, and conditions in the original MOU as amended shall remain in full force and effect and shall be applicable to this first amendment.

The individuals executing this first amendment to the MOU represent and warrant they have the legal capacity and authority to do so on behalf of their respective legal entities.

IN WITNESS WHEREOF, the parties have executed this First Amendment to the Memorandum of Understanding for Integrated Regional Water Management Planning and Funding in the San Diego Sub-Region Funding Area on the dates shown on the attached counterpart signature page:

**MEMORANDUM OF UNDERSTANDING
FOR INTEGRATED REGIONAL WATER MANAGEMENT PLANNING AND FUNDING IN
THE SAN DIEGO SUB-REGION FUNDING AREA**

PARTIES:

This Memorandum of Understanding (MOU) is entered into this ____ day of _____ 2009 (Effective Date) among the Parties listed below:

1. San Diego County Regional Water Management Group (RWMG), hereinafter SDRWMG Planning Region Agencies, includes the following members: CITY OF SAN DIEGO, hereinafter SD CITY; COUNTY OF SAN DIEGO, hereinafter SD COUNTY; and SAN DIEGO COUNTY WATER AUTHORITY, hereinafter SDCWA.

2. Orange County RWMG, hereinafter OCRWMG Planning Region Agencies, includes the following members: COUNTY OF ORANGE, hereinafter ORANGE COUNTY; MUNICIPAL WATER DISTRICT OF ORANGE COUNTY, hereinafter MWDOC; and SOUTH ORANGE COUNTY WASTERWATER AUTHORITY, hereinafter SOCWA.

3. Riverside County Upper Santa Margarita RWMG, hereinafter RCRWMG Planning Region Agencies, includes the following members: RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter RCFCWCD; COUNTY OF RIVERSIDE, hereinafter RIVERSIDE COUNTY; and RANCHO CALIFORNIA WATER DISTRICT, hereinafter RCWD.

Agencies acting collectively under this agreement are the TRI-COUNTY FUNDING AREA COORDINATING COMMITTEE, hereinafter called the TRI-COUNTY FACC. The agencies also are sometimes referred to in this MOU collectively as "Parties" and individually as "Party."

RECITALS:

- A. Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act (Public Resources Code, sections 75020-75029), authorizes the Legislature to appropriate funding for competitive grants for Integrated Regional Water Management (IRWM) projects. Funding is administered by the Department of Water Resources (DWR).
- B. The intent of the Act is to encourage integrated regional strategies for management of water resources and to provide funding through competitive grants, for projects that protect communities from drought, protect and improve water quality, promote environmental stewardship, and improve local water security by reducing dependence on imported water.
- C. The San Diego Sub-Region, also known as the San Diego Funding Area, comprises the three Parties – the SDRWMG, OCRWMG and RCRWMG. The boundaries of the SDRWMG, OCRWMG and RCRWMG are shown in Attachment A, and coordinated through this MOU.
- D.
 1. The San Diego Sub-Region has been allocated \$91 million through Proposition 84.
 2. For the purposes of this agreement, the formula for allocating funds among the Parties will be

based on a combination of land area and population as of 2007. The division of funding shall be consistent with Attachment B.

- E. DWR may establish standards to guide the selection of IRWM projects within the funding areas identified in the measure and shall defer to approved local project selection, reviewing projects only to ensure they are consistent with Public Resources Code section 75028 (a).
- F. Each Party has prepared an accepted IRWM plan and desires close coordination to enhance the quality of planning, identify opportunities for supporting common goals and projects, and improve the quality and reliability of water in the Funding Area. The Parties will coordinate and work together with their advisory groups to identify projects of value across planning regions, identify funding for highly ranked projects, and support implementation.
- G. The San Diego Funding Area will balance the necessary autonomy of each planning region to plan for itself at the appropriate scale with the need to coordinate among themselves to improve inter-regional cooperation and efficiency. By consensus, the Parties have developed an agreement to improve the IRWM planning process in the Funding Area to coordinate planning across planning region lines and facilitate the appropriation of funding for IRWM projects by DWR.
- H. The Parties will coordinate on grant funding requests to ensure that the sum of the total grant requests does not exceed the amount identified for the funding region.

