

January 25, 2007
Memorandum of Understanding (MOU)
Among

California Department of Fish and Game, California State Parks, City of Half Moon Bay, Coastside County Water District, Committee for Green Foothills, Gulf of the Farallones National Marine Sanctuary, Half Moon Bay Fishermen's Association, Midpeninsula Regional Open Space District, Monterey Bay National Marine Sanctuary, National Marine Fisheries Service, Peninsula Open Space Trust, Pilarcitos Creek Advisory Committee, San Francisco Public Utilities Commission, San Francisco Bay Regional Water Quality Control Board, San Mateo County, San Mateo County Farm Bureau, San Mateo County Resource Conservation District, Sewer Authority Mid-Coastside, Surfrider Foundation - San Mateo Chapter

Regarding

The Establishment of the Pilarcitos Creek Restoration Workgroup and the Development of an Integrated Watershed Management Plan

I. Recitals

A. The groups listed above have been working together for many years under the umbrella of the Pilarcitos Creek Watershed Restoration Project (Project). The Project was created and funded by the California Department of Fish and Game and the San Francisco Regional Water Quality Control Board as part of a settlement between the State of California, Browning-Ferris Industries, and Apex Oil Company for two separate pollution discharge events that occurred in 1992.

B. The Pilarcitos Creek Advisory Committee (PCAC) was formed to provide local stakeholder input on the development of the Pilarcitos Creek Restoration Plan (1996 Plan), and to provide advice and guidance to the Project Manager, the San Mateo County Resource Conservation District (RCD). The 1996 Plan identified five major issues of concern in the creek: 1) reduced streamflows, 2) degraded fish habitat, 3) bank erosion and loss of riparian vegetation and habitat, 4) watershed erosion and channel sedimentation, and 5) exotic vegetation.

C. The groups listed above have decided collectively to convene the new Pilarcitos Creek Restoration Workgroup (Workgroup) to develop an Integrated Watershed Management Plan (IWMP) that would update the 1996 Plan and address high priority issues in the watershed (e.g., Central Coast steelhead protection and restoration). The PCAC will be a member of the new Workgroup.

II. Purpose of the Workgroup

The purpose of the Workgroup is to work as partners to balance all of the beneficial uses of available water resources in the Pilarcitos Creek watershed and to find solutions that protect the environment, agriculture, public health, domestic water supply, and economic interests.

III. Purposes of this MOU

The purposes of this MOU are to:

- A. Describe how the Workgroup operates as a collaborative forum to achieve the common goal of protecting and restoring the natural resources of the Pilarcitos Creek watershed.
- B. Outline the process for developing the Pilarcitos Creek Integrated Watershed Management Plan.

IV. Definitions The abbreviations and capitalized words and phrases used in this MOU have the following meanings:

- A. "CCWD" refers to Coastside County Water District.
- B. "CDFG" refers to California Department of Fish and Game.
- C. "HMB" refers to City of Half Moon Bay.
- D. "IWMP" refers to Integrated Watershed Management Plan.
- E. "NMFS" refers to National Marine Fisheries Service.
- F. "RCD" refers to San Mateo County Resource Conservation District.
- G. "SAM" refers to Sewer Authority Mid-Coastside.
- H. "SFPUC" refers to San Francisco Public Utilities Commission.
- I. "Party" or "Parties" refers to the organization(s) signing this MOU.
- J. "Signatory" or "Signatories" refers to the person or group of people signing this MOU on behalf of their organization(s). The Signatories are the General Managers, Directors, Executive Officers, etc. from each organization, or their designees.
- K. "Workgroup" refers to the Pilarcitos Creek Restoration Workgroup.
- L. "Workgroup Members" refers to the senior staff delegated by the Signatories to represent their organization on the Workgroup.

V. Workgroup Principles, Organization, and Participant Roles

A. Convener of Workgroup Meetings: The RCD will serve as the convener of Workgroup meetings, and in this role will initiate and circulate draft meeting agendas and provide meeting summaries.

B. Voluntary Participation; Designation of Party Representatives; Ability to Set Meetings; Formation of Subcommittees: Participation in the Workgroup is voluntary, and open to the public. As a consequence of this MOU, each Signatory shall designate a representative as the primary contact for that Party on all Workgroup activities. The designated representatives will constitute the Workgroup Members. Workgroup Members agree to keep the Workgroup informed of activities they are carrying out related to restoration efforts in the Pilarcitos Creek watershed. As necessary, the Signatory from any Party can call a meeting of the Signatories. At least one meeting of the Signatories will occur during each calendar year to keep each Party informed of current events at the policy recommendation and decision-making level. As necessary, the Workgroup Members or Signatories can establish ad hoc subcommittees to conduct work on

behalf of the Workgroup. These ad hoc subcommittees would report back to the Workgroup.

C. Meeting Schedules, Circulation of Agendas, and Meeting Minutes: The Workgroup convenes approximately once every two months. Draft agendas and meeting minutes will be circulated in advance to Workgroup Members for comment before email distribution to the broader group. Draft minutes will be finalized by adoption by Workgroup Members at the next meeting. Adopted meeting minutes will be posted by the RCD on their website, making them available to the public. If for whatever reason the RCD is unable or unwilling to provide this service, new arrangements will be made to make these minutes available to the public.

