

DRAFT 11/26/96

**MEMORANDUM OF AGREEMENT
AMENDING AND UPDATING
THE FRAMEWORK AGREEMENT BETWEEN THE
GOVERNOR'S WATER POLICY COUNCIL OF THE
STATE OF CALIFORNIA AND THE
FEDERAL ECOSYSTEM DIRECTORATE**

In July 1994, representatives of the Federal Ecosystem Directorate (Club FED) and the Water Policy Council entered into a Framework Agreement establishing a comprehensive program for coordination and communication between Club FED and the Council with respect to environmental protection and water supply dependability in the San Francisco Bay, Sacramento-San Joaquin Delta Estuary and its watershed (Bay-Delta Estuary). This Framework Agreement provided for increased coordination and communication with respect to (1) substantive and procedural aspects of water quality standard setting, (2) improved coordination of water supply operations with endangered species protection and water quality standard compliance; and (3) development of a long-term solution to fish and wildlife, water supply reliability, flood control, and water quality problems in the Bay-Delta Estuary.

On December 15th, 1994, representatives of the State and Federal governments and urban, agricultural and environmental interests signed the Principles for Agreement on Bay-Delta Standards between the State of California and the Federal Government (Bay Delta Accord).

In October 1995, Club FED and the Water Policy Council entered into a Memorandum of Understanding for Preparation of Environmental Impact Statement/Report for Long-Term Improvements to the Bay-Delta Estuary in which the signatory agencies delegated responsibility of

preparing a joint environmental impact statement (EIS) and environmental impact report (EIR) to the CALFED Bay-Delta Program interagency team. Further, the signatory agencies assumed their respective roles as co-lead agencies under the National Environmental Policy Act (NEPA) (42 USC §§ 4321, et seq.) and lead and responsible agencies under the California Environmental Quality Act (CEQA) (Cal.Pub.Resources Code §§ 21000 et seq.), and committed to support the development of the EIS/EIR.

On September 3, 1996, the member agencies of Club FED and the Water Policy Council signed a joint letter to the Governor of the State of California and the Secretary of the Interior of the United States. In this joint letter, the signatory agencies concluded that Phase I of the CALFED Bay-Delta Program had been successfully identified a reasonable range of alternatives for further detailed analysis in the environmental review process of Phases II and III. The signatory agencies further reaffirmed their commitment to the CALFED Bay-Delta Program, to completing a Programmatic EIR/EIS, and to working cooperatively to solve the problems of the Bay-Delta system.

On November 5, 1996, the voters of the State of California approved State Proposition 204, which authorized the issuance of state bonds to fund a total of \$390 million for the ecosystem restoration components of the preferred alternative to be developed in the CALFED Bay-Delta Program. On October 1, 1996, the President of the United States signed the California Bay-Delta Environmental Enhancement and Water Security Act (H.R. 4126), which authorized up to \$443 million in federal funds to match the Proposition 204 state funds.

[On -----, the Corps of Engineers and the NCRS agreed to participate with the other federal

agencies in Club FED....]

AGREEMENTS

In order to reflect the developments described above, the signatory agencies hereby agree as follows:

1. We reaffirm all agreements contained in the Framework Agreement and Memoranda of Agreement described above.
2. We reaffirm our commitment to the successful development of a final EIS/EIR by the CALFED Bay-Delta Program.
3. In order to more effectively provide agency guidance in the development of the EIS/EIR, we agree that the agencies will establish the CALFED Management Group as follows:

(a) The CALFED Management Group will consist of one primary and one alternate representative of each signatory agency. These primary and alternate representatives are named in attachment 1.

(b) The CALFED Management Group shall be co-chaired by one representative each of the State of California and the Federal government. These co-chairs are named in attachment 1.

(c) The CALFED Management Group shall meet monthly unless decided otherwise by the co-chairs.

(d) The broad purpose of the CALFED Management Group shall be to provide management-level guidance to the CALFED Bay-Delta Program, and to provide a forum for management-level discussions of other issues arising out of the State and Federal programs in the Bay-Delta Estuary.

4. We agree to expeditiously develop the following agreements containing commitments for sharing the costs of implementing the program ultimately adopted by the signatory agencies as a result of the CALFED Bay-Delta Program EIS/EIR planning process. These agreements include, at a minimum, (a) a cost-sharing agreement between the State of California and the Federal government meeting the requirements of Proposition 204; (b) a cost-sharing agreement between the State and Federal agencies and the various stakeholders involved in the Bay-Delta Estuary issues to allocate costs of specific projects arising out of the CALFED Bay-Delta Program; and (c) a cost-sharing agreement between the State of California and the Federal government on activities emanating from the Category III process initiated in the Bay Delta Accord.

[Signature Page Follows]