The RECITALS are incorporated herein and the PARTIES hereby mutually agree as follows:

1. Definitions

The following terms and abbreviations, unless otherwise expressly defined in their context, shall mean:

- A. **Funding Area** – The 11 regions and sub-regions referenced in Public Resources Code section 75027(a) and allocated a specific amount of funding to support IRWM activities. The San Diego Funding Area incorporates lands in the San Diego Regional Water Quality Control Board jurisdiction as of 2004, including portions of San Diego, Orange and Riverside counties.
- B. **RWMG** –An RWMG is comprised of at least three agencies, two of which must have statutory authority over water management. An RWMG is the documented leader of IRWM planning and implementation efforts in a planning region.
- C. **Planning Region** – Planning regions integrate stakeholders, agencies and projects in their regions and coordinate with other planning regions and DWR. The boundaries of the three planning regions in the San Diego Funding Area shown in attachment A.
- D. **Tri-County Funding Area Coordinating Committee (Tri-County FACC)** –Will comprise at least one representative from each recognized RWMG in the Funding Area. The Tri-County FACC will meet periodically to discuss issues pertaining to the Funding Area and make recommendations to the RWMGs.
- E. **Watershed Overlay Areas** – Identified areas within a watershed that cross planning region boundaries. Watershed Overlay Areas will be subject to special coordination and collaboration between the appropriate planning regions to ensure maximum watershed benefits in the IRWM plans of the Funding Area. The Santa Margarita and the San Mateo Watershed Overlays are shown in Attachment A.
- F. **Watershed Overlay Subcommittee** – The overlay subcommittee will be formed to identify projects that pertain to the watershed overlay areas and recommend them to the Tri-County FACC. The Subcommittee will comprise a representative of each Party in the watershed overlay area as well as other stakeholders agreed upon by the parties. The overlay subcommittee will meet at least twice during the update planning process to coordinate planning and project review; further

meetings will occur as necessary. Meetings of the subcommittee will be open to all Tri-County FACC members.

- G. **Watershed Overlay Projects** – Projects identified in a Watershed Overlay Area identified as valuable and benefiting from cross boundary coordination.
- H. **Common Programs** – Programs eligible for IRWM funding that are identified by the Tri-County FACC as benefiting the entire Funding Area and have participation from at least two Planning Regions.
- I. **Advisory Committee**– The recognized committee of stakeholders advising a planning region’s RWMG and/or governing agencies on key issues related to IRWM planning and grant applications.

2. General Planning Cooperation via Tri-County FACC

All planning regions will meet at least twice per year through the Tri-County FACC. The actual number of meetings will depend on the amount and intensity of planning and coordination efforts of the Planning Regions. The efforts of the Tri-County FACC will be to enhance the quality of planning, identify opportunities for supporting common goals and projects, and to improve the quality and reliability of water in the Funding Area. The planning efforts will support the watershed-based approach through integration and coordination across planning regions in the watershed overlay areas.

3. Mutual Plan Reference and Consistency

Each plan prepared in the funding area will contain references to the entire Funding Area, to the coordination that is occurring among planning regions, and to this MOU. Each planning region will share its description of these matters with other planning regions to promote consistency with the goal of using common language as the IRWM plans are modified. The three RWMGs also will seek to place these common sections in the same location in their plans. Further consistency or cooperative efforts may be added with the agreement of the Parties.

4. Coordination of Submittals and Applications

To facilitate DWR’s review process, all planning regions will coordinate their Region Acceptance Process submittals and IRWM grant applications. To the greatest extent practicable, the planning regions will develop common sections, tables and maps and place them in the same locations in their submittals and applications. The planning regions will preface their submittals and applications with information noting the common material and its location in the documents.

5. Watershed Overlay Areas

Through the Tri-County FACC or the overlay subcommittee, the planning regions will cooperate in identifying Overlay Projects that cross Planning Region boundaries. Overlay Projects that benefit multiple planning regions will be identified and may be jointly funded, administered, or implemented. A watershed overlay subcommittee of the Tri-County FACC will be formed for the Santa Margarita Watershed and the San Mateo Creek Watershed overlay areas as shown in Attachment A. Overlay Projects of importance to the Watershed Overlay Area planning regions would be recommended for coordination and due consideration in those Planning Regions’ project selection processes.

6. Common Programs

The common programs found by the Tri-County FACC to be of high value for all planning regions will be identified and recommended for high priority placement in the planning regions’ ranking of projects

for funding. While each planning region will select projects in accordance with its own process, the regions will cooperate on the implementation of common projects programs if these efforts are selected for funding.

7. Advisory Committee Cross Membership

Each planning region with an advisory committee will invite the other advisory committees in the Funding Area to participate as a non-voting member in its committee to promote understanding, communication and coordination.

8. Scope of the Agreement

Nothing contained within this MOU binds the parties beyond the scope or term of this MOU unless specifically documented in subsequent agreements, amendments or contracts. Moreover, this MOU does not require any commitment of funding beyond that which is voluntarily committed by separate board actions, but recognizes in-kind contributions of RWMG agencies and stakeholders. Non-substantive or minor changes to this MOU that have the support of all RWMG agencies may be documented to become part of this MOU.

9. Term of Agreement

The term of this MOU is from its Effective Date shown above to December 31, 2014 unless extended by mutual agreement of the Parties.

10. Modification or Termination

This MOU may be modified or terminated with the concurrence of the RWMG agencies and effective upon execution of the modification or termination by all the RWMG agencies.

11. Withdrawal

Any PARTY may withdraw from the Tri-County FACC after giving a written 60-day notice to the other Parties.

12. Notice

Any notices sent or required to be sent to any party shall be mailed to the following addresses:

SDRWMG Agencies

Ken Weinberg, Director of Water Resources
San Diego County Water Authority
4677 Overland Ave., San Diego CA 92129

Lan Wibord, Deputy Director of Long Range Planning & Water Resources
City of San Diego
525 B Street, 3rd Floor, San Diego CA 92101

Kathleen Flannery, CAO Project Manager
County of San Diego
1600 Pacific Highway, Room 212, San Diego CA 92101

OCRWMG Agencies

Mary Anne Skorpanich, Director, OC Watersheds
Orange County Public Works
333 W. Santa Ana Blvd., 5th Floor, Santa Ana, CA 92701

Karl Seckel, Assistant General Manager
Municipal Water District of Orange County
18700 Ward Street, Fountain Valley, CA 92708

Tom Rosales, General Manager
South Orange County Wastewater Authority
34156 Del Obispo Street, Dana Point, CA 92629

RCRWMG Agencies

Perry Louck, Director of Planning
Rancho California Water District
42135 Winchester Road, Temecula, CA 92590

Mike Shetler, Senior Management Analyst
County of Riverside
4080 Lemon Street 4th floor, Riverside, CA 92501

Warren D. Williams
Riverside County Flood Control and Water Conservation District
1995 Market St. Riverside, CA 92501

13. Funding Uncertainties

The RWMG agencies cannot be assured of the results of these coordination efforts and applications for funding. Nothing within this MOU should be construed as creating a promise or guarantee of future funding. No liability or obligation shall accrue to the Parties if DWR does not provide the funding. The Parties are committed to planning and coordinating notwithstanding IRWM funding. The form of such coordination may change based on the sources of funding.

14. Indemnification

To the fullest extent permitted by law, each Party shall defend, indemnify and hold harmless the other Parties, their consultants, and each of their directors, officers, agents, and employees from and against all liability, claims, damages, losses, expenses, and other costs including costs of defense and attorneys' fees, arising out of or resulting from or in connection with work performed pursuant to this MOU. Such obligation shall not apply to any loss, damage, or injury, as may be caused by the sole negligence or willful misconduct of a Party, its directors, officers, employees, agents, and consultants.

15. Other Provisions

The following provisions and terms shall apply to this agreement.

- A. This MOU is to be construed in accordance with the laws of the State of California. Any action at law or in equity brought by any of the Parties shall be brought in a court of competent jurisdiction in Riverside, Orange or San Diego Counties, and the parties hereto waive all provisions of law providing for change of venue in such proceedings to any other county.

- B. If any provision of this MOU is held by a court to be invalid, void or unenforceable, the remaining provisions shall be declared severable and shall be given full force and effect to the extent possible.
- C. This MOU is the result of negotiations between the parties hereto and with the advice and assistance of their respective counsels. No provision contained herein shall be construed against any Party because of its participation in preparing this MOU.
- D. Any waiver by a Party of any breach by the other of any one or more of the terms of this MOU shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of any of the respective Parties to require from the others exact, full and complete compliance with any terms of the MOU shall not be construed to change the terms hereof or to prohibit the Party from enforcement hereof.
- E. This MOU may be executed and delivered in any number of counterparts or copies, hereinafter called "Counterpart", by the parties hereto. When each Party has signed and delivered at least one Counterpart to the other parties hereto, each Counterpart shall be deemed an original and, taken together, shall constitute one and the same MOU, which shall be binding and effective as to the Parties hereto.
- F. This MOU is intended by the parties hereto as their final expression with respect to the matters herein, and is a complete and exclusive statement of the terms and conditions thereof. This MOU shall not be changed or modified except by the written consent of all Parties hereto.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates shown on the attached counterpart signature pages:

San Diego County agencies

Ken Weinberg, Director of Water Resources
San Diego County Water Authority
4677 Overland Ave., San Diego CA 92129

John L. Snyder, Director
Department of Public Works
County of San Diego
5555 Overland Ave, Bldg.2, Mailstop O332 San Diego, CA 92123

W. Downs Prior
Principal Contract Specialist
City of San Diego
Purchasing and Contracting Department
1200 3rd Avenue, Suite 200, San Diego CA 92101

Orange County agencies

Chairman Pat Bates
County of Orange Board of Supervisors
Orange County Flood Control District
333 W. Santa Ana Blvd., 5th Floor

Santa Ana, CA 92701

Wayne Clark, President (Maribeth Goldsby, Secretary)
Municipal Water District of Orange County
18700 Ward Street
Fountain Valley, CA 92708

Matt Disston, Chairman
South Orange County Wastewater Authority
34156 Del Obispo Street
Dana Point, CA 92629

Riverside County agencies

Matt Stone, General Manager
Rancho California Water District
42135 Winchester Road, Temecula, CA 92590

Jeff Stone, Chairman
Supervisor Third District
Riverside County Board of Supervisors
4080 Lemon St
Riverside, CA 92501

Marion Ashley, Chairman
Supervisor, Fifth District
Riverside County Flood Control & Water Conservation District
1995 Market St
Riverside, CA 92501

**First Amendment
Attachment A
Funding Area and Planning Region Boundaries with Watershed Overlay Areas**

The San Diego, Orange County and Riverside County Upper Santa Margarita planning regions are of an appropriate scale to allow integrated planning and provide for proper local interaction. The creation of planning regions larger than those outlined in the map below would limit local involvement and reduce the value of the planning to the region, the funding area, and the state.

