

EXHIBIT 1-A



IN REPLY REFER TO:

United States Department of the Interior

U. S. GEOLOGICAL SURVEY
California Water Science Center
6000 J Street, Placer Hall
California State University
Sacramento, California 95819-6129
Phone: (916) 278-3026 Fax: (916) 278-3045
<http://water.wr.usgs.gov>

RECEIVED

JUL 10 2007

MPWMD

July 3, 2007

Mr. David A Berger, General Manager
Monterey Peninsula Water
Management District
Post Office Box 85
Monterey, California 93942-0085

Subject: Carmel River near Carmel Gage, Joint Funding Agreement, Water Year 2008

Dear Mr. Berger:

This letter confirms discussions between our respective staffs, concerning the continuation of the cooperative water resources program between the Monterey Peninsula Water Management District (District) and the U.S. Geological Survey (USGS) for the period November 1, 2007 to October 31, 2008.

This year's program letter incorporates a change in the USGS Federal Matching Funds (FMF) contribution to carry out the work. Although the costs of operating our Data Program increase every year because of new cooperator needs, inflation, and new technology, the FMF we receive from Congress have not increased significantly since 1982. The California Water Science Center has managed to maintain a 50:50 match of federal funds to cooperator funds in our Data Program over the years only by reallocating funds from discontinued gages and by making adjustments to other USGS programs. Unfortunately, even with reallocations and adjustments, we no longer have sufficient funding to maintain the 50:50 match and must make a fundamental adjustment to our matching fund ratio. Accordingly, we will use our limited FMF to match cooperator funding in our Data Program on a 60:40 basis (cooperator:FMF) beginning in fiscal year 2008, and this adjustment is reflected in the cost herein.

We understand that this change may result in significantly increased costs to your agency, but we also need to ensure that we can continue to meet your needs for high-quality data on a timely basis. Until we can get increased FMF allocations from the Congress, we need to find ways to make our limited federal funds stretch as far as possible.

Mr. David A. Berger, General Manager- Monterey Peninsula WMD

The proposed program and associated costs are as follows:

| <u>Station number and name</u> | <u>District Funds</u> | <u>USGS Funds</u> | <u>Total Funds</u> |
|-----------------------------------|-----------------------|-------------------|--------------------|
| 11143250 Carmel River near Carmel | \$ 12,350 | \$ 8,250 | \$ 20,600 |
| TOTAL | \$ 12,350 | \$ 8,250 | \$ 20,600 |

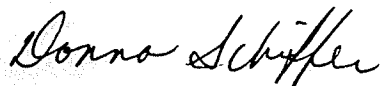
Total cost of the proposed program is \$20,600. Cost to the District is \$ 12,350, and subject to the availability of Federal matching funds, the USGS will provide \$ 8,250.

Enclosed are four originals of a Joint Funding Agreement (JFA) for your approval. Work performed with funds from this agreement will be conducted on a fixed-price basis. If you are in agreement with this proposed program, please return three signed JFA's to our office. The fourth JFA is for your records, pending USGS approval. Upon approval, a fully executed JFA will be forwarded for your records.

The USGS is required to have an agreement in place prior to any work being performed on a project. We request that the JFA be returned prior to November 1, 2007. If a JFA is not received by November 1, we will be required to suspend operations until an agreement is received.

If you have any questions concerning this program, please contact Larry Freeman, in our Marina Field Office, at (831) 883-2293. If you have any administrative questions, please contact Alan Janee Hiatt, in our Sacramento Office, at (916) 278-300.

Sincerely,

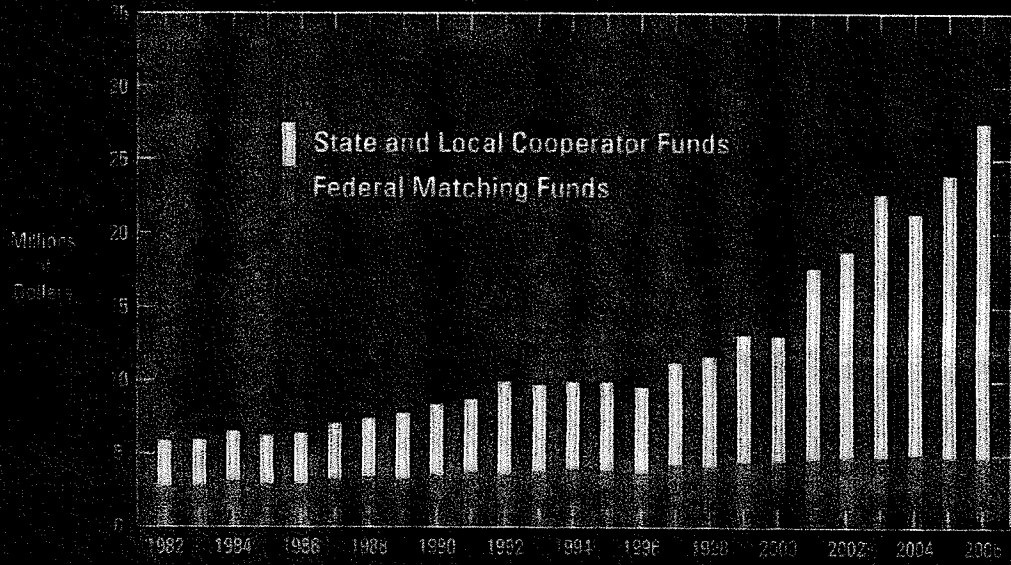


Donna M. Schiffer
Acting Director for
Michael V. Shulters
Director, USGS California Water Science Center

Enclosure

cc: Larry Freeman, USGS, CAWSC

Federal California Water Program matching funds have remained nearly constant for past 25 years in California



Form 9-1366
(Oct. 2005)

**U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement**

Customer #: CA143
Agreement #: 08W4CAD14300
Project #:
TIN #: 94-2535586
Fixed Cost Agreement Yes No

Page 1 of 2

**FOR
WATER RESOURCES INVESTIGATIONS**

THIS AGREEMENT is entered into as of the 1st day of November, 2007, by the U.S. GEOLOGICAL SURVEY, UNITED STATES DEPARTMENT OF THE INTERIOR, party of the first part, and the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT, party of the second part.

1. The parties hereto agree that subject to availability of appropriations and in accordance with their respective authorities there shall be maintained in cooperation for cooperative water resources investigations in the Monterey Peninsula Water Management District area, herein called the program. The USGS legal authority is 43 USC 36C; 43 USC 50; and 43 USC 50b.
2. The following amounts shall be contributed to cover all of the cost of the necessary field and analytical work directly related to this program. 2(b) includes In-Kind Services in the amount of \$0.

(a) \$8,250.00 by the party of the first part during the period
November 1, 2007 to October 31, 2008

(b) \$12,350.00 by the party of the second part during the period
November 1, 2007 to October 31, 2008

USGS DUNS is 1761-38857.

- (c) Additional or reduced amounts by each party during the above period or succeeding periods as may be determined by mutual agreement and set forth in an exchange of letters between the parties.
- (d) The performance period may be changed by mutual agreement and set forth in an exchange of letters between the parties.
3. The costs of this program may be paid by either party in conformity with the laws and regulations respectively governing each party.
4. The field and analytical work pertaining to this program shall be under the direction of or subject to periodic review by an authorized representative of the party of the first part.
5. The areas to be included in the program shall be determined by mutual agreement between the parties hereto or their authorized representatives. The methods employed in the field and office shall be those adopted by the party of the first part to insure the required standards of accuracy subject to modification by mutual agreement.
6. During the course of this program, all field and analytical work of either party pertaining to this program shall be open to the inspection of the other party, and if the work is not being carried on in a mutually satisfactory manner, either party may terminate this agreement upon 60 days written notice to the other party.
7. The original records resulting from this program will be deposited in the office of origin of those records. Upon request, copies of the original records will be provided to the office of the other party.

Form 9-1366
continued

U.S. Department of the Interior
U.S. Geological Survey
Joint Funding Agreement

Customer #: CA143
Agreement #: 08W4CAD14300
Project #:
TIN #: 94-2535586

- 8. The maps, records, or reports resulting from this program shall be made available to the public as promptly as possible. The maps, records, or reports normally will be published by the party of the first part. However, the party of the second part reserves the right to publish the results of this program and, if already published by the party of the first part shall, upon request, be furnished by the party of the first part, at costs, impressions suitable for purposes of reproduction similar to that for which the original copy was prepared. The maps, records, or reports published by either party shall contain a statement of the cooperative relations between the parties.
- 9. USGS will issue billings utilizing Department of the Interior Bill for Collection (form DI-1040). Billing documents are to be rendered **annually**. Payments of bills are due within 60 days after the billing date. If not paid by the due date, interest will be charged at the current Treasury rate for each 30 day period, or portion thereof, that the payment is delayed beyond the due date. (31 USC 3717; Comptroller General File B-212222, August 23, 1983).

U.S. Geological Survey
United States
Department of the Interior

MONTEREY PENINSULA WATER
MANAGEMENT DISTRICT

USGS Point of Contact

Customer Point of Contact

Name: Janee D. Hiatt
Address: 6000 J Street, Placer Hall
Sacramento, California 95819-6129
Telephone: 916-278-3001
Email: jdhiatt@usgs.gov

Name: David A. Berger, General Manager
Address: Post Office Box 85
Monterey, California 93942-0085
Telephone:
Email:

Signatures

Signatures

By _____ Date _____
Name: Michael V. Shulters
Title: Director, USGS California Water
Science Center

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title:

By _____ Date _____
Name:
Title: