

ATTACHMENT A

**MEMORANDUM OF UNDERSTANDING
BETWEEN CITY OF SAN DIEGO,
COUNTY OF SAN DIEGO, AND SAN DIEGO COUNTY WATER AUTHORITY
FOR THE
SAN DIEGO INTEGRATED REGIONAL WATER MANAGEMENT PLAN
AND GRANT PROGRAM
FOR FISCAL YEARS 2026-2031**

This Memorandum of Understanding (MOU) between the San Diego County Water Authority, a county water authority (Water Authority); the City of San Diego, a municipal agency (City); and the County of San Diego, a political subdivision of the State of California (County) sets forth the respective roles of the Water Authority, City, and County in regard to the Integrated Regional Water Management (IRWM) Plan and Grant Program. Water Authority, City, and County are sometimes referred to in this MOU collectively as the “Parties” and individually as “Party.”

This MOU replaces the Memorandum of Understanding (December 15, 2020) between the City, County, and Water Authority for Fiscal Years 2021 to 2026 for the San Diego IRWM Grant Program.

RECITALS:

1. The California Legislature enacted SBX2 1 (Perata, Chapter 1 Statutes of 2008), the Integrated Regional Water Management Planning Act, which repealed and re-enacted Part 2.2 of Division 6 of the Water Code relating to integrated regional water management plans. SBX2 1 provides that a regional water management group (RWMG) may prepare and adopt an IRWM Plan.
2. In November 2002, Proposition 50, the Water Security, Clean Drinking Water, Coastal and Beach Protection Act, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.
3. In November 2006, Proposition 84, the Safe Drinking Water, Water Quality and Supply, Flood Control, River and Coastal Protection Act, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.
4. In November 2014, Proposition 1, the Water Quality, Supply and Infrastructure Improvement Act, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.
5. In November 2024, Proposition 4, the Safe Drinking Water, Wildfire Prevention and Protecting Communities and Natural Resources Lands from Climate Risks Legislative Statute, authorized the Legislature to appropriate funding for competitive grants for IRWM projects.
6. The intent of the IRWM Grant Program, established in accordance with the Integrated Regional Water Management Planning Act approved by the State Legislature, is to encourage

integrated regional planning for management of sustainable water resources and to provide funding, through competitive grants, for projects that protect communities from drought, maintain and improve water quality, promote environmental stewardship, enhance the resiliency of local water resources to climate change and improve local water security by reducing dependence on imported water.

7. To qualify as a RWMG and comply with the IRWM Grant Program Guidelines established under Proposition 1, at least three agencies must participate in the group and two of the agencies must have statutory authority over water management that may include water supply, water quality, flood control, or stormwater management.

8. In 2005, the Parties established a RWMG that consists of the Water Authority and City, both of which have statutory authority over water management, and County, which has statutory authority over water quality and flood control in the unincorporated area.

9. The Parties understand that only through a collaborative effort with the many stakeholders involved in water management planning can the IRWM planning process be successful in the San Diego region.

10. As part of the public outreach and stakeholder involvement effort, the Parties established the Regional Advisory Committee (RAC), which comprises up to 32 voting and eight non-voting representatives appointed by the Parties from the water management areas of water supply, water quality, and natural resources and watershed management; representatives of disadvantaged and other under-represented communities, tribes, businesses and academia; and other interested members of the public. The purpose of the RAC is to make recommendations to the Parties on key issues related to IRWM planning and grant applications.

11. The Parties, acting with support and positive recommendations from the RAC, completed the first IRWM Plan in 2007. Subsequently, the Parties revised and updated the IRWM Plan in 2013 and 2019, again with support and positive recommendations from the RAC.

12. The Parties have received eleven grant funding awards for planning and implementation of projects from the State of California Department of Water Resources (DWR). Additional funds will be available to the San Diego IRWM Grant Program from the Proposition 4 bonds.

12. A Local Project Sponsor (LPS) is a proponent of an individual project that has been funded by an IRWM Grant Program grant from DWR or another funding agency. An LPS may be a public agency, government entity, non-profit organization or tribe.

13. This MOU consists of five major components: general grant obligations, San Diego IRWM Plan updates, grant contract administration, the role of the RAC, and funding.

