

Memorandum of Understanding
By and Between
U.S. Bureau of Reclamation, U.S. Fish and Wildlife Service, National
Marine Fisheries Service, California Department of Fish and Game and
California Department of Water Resources
Regarding
Extension of the Environmental Water Account through 2007
and
Amendment to the EWA Operating Principles Agreement

Recitals:

1. The U.S. Bureau of Reclamation (Reclamation), U.S. Fish and Wildlife Service (USFWS), National Marine Fisheries Service (NOAA Fisheries), California Department of Fish and Game (DFG) and California Department of Water Resources (DWR) (collectively "EWA Agencies") are currently implementing the Environmental Water Account (EWA).
2. The EWA is described in the CALFED Record of Decision (CALFED ROD) as a cooperative management program to protect and help restore at risk native fish species dependent on the San Francisco Bay-Sacramento/San Joaquin Rivers Delta (Bay-Delta) at no uncompensated water cost to the Central Valley Project and State Water Project (collectively "Projects") water users.
3. The EWA is being implemented as described in the EWA Operating Principles Agreement, signed by representatives of the CALFED Agencies on August 28, 2000. Pursuant to the CALFED ROD and the EWA Operating Principles Agreement, the EWA will expire on September 30, 2004. However, the Principles Agreement expresses the Agencies' intent that the EWA would be extended beyond 2004, through fifth and future years.
4. The EWA has allowed the EWA Agencies to take actions intended to protect and restore at risk native fish populations in the Bay-Delta at no uncompensated water cost to the Projects' water users.
5. The EWA and restoration actions taken pursuant to the CALFED Ecosystem Restoration Program (ERP) have allowed the CALFED Agencies to provide regulatory commitments to the Projects' water users in the export service area located South of the Delta.
6. The EWA has helped avoid the fishery/water diversion conflict at the Projects' export facilities.

7. The CALFED Science Program has conducted science reviews of the EWA Program, which have been considered by the EWA Agencies in implementing the EWA. The EWA Agencies intend that the science reviews of the EWA will continue, and that the EWA Agencies will consider the results of future science reviews in implementing the EWA Program.

8. The EWA Agencies have analyzed the environmental impacts of extending the EWA through 2007 pursuant to the National Environmental Policy Act, the California Environmental Quality Act, the Endangered Species Act, the Natural Community Conservation Planning Act, and other relevant federal and state laws.

9. The alternative adopted through the environmental review process consists of the EWA Agencies continuing to implement the EWA pursuant to the EWA Operating Principles Agreement while providing the EWA Agencies with increased flexibility in managing EWA assets.

10. The EWA Agencies have completed a review of the efficacy of the Environmental Water Account during the first four years of implementation, as required by the CALFED ROD.

The EWA Agencies enter into this Memorandum of Understanding (MOU) to agree to the following:

1. Extension of the EWA

The EWA Agencies will continue to implement the EWA through December 31, 2007. EWA will be implemented with the purchased and variable assets functionally equivalent to those described in the CALFED ROD and operated in a manner similar to the operations during the first four years.

2. Extension of the EWA Operating Principles Agreement

The EWA Operating Principles Agreement will be extended through December 31, 2007. Article 1 section 5 of the EWA Operating Principles Agreement is amended to reflect that the EWA will expire on December 31, 2007.

The EWA Agencies will also continue to use the process of yearly updates to the EWA Protocols to provide additional operational guidance on the implementation of EWA.

3. Term

This MOU shall take effect on the date signed and shall expire no later than December 31, 2007.

4. Modification

Any provision of this MOU may be modified or amended by written agreement of the parties.

5. Contingent on Appropriation of Funds

The expenditure or advance of any money or the performance of any obligation of the United States under this MOU shall be contingent upon appropriation or allotment of funds. No liability shall accrue to the United States or to the State of California for failure to perform any obligation under this MOU in the event that funds are not appropriated or allotted.

The commitments and obligations of State agencies under this agreement are subject to the availability of appropriated funds. This Agreement does not require any State agency to expend its appropriated funds unless and until an authorized officer of that agency affirmatively acts to commit to such expenditures as evidenced in writing.

6. Counterparts

This MOU may be signed in counterparts.

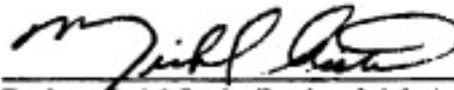
United States

for 
Steve Thompson, Manager
California- Nevada Operations Office
U.S Fish and Wildlife Service

9-30-04
Date


Kirk C. Rodgers, Director
Mid-Pacific Region
U.S. Bureau of Reclamation

9/30/04
Date

for 
Rodney R. McInnis, Regional Administrator
National Marine Fisheries Service

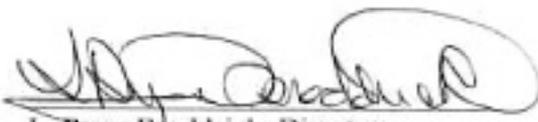
9/30/04
Date

State of California


Lester A. Snow, Director
California Department of Water Resources

*P. Joseph Grindstaff
Chief Deputy Director*

9/30/04
Date


L. Ryan Broddrick, Director
California Department of Fish and Game

9/30/04
Date