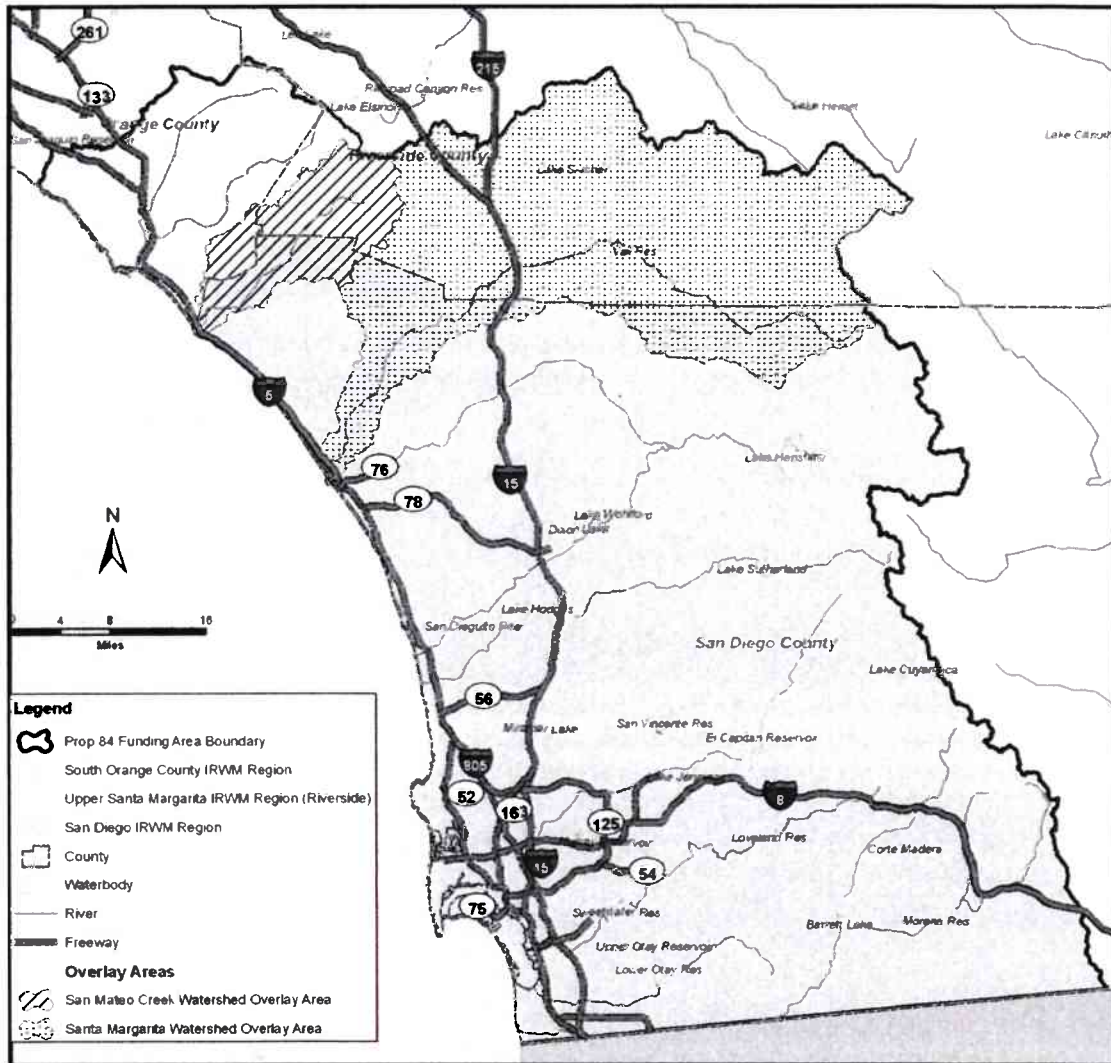


Figure A-1: San Diego Funding Area Watershed Overlay

**First Amendment
Attachment B
Allocation of Proposition 84 Funds**

Each of the three planning regions has IRWM project and program needs that far exceed the funding allocated to the funding area. Significant local match funding for selected projects is available in each planning region. Funding for planning and timing of implementation may vary among the planning regions. Because of these factors and because not all of the Proposition 84 funding will be made available at the same time, the Tri-County FACC members will cooperate and coordinate on individual funding cycle applications to ensure that the sum of the total grant requests does not exceed the amount identified for the funding region in any given cycle. Total allocations to the parties will be divided according to the schedule below. The allocations are based on a formula that is similar to that used to allocate funding in the Proposition 84 bond language. (Note: Proposition 84 allocates \$91 million to the San Diego Funding Area. DWR has indicated it will spend approximately 5 percent of the funds for program delivery costs. Therefore, the allocations to the three planning regions are indicated in percentages of the total funds that will be available over the life of the program.)

Table B-1: Proposition 84 Allocation

Planning Region	Population	Acres Area	Allocations (in % of \$ totals)		
			\$25 M on Land	\$66 M on Population	Total
Riverside Upper Santa Margarita	253,329	405,233	16.4%	6.4%	9.1%
South Orange County	597,348	168,192	6.8%	15.2%	12.9%
San Diego County	3,092,351	1,901,203	76.9%	78.4%	78%
Total	3,943,028	2,474,628	100%	100%	100%