Now, therefore, in consideration of the above incorporated recitals and mutual obligations of the Parties herein expressed, the Parties agree as follows:

1. General grant obligations

- a. The Parties are equal partners in the development and submittal of grant applications. All Parties shall provide timely reviews and approvals before grant applications are submitted.
- b. The Water Authority shall submit the grant applications to the appropriate funding agency on behalf of the Parties.
- c. To expedite the grant application process, the Water Authority shall provide initial funding for a consultant to develop the applications. The cost of the consultant and applications shall be shared by the Parties consistent with Section 5 of this MOU.
- d. The funding commitment by the Parties under Section 5 of this MOU assumes that the Parties will continue to pay or provide in-kind services as allowed for the entire cost of grant applications for the IRWM Grant Program. The Parties agree to implement additional agreements to require other sources to fully or partially defray the cost of grant applications.
- e. The Water Authority shall be responsible for administering funding for projects that are receiving IRWM Grant Program funding, to include but not be limited to submitting invoices and quarterly reports to the funding agency, distributing funds to LPSs, and processing contract and agreement amendments as applicable.
- f. The Parties shall share equally in any and all contractual liability, regardless of nature or type, that arises out of or results from an LPS's performance of services under its agreement with the Water Authority. The Parties shall share equally in any of the default provisions listed in the grant agreements received by the Parties. The Water Authority also agrees to pursue contractual remedies.
- g. Each Party shall procure and maintain during the period of this MOU insurance from insurance companies admitted to do business in the State of California or shall self-insure to cover any contractual liability resulting from the conditions referenced in Section 1.f.
- h. The Parties have authorized Water Authority staff to serve as Program Administrator. In addition to being a member of the RWMG, Water Authority staff will oversee the Program consultant and budget, serve as the RWMG's primary point of public contact, and perform other duties as assigned. Water Authority staff also will represent the RWMG to the DWR, to statewide and regional groups involved with IRWM or other integrated water efforts and as otherwise required.

2. San Diego IRWM Plan updates

- a. The Parties are equal partners in all updates of the IRWM Plan. The Water Authority shall contract with a consultant to update the IRWM Plan in compliance with the guidelines and schedule established by DWR and submit the updated IRWM Plan to DWR as needed.
- b. Updates of the IRWM Plan shall be contingent upon receipt of additional funding.

3. Grant contract administration

- a. The Water Authority shall administer and manage active grant agreements, administer the LPS contracts, develop and maintain a reporting and invoicing program and communicate project and agreement progress to the RWMG, RAC, and funding agency.
- b. An LPS that has satisfied all invoicing requirements for a grant shall invoice the Water Authority, which shall in turn invoice the funding agency. The Water Authority shall, within 45 days of receipt of funds from the funding agency, disburse the funds to the LPS.
- c. The Water Authority shall appropriate a percentage of the grant money allocated to each LPS project to fund administration of the IRWM grants. The Parties shall agree mutually to the percentage of the grant money that is to be appropriated for this purpose. To the extent that costs exceed the amount in this fund, and that the Parties mutually agree to the additional cost, the Parties shall equally share the additional costs in accordance with Section 5.a.
- d. Where a labor compliance requirement has been established by the granting agency, the Water Authority shall report to the funding agency the compliance status of LPS, as reported by LPS, with applicable public works laws.

4. Role of Regional Advisory Committee (RAC)

The RAC shall be considered the IRWM Grant Program advisory committee. The Parties are committed to a cooperative relationship with the RAC and will consider the RAC's consensus recommendations in draft documents prepared for presentation to the Parties' governing bodies. The RWMG will give primary consideration to the recommendations of the RAC as part of any decision related to the following:

- a. Development of the updated IRWM Plan for the San Diego region.
- b. Criteria for prioritizing projects for funding by grant programs.
- c. Approval and submittal of grant applications.

- d. Reevaluation of all projects submitted for grant funding if a funding agency funds the IRWM Grant Program at a level lower than the requested grant amount and does not provide direction on which projects to fund. Parties shall fund the projects based on consultation with the RAC and the criteria for project prioritization (Section 4.b).

5. Funding

- a. Funding for the period between January 1, 2026 and December 31, 2030 shall not exceed \$1,000,000. Each Party shall provide an equal share of this funding in an amount not to exceed \$333,334. The total funding amount includes the amount listed below:
 - i. Each Party shall contribute funding to cover the Water Authority's staff costs for managing the program. The total amount of this obligation shall not exceed \$200,000 over the life of the MOU, or \$66,667 per agency. Each Party shall provide an equal share of this funding.
 - ii. Each Party shall contribute funding to cost share the consultant contract for IRWM Program Support Services. The total amount of this obligation shall not exceed 800,000 over the life of the MOU, or \$266,667 per agency. Each Party shall provide an equal share of this funding.
- b. The funding commitment described in Section 5.a shall not include expenditures to administer the grants. The total cost to administer the grant over the lifetime will be paid with grant funding and/or by local project sponsors.
- c. The Water Authority shall invoice the City and County on a quarterly basis along with supporting documentation of expenses. City and County shall remit payment within 30 days of receipt of invoice. Costs shall be shared equally between the Parties so that each Party pays a third of the cost for each authorized expense.

6. Assignment

Parties shall not assign or transfer this MOU or any rights under or interest in this MOU without written consent of all other Parties, such consent to be granted in the sole discretion of each Party.

7. Defense and Indemnity

Water Authority, City, and County each agree to mutually indemnify, defend at its own expense, including attorneys' fees, and hold each other harmless from and against all claims, costs, penalties, causes of action, demands, losses and liability of any nature whatsoever, including but not limited to liability for bodily injury, sickness, disease or death, property damage (including loss of use) or violation of law, caused by or arising out of or related to any negligent act, error or omission of that Party, its officers or employees, or any other agent acting pursuant to its control and performing under this MOU.

Nothing in the foregoing shall be construed to require any Party to indemnify another for any claim arising from the sole negligence or willful act or omission of the Party to be indemnified.

8. Document Review

The Water Authority, City, and County each shall make available for inspection to the other Parties, upon reasonable advance notice, all records, books and other documents relating to the IRWM Plan and the IRWM Grant Program, unless privileged.

9. Term

The term of this MOU shall begin on January 1, 2026, and expire on December 31, 2030, expressly contingent upon funding by Water Authority, City, and County. The term may be extended by written agreement of all Parties. The Parties shall continue to participate in the planning, development, and coordination of the Grants to the maximum extent possible. The Parties agree to notify one another in the event that their agency's future budget appropriations could impact IRWM Grant Program funding continuity. If appropriations are different than anticipated, the MOU and IRWM Grant Program funding shall be adjusted based on actual funding.

10. Notice

Any notice, payment, credit, or instrument required or permitted to be given hereunder will be deemed received upon personal delivery or five federal business days after deposit in any United States mail depository, first class postage prepaid, and addressed to the Party for whom intended as follows:

If to the Water Authority:

San Diego County Water Authority
4677 Overland Avenue
San Diego, CA 92123
Attn: Summer Adleberg

If to the City:

City of San Diego
Public Utilities Department
9192 Topaz Way – MS 901
San Diego, CA 92123
Attn: Ernesto Rios

If to the County

County of San Diego
5510 Overland Ave., Suite 410
San Diego, CA 92123
Attn: Christine Tolchin

Any Party may change such address or contact by notice given to the other Parties as provided herein.

11. Amendments

The MOU may only be amended as circumstances necessitate by written agreement executed by all Parties.

12. Severability

The partial or total invalidity of one or more parts of this MOU will not affect the intent or validity of the remainder of this MOU.

13. Governing Law

This MOU shall be deemed a contract under the laws of the State of California and for all purposes shall be interpreted in accordance with such laws. Any action brought shall be in San Diego County, California.

14. Obligations

Nothing in this MOU shall create additional obligations with respect to the IRWM Plan or IRWM Grant Program.

15. Termination of MOU

This MOU may be terminated by any Party hereto for any reason 30 days after notice in writing to the other Parties.

16. Signatures

The individuals executing this MOU represent and warrant that they have the legal capacity and authority to do so on behalf of their respective legal entities. This MOU may be signed in counterparts by the Parties.

IN WITNESS WHEREOF, the Parties have executed this MOU on the following date.

DATED: _____

SAN DIEGO COUNTY WATER AUTHORITY

By: _____
Jeff Stephenson
Director, Water Resources Department

Approved as to form:

By: _____
Michael J. McDonnell
Assistant General Counsel

CITY OF SAN DIEGO

By: _____
Claudia Abarca
Director, Purchasing and Contracting

Approved as to form:

By: _____
Christina Rae
Deputy City Attorney

COUNTY OF SAN DIEGO

By: _____
Marisa K. Barrie, P.E.
Director, Department of Public Works

Approved as to form:

By: _____
Thomas L. Bosworth
Senior Deputy County Counsel