D. Workgroup Dispute Resolution: The intent of the Parties is that any dispute should be resolved at the Workgroup Member level, if possible. However, nothing contained herein shall be deemed to preclude any Party from seeking to resolve a dispute between Parties by any other lawful means. If agreement on an issue cannot be reached among the Workgroup Members, then any Party may seek a more formal level of dispute resolution as described in this paragraph.

If any Party chooses to pursue formal dispute resolution, they may do so by notifying the other Parties at the Signatory level in writing. This written notification shall also include a statement of the issue and any pertinent background material. The Parties will then convene a meeting of the Signatories within 45 calendar days of this notification to review the issue. If the Signatories cannot reach agreement, then the issue will remain unresolved, and each Party will retain the right to resolve the dispute by any lawful means.

VI. Purpose, Conduct and Funding of Integrated Watershed Management Plan

A. Purpose of Integrated Watershed Management Plan: The purpose of the IWMP is to set forth a strategy to achieve an ecologically sustainable watershed that restores steelhead trout (while also considering other native species and riparian communities) in the Pilarcitos Creek watershed while minimizing the potential impacts to water supply and other beneficial uses, as described in the Pilarcitos Creek IWMP Scope of Work (attached). Given the diversity of interests participating in the Workgroup, and the complexity of the issues surrounding restoration in the Pilarcitos Creek watershed, a collaborative Technical Team, led by an independent consultant, can play an important role by generating data and analyses that are viewed as credible, unbiased, and can be supported by the Workgroup Members.

B. Funding of Integrated Watershed Management Plan: The IWMP will be funded by a \$202,500 grant received by the San Francisco Public Utilities Commission (SFPUC) from the State Water Resources Control Board's 2005-2006 Consolidated Grants Program, and an associated cost share contribution of \$67,500 from the SFPUC.

C. Preparation of Integrated Watershed Management Plan: The IWMP will generally be prepared as follows:

1. Review the 1996 Plan and subsequent studies that have been produced as a result of the 1996 Plan and confirm/update the watershed characterization (e.g., hydrology, geomorphology, vegetation, wildlife) and critical issues as described in the 1996 Plan (e.g., reduced streamflow, degraded habitat, loss of riparian habitat, watershed erosion and sedimentation, exotic and invasive vegetation, landowner concerns).
2. Review and evaluate the status and recommendations from the 1996 Plan.
3. Establish specific objectives for the new planning effort that address issues such as: a) habitat enhancement/restoration, b) reduced erosion and sedimentation, c) removal/management of exotic and invasive vegetation, d) increased native vegetation, e) improved water quality, f) better flood management, g) stabilized creek banks, h) identification of constraints and opportunities for protection and recovery of the federally listed steelhead trout while incorporating current and future water supply issues and important economic issues, i) development of cost effective, stakeholder-supported alternative water supply projects that could result in enhanced instream flows in the upper watershed while minimizing loss of yield to consumers, j) development of recycled water projects that may result in enhanced streamflow in lower watershed, k) increased community collaboration.
4. Identify information gaps that potentially require additional monitoring and/or studies.
5. Prepare draft IWMP that is based on the objectives in (3) above.

D. Oversight of Integrated Watershed Management Plan

The Workgroup will provide the oversight in the preparation of the IWMP.

VII. General Provisions of this MOU

A. Term: This MOU will expire in five years from the date of execution by all the Parties unless extended by mutual consent of the Parties.

B. Amendments and Additional Signatories: This MOU may be amended at any time with the unanimous approval of the Parties. Additional Parties may be added at any time with the unanimous approval of the Parties.

C. Withdrawal: Any Party may withdraw from this MOU at any time by giving 30 days written notice to the other Parties. A Party that is dissatisfied with the outcome of the dispute resolution process provided for in Section IIID may withdraw. The MOU remains in effect for the remaining Parties.

D. Funding: Except as specifically described above, nothing herein alters the existing authorities or responsibilities of any Party nor shall be considered as obligating any Party in the expenditure of funds or the future payment of money or providing services.

Implementation of this MOU by the signatory federal agencies is subject to the Anti-Deficiency Act, 31 U.S.C. Section 1341, and the availability of appropriated funds. This MOU is not intended and will not be construed to require the obligation, appropriation, or expenditure of any money from the U.S. Treasury. The signatories acknowledge that the federal signatories will not be required under this MOU to expend any federal agency's appropriated funds unless and until an authorized official of that agency affirmatively acts to commit such expenditures as evidenced in writing.

E. Construction of Terms: This MOU is for the sole benefit of the Parties and shall not be construed as granting rights to any person other than the Parties or imposing obligations on a Party to any person other than another Party.

F. Good Faith: Each Party shall use its best efforts and work wholeheartedly and in good faith for the expeditious completion of the objectives of this MOU and the satisfactory performance of its terms.

G. Governing Law: This MOU is made under and shall be governed by the laws of the State of California.

EXHIBIT A

**Agreement to Join the Memorandum of Understanding
Establishing the Pilarcitos Restoration Workgroup
and the Development of an Integrated Watershed Management Plan**

In consideration of the mutual promises, covenants, and conditions contained therein,

_____ (name of party) hereby agrees to be part of the
Pilarcitos Restoration Workgroup created on January 25, 2007 and agrees to comply with
the terms of the Memorandum of Understanding attached hereto and incorporated herein
by reference.

In witness whereof, the party hereto has executed this agreement as of the date written
below.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

Organization: _____

Name/ Address of Party to Receive Notices:

