

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE LAND CONSERVANCY OF SAN LUIS OBISPO COUNTY AND
THE CITY OF ARROYO GRANDE**

This Agreement is made this ____ day of _____, 2025, between The Land Conservancy of San Luis Obispo County ("Conservancy"), a California non-profit corporation located in the County of San Luis Obispo, and the City of Arroyo Grande ("City"), a municipal corporation located in the County of San Luis Obispo. The Conservancy and the City may hereinafter be referred to as the "Parties."

WHEREAS, the City seeks to construct the replacement of the Traffic Way Bridge in the City of Arroyo Grande, which spans Arroyo Grande Creek, connecting Traffic Way to West Branch Street, as part of the Traffic Way Bridge Replacement Project; and

WHEREAS, in order to engage in such construction, the City must obtain a 401 Water Quality Certification permit ("401 permit") from the Regional Water Quality Control Board (the "Regional Board"); and

WHEREAS, the Regional Board requires 0.195 acres of land in the City be improved with plantings or other improvements to offset the impacts of the Traffic Way Bridge Replacement Project, in satisfaction of the mitigation requirements of the 401 permit; and

WHEREAS, there is currently insufficient public land available in the City to provide the required mitigation for the Regional Board to issue a 401 Certification; and

WHEREAS, the Conservancy owns land known as the Black Lake Ecological Area (APN 075-261-006) which is in the County of San Luis Obispo; and

WHEREAS, the Conservancy is conducting a project in the Black Lake Ecological Area for which a restricted fund has been set up for long-term maintenance of the ecological site, as more particularly described in Exhibit A (the "Black Lake Project"); and

WHEREAS, the Black Lake Project received a 401 permit from the Regional Board; and

WHEREAS, the restoration efforts of the Black Lake Project protect water quality and improve habitat conditions, consistent with the regulatory requirements necessary to obtain a 401 permit; and

WHEREAS, the Regional Board may allow the City to provide funds into a restricted account for the Black Lake Project to satisfy the mitigation requirement, in order to obtain a 401 permit for the Traffic Way Bridge Project; and

WHEREAS, the Conservancy desires to receive these funds to aid in the Black Lake Project, and the City desires to provide such funds in order to satisfy the mitigation requirements of the 401 permit issued by the Regional Board.

WHEREAS, these funds are for payment in-lieu of permittee-responsible compensatory mitigation for a public benefit project, the Traffic Way Bridge Replacement Project, as a mechanism for meeting Regional Board Section 401 Water Quality Certification permitting requirements.

NOW, THEREFORE, the Parties both recognize and agree:

1. The recitals set forth in this MOU are by this reference, incorporated into and deemed a part of this MOU.
 2. The City agrees to provide a check to the Conservancy in the amount of \$100,000.00 (the "City Funds") to be deposited into a restricted fund for use on the property known as Black Lake Ecological Area. The City Funds shall be used only for aquatic feature maintenance and monitoring, and shall not be used for upland planting.
 3. Prior to disbursement of funds, two events must occur: (a) The Conservancy must provide the City and the Regional Board the final grant award document stating the final requirements of the United State Fish and Wildlife Service award that is applicable to the Black Lake Project, and (b) the Regional Board must provide written confirmation to both Parties that, once the City deposits the funds into the Black Lake Ecological Area restricted account, the City will have satisfied the regulatory requirements of the Regional Board necessary to obtain a 401 permit.
 4. The Conservancy will provide a detailed accounting of said restricted funds as to the usage of the City Funds upon written request of the City.
 5. To the fullest extent permitted by law, the Conservancy shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of the Conservancy, its officials, officers, employees, subcontractors, consultants or agents in connection with the use of the City funds deposited into the Conservancy's restricted account for the Black Lake Project, the Black Lake Project or this MOU, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses except such loss or damage caused by the sole negligence or willful misconduct of the City. The Conservancy's obligation to indemnify shall survive expiration or termination of this Agreement and shall not be restricted to insurance proceeds, if any, received by the Conservancy, the City, its officials, officers, employees, agents, or volunteers.
 6. This MOU contains the entire understanding between the Parties with respect to its subject matter and supersedes all prior agreements, oral or written, and all prior contemporaneous discussions or negotiations between the Parties.
 7. The rights and obligations set forth herein are intended exclusively for the benefit of the Parties and shall not be construed to convey any rights or remedies to any third party.
 8. This MOU shall be governed by, and construed in accordance with, the laws of the State of California. If any term of this MOU shall be held or made invalid by a court decision, statute or rule, or shall be otherwise rendered invalid, the remaining portion or portions shall be considered severable and not affected by such determination.
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IN WITNESS WHEREOF, the Parties have executed this agreement on the day and year first above written.

CITY:

City of Arroyo Grande,
a municipal corporation

By: _____

Name: _____

Title: _____

CONSERVANCY:

The Land Conservancy of San Luis Obispo
County, a California non-profit corporation

By: _____

Name: _____

Title: _____

EXHIBIT "A"
Black Lake Project Description

