



Terry Tamminen
Secretary for
Environmental
Protection

State Water Resources Control Board

Division of Water Rights

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Arnold Schwarzenegger
Governor

SUPPLEMENTAL STATEMENT OF RESPONSIBILITIES FOR PREPARATION OF ENVIRONMENTAL IMPACT REPORT FOR POSSIBLE MODIFICATIONS OF THE CACHUMA PROJECT WATER RIGHT PERMITS (PERMITS 11308 AND 11310) TO PROTECT PRIOR RIGHTS AND PUBLIC TRUST RESOURCES IN THE SANTA YNEZ RIVER

A. Parties

1. This Supplemental Statement of Responsibilities is between the State Water Resources Control Board (SWRCB), Division of Water Rights (Division) and the U.S. Bureau of Reclamation (Reclamation).

B. Purpose

1. The purpose of this Supplemental Statement of Responsibilities is to provide for the preparation of the environmental documentation required by the California Environmental Quality Act (CEQA) in connection with the SWRCB's consideration of modifications to the water right permits held by Reclamation for the Cachuma Project (Permits 11308 and 11310, issued pursuant to Applications 11331 and 11332) in order to protect down stream water rights and public trust resources. SWRCB Order WR 94-5 required Reclamation to prepare any environmental documentation that the Chief of the Division determined was necessary to comply with CEQA in connection with consideration of modifications to Reclamation's permits. The Division Chief determined that preparation of an Environmental Impact Report (EIR) was required.
2. On May 12, 1999, the SWRCB and Reclamation entered into a Statement of Responsibilities concerning the preparation of an EIR. Subsequently, Reclamation submitted an administrative Draft EIR to the SWRCB. In August 2003, the SWRCB issued a Draft EIR for public review and comment.
3. This Supplemental Statement of Responsibilities covers the preparation of the remaining documentation required by CEQA, culminating in the preparation of a Final EIR. This Supplemental Statement of Responsibilities supersedes the previous Statement of Responsibilities to the extent that they conflict.

C. Responsibilities of the Parties

1. Reclamation shall enter into the necessary agreements to provide for consulting services that are consistent with the terms of this Supplemental Statement of Responsibilities.

2. The consultants shall assist the Division in preparing the following documents to the satisfaction of the Division: (1) responses to comments on the Draft EIR; (2) if necessary, a revised Draft EIR; and (3) a Final EIR.
3. The consultants shall attend and provide expert witness testimony at any public hearings that may be necessary to allow the SWRCB to consider modification of Reclamation's permits.
4. The SWRCB is the lead agency responsible for the preparation and adequacy of the environmental documentation required by CEQA and shall have final authority over scope and content, including determination of the significance of environmental impacts. Until the SWRCB issues a Final EIR, the SWRCB alone shall direct consultants' preparation of the environmental documentation described above. Until the SWRCB issues a Final EIR, consultants shall report directly to the designated SWRCB representative, identified below.
5. The consultants shall not employ any person to assist in the preparation of the environmental documentation described above who has a financial interest in the outcome of the SWRCB's action on Reclamation's permits.
6. If necessary, the consultants may request information from Reclamation or any other interested person. Reclamation may discuss with the consultants issues pertaining to the scope of work, schedule of completion, or reasonableness of costs. Otherwise, the consultants shall not communicate with Reclamation or any other interested person regarding the analytical or other substantive work performed by the consultants pursuant to this Supplemental Statement of Responsibilities until the SWRCB has issued a Final EIR.
7. Reclamation shall provide for payment of all costs associated with the consultants' assistance to the SWRCB in preparing the environmental documentation described above, and any costs incurred by the consultants in preparing for and participating in any SWRCB public hearings regarding the environmental documents. In addition, Reclamation shall provide for payment of the costs of printing enough copies of any revised draft EIR and the Final EIR to meet the SWRCB's distribution requirements. The SWRCB shall not be obligated in any manner to pay for the services rendered by the consultants.
8. The Division shall inform Reclamation of all work that will be requested of the consultants prior to such requests. Reclamation may take appropriate measures to determine whether the work requested or the costs being charged for work performed by the consultants are reasonable and necessary. The consultants and the SWRCB recognize that Reclamation will not pay the consultants directly and that the consultants are obligated to comply with any and all other contractual agreements associated with

the compensation of the work performed by the consultants, provided that the work is consistent with the terms of this Supplemental Statement of Responsibilities.

9. Nothing in this Supplemental Statement of Responsibilities, including Reclamation's obligation to provide for payment of all costs under paragraph 7, shall be interpreted as creating an obligation of Reclamation to make any expenditures or advance any money. In the unlikely event that the consultants are not paid under current agreements, this Supplemental Statement of Responsibilities shall be amended.
10. The SWRCB shall circulate the environmental documents and file the documents and the requisite notices with the State Clearinghouse.

Schedule and Performance of Work

1. Following execution of this Supplemental Statement of Responsibilities, the designated SWRCB representative and appropriate SWRCB staff will meet with Reclamation and the consultants and develop a work plan and schedule for completion of the environmental documentation described above.

Conflict Resolution

1. In the event of any dispute between SWRCB staff and Reclamation staff regarding any aspect of the preparation of the EIR, the two staffs shall without delay elevate the dispute to the next higher level of management within the SWRCB and Reclamation, and if such managers are unable to resolve the dispute, such managers shall again elevate it until it reaches the Executive Director of the SWRCB and the Regional Director of Reclamation. If the dispute is not resolved, either or both parties may pursue their remedies at law. In attempting to resolve any dispute, the parties shall keep in mind the respective obligations of each party, both under this agreement and in law.

Termination and Modifications

1. This Supplemental Statement of Responsibilities remains in effect until the SWRCB files a Notice of Determination with the State Clearinghouse.
2. The parties may modify this Supplemental Statement of Responsibilities at any time by written agreement.

Designation of Representatives

1. The parties designate the following representatives for purposes of fulfilling their responsibilities under this Statement of Responsibilities. Any party may change its designated representative upon written notice to the other parties.

Reclamation's representative shall be:

Michael Jackson
Deputy Area Manager
South Central California Area Office

The Division's representative shall be:

Victoria A. Whitney, Chief
Division of Water Rights

Dated: September 23rd, 2004

By: *Michael Jackson*

Title: *Deputy Area Manager, South-Central California
U.S. Bureau of Reclamation
Area Office*

Dated: 10/21/04

By: *Victoria A. Whitney*

Title: *Chief, Division of Water Rights.
SWRCB, Division of Water Rights*



August 25, 2004

State Water Resources Control Board
Division of Water Rights
1001 'T' Street
P.O. Box 100
Sacramento, CA 95812

Attention: Victoria A. Whitney, P.E.
Chief, Division of Water Rights

Re: Finalize Draft EIR for Consideration of Modifications to the USBR Water Right Permits 11308 and 11310 Applications 11331 and 11332 to Protect Public Trust Values and Downstream Water Rights on the Santa Ynez River below Bradbury Dam (Cachuma Reservoir) (Cachuma Project EIR)

Dear Ms. Whitney:

I understand that URS Corporation (URS) executed an agreement in July 1999 with the Bureau of Reclamation (Reclamation) and Cachuma Operation and Maintenance Board (COMB) authorizing URS to prepare the Environmental Impact Report (EIR) for the Cachuma Water Rights Hearing before the State Water Resources Control Board (State Board) under the direction of Reclamation, and to the satisfaction of the State Board staff. At this time, the Project Manager under the agreement will be Susan Hootkins. Ms. Hootkins will be responsible for ensuring completion of the project with strict attention to your confidentiality requirements.

This letter provides you with URS' statement of confidentiality for the Cachuma Project EIR, consistent with our understanding of the Supplemental Statement of Responsibilities agreement between the State Board and Reclamation. A copy of this agreement is attached.

All of URS' communications with the State Board shall be kept confidential, unless State Board staff direct Ms. Hootkins that a specific communication is not confidential. Such communications shall include oral discussions and written notes from meetings and telephone consultations, emails and attachments, faxes, and other draft materials for the EIR and related public hearings. These communications will be marked confidential. Furthermore, we agree to comply with Item C.6 of the Supplemental Statement:

URS Corporation
1333 Broadway, Suite 800
Oakland, CA 94612
Tel: 2510.874.3600
Fax: 510.874.3268
www.urscorp.com

Confidentiality_8-25-04.doc

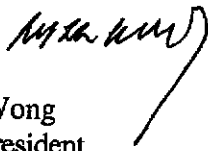
If necessary, the consultants may request information from Reclamation or any other interested person. Reclamation may discuss with the consultants issues pertaining to the scope of work, schedule of completion, or reasonableness of costs. Otherwise, the consultants shall not communicate with Reclamation or any other interested person regarding the analytical or other substantive work performed by the consultants pursuant to this Supplemental Statement of Responsibilities until the SWRCB has issued a Final EIR.

Ms. Hootkins is to ensure that all URS staff and subconsultants working on the project understand the confidentiality requirement.

We look forward to assisting you and your staff in completing the Cachuma Project EIR. Ms. Hootkins needs to establish a date for meeting with you and Reclamation to initiate completion of the Cachuma Project EIR. You may call her directly at (510) 874-3223 or contact her by email at susan_hootkins@urscorp.com. Also, feel free to contact me if you have any questions: (510) 874-3112.

Sincerely,

URS CORPORATION



Noel Wong
Vice President
Manager, Water Resources

Cc: Andrew Fecko, SWRCB
Dana Differding, SWRCB
Michael Jackson, Reclamation
David Young, Reclamation
Jo Ann Struebing, Reclamation
Sheryl Carter, Reclamation
Kate Rees, COMB
Susan Hootkins, URS
John T. Gray, URS