ARROYO GRANDE WATERSHED AND CREEK MEMORANDUM OF UNDERSTANDING

September 19, 2006

Revised June 8, 2007

This Arroyo Grande Watershed and Creek Memorandum of Understanding ("MOU") is made this 19th day of September, 2006, by and between the following organizations, all of which are collectively referred to herein as the "Parties:"

- 1. City of Arroyo Grande ("AG")
- 2. San Luis Obispo County Flood Control and Water Conservation District, Zone 1/1A (Zone 1/1A)
- 3. San Luis Obispo County Flood Control and Water Conservation District, Zone 3 (Zone 3)
- 4. County of San Luis Obispo ("County")
- 5. City of Grover Beach ("Grover")
- 6. City of Pismo Beach ("Pismo")
- 7. Oceano Community Services District ("OCSD")
- 8. South San Luis Obispo County Sanitation District ("SSLOCSD")
- 9. Coastal San Luis Resource Conservation District ("RCD")
- 10. Natural Resources Conservation Service ("NRCS")
- 11. Central Coast Salmon Enhancement ("CCSE")
- 12. California Department of Fish and Game ("CDFG")
- 13. California Department of Parks and Recreation ("CDPR")
- 14. United States Fish and Wildlife Service ("USFWS")

I. PREAMBLE / BACKGROUND

The Parties enter into this MOU to develop recommendations to fund programs and develop policies for the maintenance, protection, and enhancement of the Arroyo Grande Watershed and the creeks within the Watershed including the approximate eighty-six (86) square mile area downstream of the Lopez Lake Dam, and including but not limited to, Arroyo Grande, Los Berros, Newsome Springs, Corbett Canyon/Tally Ho, Tar Springs, and Meadow Creeks and sub-watersheds (collectively the "Watershed"), and to recommend specific roles and responsibilities to implement those programs and policies. It is recognized that past changes in the Watershed, some of which are presently occurring, due to many factors including, but not limited to, agricultural operations, urbanization, including dam construction, converted floodplains, reconfiguration of creek channels, removal of riparian forests, modification of upslope chaparral and oak woodland, flood control improvements, and pollutant loading, have impacted an environment that is critical to human health, the economic future, safety and welfare, habitat and wildlife values, and recreation and tourism of the communities within the Watershed.

The Parties that enter into this MOU also recognize that some, but not all, of the Parties have existing responsibilities and obligations within the watershed and that this MOU is not intended to diminish the autonomy of those agencies in carrying out their existing obligations or responsibilities or the findings and discretion of those agencies. Nevertheless, all Parties are pursuing development of recommendations pursuant to this MOU so that watershed management can be implemented in the future more efficiently and effectively in a collaborative manner rather than solely through the autonomous actions of independent agencies.

II. MISSION

The purpose of this MOU is to provide an overall understanding, and accountability consensus between the Parties, in order to better protect, manage and enhance the Watershed, creating a sustainable future for the surrounding communities and the environment. Cooperative watershed management provides a powerful resource for developing innovative and creative solutions to critical problems and for leveraging resources to ensure efficient and effective use of public funds.

III. PRINCIPLES

The Parties agree on the following principles and overall policies:

- A. Reduce Watershed conflicts (with regard to both the community and the environment);
- B. Recognize and support the provisions of responsible water supply, sediment and erosion control, flood management, pollution control and environmental protection for the Watershed;
- C. Provide a practical and effective means of maximizing benefits and avoid or mitigate adverse impacts on agricultural resources, riparian, wetland and other ecosystem habitat within Watershed;
- D. Have clear goals and, when applicable, measurable objectives;
- E. Seek input from the affected communities and implement accordingly;
- F. Operate on the principle of continuous monitoring and improvement of the Watershed; and
- G. Develop programs capable of implementation, within budget, minimizing cost while maximizing results, and make efficient use of the limited resources available.

IV. COOPERATION

A. The Parties recognize and agree that each of the parties hereto are considered to be stakeholders with a vested interest in the maintenance, protection and enhancement

- of the Watershed. Each of the Parties recognizes that by working together and providing meaningful cooperation, all Parties may equitably benefit from the actions herein described.
- B. The Parties agree to cooperate with regard to the terms and conditions and policies set forth in this MOU. For the purposes of this MOU, the term cooperate may include providing staff time, access rights when applicable, proportionate funding, as may be established pursuant to section VII of this MOU or as may otherwise be agreed by Parties to this MOU, meaningful discussion, space for meetings, conduct meetings, workshops and focus groups, diligent processing of all permits or necessary approvals, report to each of the other Parties of actions within the respective agency which materially relate to the Watershed, strive to continually improve each agency's understanding of the Watershed system and modify efforts and policies accordingly, and other like activities which will facilitate the cooperative effort and will accomplish the goals and objectives set forth herein.

V. TASKS COMMON TO ALL PARTIES

The Parties recognize and agree that each of the respective agencies shall collectively be responsible for coordinating and accomplishing the following task descriptions:

- A. Utilize existing and future watershed and creek studies to prioritize and conduct activities within the Arroyo Grande Creek Watershed, including, but not limited to: Overseeing the process of the maintenance efforts and implementation of the Arroyo Grande Creek Management Plan dated March, 2005, working collectively to address problems identified in the Arroyo Grande Creek Erosion, Sedimentation and Flooding Alternatives Study, 2005 ("Swanson Study") and the Oceano Drainage and Flood Control Study;
- B. Approve program budgets for each agency and modify those budgets as additional funding is obtained;
- C. Partner on, and pursue funding mechanisms to finance projects and programs that benefit the Watershed, including but not limited to grants from the California Resources Agency and the California Environmental Protection Agency through the Integrated Watershed Management Program ("IWMP"), Coastal Conservancy, California's Ocean Action Plan, the Regional Water Quality Control Board, Federal funding programs and other specific funding sources identified in the Arroyo Grande Creek Watershed Management Plan;
- D. Continued identification of the desired condition and beneficial uses of the Watershed; and
- E. Compile and use available resource information, including but not limited to the Swanson Study, regarding the Watershed and methods of preserving and enhancing its environment.

VI. TASKS SPECIFIC TO INDIVIDUAL PARTIES

The Parties recognize and agree that each of the respective agencies shall individually be responsible for coordinating and accomplishing the following specific task descriptions:

- A. AG Provide places for and facilitate meetings, partner on grant applications, assist in developing other funding sources, and improve land use development standards, drainage plans and storm water management plans and provide referrals to parties, to protect the Watershed and Creek environments within the City.
- B. **Zone 1/1A** Provide information and status of its programs, including but not limited to flood mitigation projects the district is pursuing and provide input on other projects in the watershed that may impact the capacity of flood control facilities.
- C. **Zone 3** Provide regular information on the status and monitoring related to the preparation of an Arroyo Grande Creek Habitat Conservation Plan for the operation and maintenance of Lopez Reservoir.
- D. County Present engineering related issues on activities relating to County maintained roads and the County Airport, partner on grant applications, assist in developing other funding sources, and improve land use development standards to protect the Watershed within the County's jurisdiction.
- E. Grover Partner on grant applications, assist in developing other funding sources, and improve land use development standards, drainage plans and storm water management plans and provide referrals to parties, to protect the Watershed and Creek environments.
- F. **Pismo** Partner on grant applications, assist in developing other funding sources, and improve land use development standards, drainage plans and storm water management plans and provide referrals to parties, to protect the Watershed and Creek environments.
- G. **OCSD** Partner on grant applications, assist in developing other funding sources, and development, operation and maintenance of its facilities to minimize impacts to the Watershed.
- H. **SSLOCSD** Development, operation and maintenance of its facilities to minimize impacts to the Watershed and implement measures to better maintain the continued operation of the plant under flood conditions.
- I. RCD Partner on grant applications; provide outreach, education and technical assistance to Watershed landowners and Parties, for creek maintenance and environmental monitoring; pursue innovative solutions to water quality and

- conservation opportunities; coordinate environmental permitting for Watershed projects, and provide project planning, management and monitoring as required.
- J. NRCS Provide technical expertise and staff resources to assist in Watershed management and assist private landowners in minimizing impacts to the Watershed, as staff is available.
- K. CCSE Provide environmental monitoring and fisheries assessment and dissemination of research information and findings identified in the Arroyo Grande Creek Watershed Plan; provide community education, facilitate public dialogue and outreach, develop Watershed stewardship programs, and partner on grant applications and the development of other funding resources. Facilitate and coordinate the Arroyo Grande Watershed Forum Steering Committee.
- L. **CDFG** Provide technical expertise and staff resources in Watershed management and assist private landowners in minimizing impacts to the Watershed. Assist with the permitting process.
- M. CDPR develop and implement policies and progress within the Oceano Dunes State Recreational Vehicle Area intended to minimize impacts to the Watershed.
- N. USFWS Provide direction and expertise on issues concerning potential impacts to identified endangered species within the Watershed, and provide expedited review of projects and proposals developed by the Parties, to minimize identified impacts to the Watershed.

VII. FUNDING

The Parties recognize and agree that RCD may coordinate grant funding efforts and may assist in securing, where applicable, the necessary State and /or Federal grants which will be used to help fund Watershed maintenance, protection and enhancement efforts and programs. The Parties also recognize that and acknowledge that assessments have been established within Zone 1/1A, which initially (FY 2006-07) provide funding in the amount of \$350,000 per year, subject to annual adjustments. The Parties acknowledge and agree that said assessments do not constitute a specific funding source for implementation of this MOU other than the specific programs of Zone 1/1A which are generally referenced in Section VI(B). The Parties shall endeavor to make available other reasonable and proportionate funding and resources necessary to implement Watershed maintenance, protection, and enhancement efforts and programs, including through staffing, grants, voluntary contributions and/ or other similar resources.

VIII. DECISION MAKING

A. The Parties will use a consensus decision-making process. A consensus does not mean the recommendation or action is every Party's first choice; it means that every

- Party is reasonably satisfied with or has no strong objection to that recommendation or action and will support the decision;
- B. All Parties will be encouraged to participate in and have membership available on the Arroyo Grande Watershed Forum Steering Committee and Technical Advisory Team ("Steering Committee") that was formed in the year 2000, during the development of the Arroyo Grande Creek Watershed Management Plan (2005) and to express their opinions and concerns at the meetings, prior to decision making;
- C. Sufficient time will be provided for the Parties to seek advice from constituents, other responsible agencies, or other experts, when desired, before a decision is made.

IX. EFFECTIVE DATE, TERMINATION & MODIFICATION

- 1. This MOU allows, but does not obligate, the parties to this agreement to expend funds by entering into cooperative agreements or by individually undertaking the activities listed above. This MOU is neither a fiscal nor a funds obligation document. Any endeavor involving reimbursement or contribution of funds between the parties will be handled through a separate cooperative agreement between the parties and in accordance with applicable laws, regulations, and procedures including those of the Federal Acquisitions Regulations.
- 2. This MOU in no way restricts any party from participating in similar agreements and/or activities with other public or private entities.
- 3. Any party may terminate their participation in this MOU at any time by providing a 90-day written notice to all other parties.
- 4. New parties may be added to the MOU through a consensus of the group and by their submitting a list of activities that will be performed for the MOU and a signature sheet for this agreement.
- 5. By signing this agreement, the recipients assure that the program or activities provided for under this agreement will be conducted in compliance with all applicable Federal civil rights laws, rules, regulations, and policies.
- 6. This MOU will become effective when executed by all Parties. It will remain in force from the date of execution of this agreement unless the parties mutually agree in writing to extend the agreement for an additional specific period of time.
- 7. This MOU may be amended by the Parties through written mutual agreement.

[SIGNATURES PAGES FOLLOW EXHIBIT -A-]			
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Exhibit "A"

IMPLEMENTATION MEASURES TO AVOID OR MITIGATE IMPACTS TO THE ARROYO GRANDE CREEK WATERSHED

Arroyo Grande Creek Habitat Conservation Plan (HCP) and EA/IS (http://slocountywater.org/County%20Service%20Areas%20and%20Zones/zone3/agcreek.htm)

See Section 4.0 Alternatives 1 Proposed (Preferred) Action, pages 4-1 - 4-11.

Arroyo Grande Creek Watershed Management Plan – Geomorphic and Hydrologic Conditions Assessment by Swanson Hydrology and Geomorphology, December 8, 2004 ((http://www.coastalrcd.org/)

Arroyo Grande Creek Watershed Management Plan, March, 2005 ((http://www.coastalred.org/)

See Section on Recommended Projects pgs 62-73.

City of Arroyo Grande	Coastal San Luis Resource	
1	Conservation District	
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By: buy trease		
Tony Ferrara, Mayor	By:	
Date:	Neil Havlik, President, Board of Directors	
Attest: Kelly Westmore, City Clerk	Date:	
Attest: Ally Welliane		
Kelly Wetmore, City Clerk		
Date:	San Luis Obispo County	
	Flood Control District	
Approved as to form:		
rippioved as to form.		
OM	Bv:	
Timothy J. Carmel, City Attorney	By:	
Date:	Supervisors.	
Date.	Date:	
	Date.	
City of Pismo Beach	South San Luis Obispo County	
City of Fishio Beach	Sanitation District /	
	Sanitation District	
Desc	Drug 1 . National	
By:	By: by feller	
Mary Ann Reiss, Mayor	Tony Ferrara, Chairman	
Date:	Date:	
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City of Grover Beach	Central Coast Salmon Enhancement	
T.	D	
By: Stephen C. Lieberman, Mayor	By: Stephnie Wald, Project Manager	
	Stephnie Wald, Project Manager	
Date:	Sarah Paddack, Executive Director	
	Date:	
San Luis Obispo County	Natural Resources Conservation Service	
By:	Ву:	
Jerry Lenthall, Chairperson of the Board of	Ed Burton, State Conservationist, NRCS	
Supervisors.	Date:	
Date:		

Oceano Community Services District	U.S. Fish and Wildlife Service	
By:	Ву:	
Jim Hill, President	By: Steve Thompson California & Nevada	
Date:	operations (CNO) Manager	
	Date:	
California Department of Parks		
and Recreation	California Department of Fish and Game	
By:	By:	
By: Mike Chrisman, Secretary of Resources	By: Richard B. Rodgers, President	
By:	Ryan Broddrick, Director	
Ruth Coleman, Director	Bill Loudermill, 4-Central Region Manage	

Date:

Date: