

Exhibit 1

Draft Water Purchase Agreement

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

**STATE OF CALIFORNIA
THE RESOURCES AGENCY
DEPARTMENT OF WATER RESOURCES
AND
UNITED STATES OF AMERICA
DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
CENTRAL VALLEY PROJECT, CALIFORNIA
AND
YUBA COUNTY WATER AGENCY**

**AGREEMENT FOR THE LONG-TERM PURCHASE OF WATER FROM YUBA
COUNTY WATER AGENCY BY THE DEPARTMENT OF WATER
RESOURCES AND THE BUREAU OF RECLAMATION**

This Agreement is entered into as of the Effective Date among the Department of Water Resources of the State of California, pursuant to the provisions of the California Water Resources Development Bond Act, the Central Valley Project Act and other applicable laws of the State of California; the United States Department of the Interior, acting through the United States Bureau of Reclamation, pursuant to Section 14 of the Reclamation Project Act of 1939 (43 USC section 389) and other applicable federal law; and Yuba County Water Agency, acting pursuant to the Yuba Act (California Statutes 1959, Chapter 788, as amended) and other applicable laws of the State of California.

RECITALS

A. DWR operates and maintains the SWP pursuant to the laws of the State of California, involving the development and conveyance of water supplies to water supply agencies throughout the State of California.

B. Reclamation has constructed and is operating the CVP for the diversion, storage, carriage, and distribution of waters of the State of California for irrigation, municipal, domestic, industrial water supplies, for fish and wildlife mitigation, protection and restoration, and for generation and distribution of electric energy, salinity control, navigation, flood control, recreation and other beneficial uses.

C. Yuba is a public agency created and existing pursuant to the provisions of the Yuba Act. Yuba owns and operates the Yuba River Development Project, including the Yuba Project.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

D. Yuba is engaged in the Yuba River Accord initiative to resolve issues associated with operation of the Yuba Project in a way that protects lower Yuba River fisheries and local water-supply reliability, while providing revenues for local flood control projects, water for the CALFED Program to use for protection and restoration of Delta fisheries, and improvements in state-wide water supply management.

E. The Yuba River Accord includes three major elements, all of which must be in place for the Yuba River Accord to become effective: (1) the Fisheries Agreement, under which Yuba would revise the operations of the Yuba Project to provide higher flows in the lower Yuba River under certain conditions to improve fisheries protection and enhancement; (2) the Conjunctive Use Agreements between Yuba and water districts within Yuba County for implementing a conjunctive use and water use efficiency program; and (3) this Agreement between Yuba and DWR and Reclamation, pursuant to which DWR and Reclamation will have rights to beneficially use water flows made available by Yuba through the Fisheries Agreement, the Conjunctive Use Agreements, and additional water releases from the Yuba Project, which Yuba asserts it would not and could not make available from the Yuba Project in the absence of the Yuba River Accord and without the revenues provided to Yuba under this Agreement.

F. DWR and Reclamation support the Yuba River Accord, and are willing to enter into this Agreement because it will enable the Yuba River Accord to become effective, thereby improving fishery conditions on the Yuba River and improving water supplies to DWR and Reclamation for: (1) the EWA; (2) the SWP contractors; and (3) authorized purposes of the CVP.

G. The Contracting Parties believe that this Agreement is consistent with: (1) Yuba's commitments to utilize water management tools (such as conjunctive use of groundwater), to create operational efficiencies, and manage water shortage risks in new ways that would benefit the fisheries and augment water supplies for downstream users; and (2) the Projects' need for additional water supplies.

H. Yuba is authorized under the Yuba Act to enter into long-term contracts to sell water for use outside of Yuba County, subject to the provision of Section 5 of the Yuba Act. Yuba has determined, after compliance with the procedures set forth in Section 5 of the Yuba Act, that the water subject to sale or disposition under this Agreement will not be needed during the term of this Agreement by or for the Member Units of Yuba. Yuba has further determined that Yuba is willing, in exchange for the consideration described in this Agreement, to enter into this Agreement.

I. The Contracting Parties, in coordination and consultation with the SWP contractors and CVP contractors, carried out a pilot water transfer program during the 2006 Water Accounting Year, and, based on the success of this pilot program, desire to move forward with this Agreement, as part of the Yuba River Accord.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

J. A portion of the Water delivered under this Agreement will be paid for with funds appropriated pursuant to Chapter 7(d) of Proposition 50, California Water Code Section 79550(d).

K. DWR and Reclamation have entered into a separate agreement for the allocation of the Water. In addition, DWR has entered into separate agreements with its SWP contractors, and Reclamation has entered into separate agreements with its CVP contractors, for the allocation of and/or payment for the Water.

L. The Contracting Parties have determined that this Agreement does not conflict with Section 25 of the Short-Term Phase 8 Settlement Agreement.

AGREEMENT

The Contracting Parties agree as follows:

1. Definitions.

When used herein, the term:

- a. **"Buyers"** means DWR and Reclamation.
- b. **"CALFED"** means the joint federal and California program, administered by the California Bay-Delta Authority, intended to develop and implement a long-term comprehensive plan that will, among other purposes, restore ecological health and improve water management for beneficial uses of the Bay-Delta System.
- c. **"CEQA"** means the California Environmental Quality Act.
- d. **"Component 1 Water"** means the water supplies described in Section 5 of this Agreement.
- e. **"Component 2 Water"** means the water supplies described in Section 6 of this Agreement.
- f. **"Component 3 Water"** means the water supplies described in Section 7 of this Agreement.
- g. **"Component 4 Water"** means the water supplies described in Section 8 of this Agreement.
- h. **"Conference Year"** means a Water Year for which the North Yuba Index is less than 500,000 acre-feet, calculated according to the procedures and formulas set forth in Exhibit 1 to this Agreement, and using the latest available forecasts for the Water Year.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

- i. **"Conjunctive Use Agreements"** means those agreements for implementing a conjunctive use and water use efficiency program between Yuba and a sufficient number of Member Units that Yuba determines is satisfactory for Yuba to meet Yuba's obligations under this Agreement, the Fisheries Agreement, and the Yuba Act.
- j. **"Contracting Parties"** means DWR, Reclamation and Yuba.
- k. **"CVP"** means the Central Valley Project, operated by Reclamation.
- l. **"CVPIA"** means the Central Valley Project Improvement Act, Title 34 of the Act of October 30, 1992 (106 Stat. 4706).
- m. **"Decision 1644"** means Revised Water-Right Decision 1644 of the State Board, adopted on July 16, 2003.
- n. **"DWR"** means the Department of Water Resources of the State of California.
- o. **"ESA"** means the federal Endangered Species Act of 1973, as amended (16 U.S.C. sections 1531-1544).
- p. **"EWA"** means the environmental water account program described in the CALFED Record of Decision, as extended through the end of 2007, or a long-term environmental water account program.
- q. **"Feather River Diversion Facility"** means an intake structure, pumping facilities, a fish screen that meets State and Federal fish screen criteria, and related facilities that Yuba is considering constructing at or below the confluence of the Yuba River and the Feather River for the diversion of water under Yuba's existing water rights for use within Yuba County. The Feather River Diversion Facility would be added as a point of re-diversion under Yuba's existing water rights. On a real-time basis, diversions by Yuba at the Feather River Diversion Facility: (1) would not exceed the quantity of water that would have been available to Yuba for diversion from Yuba River flows upstream of its confluence with the Feather River; (2) when added to the quantity of water diverted by Yuba at Yuba's Daguerre Point of Diversion, would not exceed the quantities of water under Yuba's water rights that Yuba had diverted to beneficial use under applicable provisions of law (including Chapter 1 of Part 1 of Division 2 of the Water Code) prior to the initiation of water diversions at the Feather River Diversion Facility; and (3) would not cause adverse impacts to, or interfere with, DWR or Reclamation's operations of the SWP and CVP, or cause DWR or Reclamation to have to modify operations of their respective SWP or CVP facilities.
- r. **"FERC"** means the Federal Energy Regulatory Commission.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

s. **"FERC License"** means the license, as amended, issued to Yuba by FERC for the operation of the power facilities of the Yuba Project, the term of which expires on April 3, 2016.

t. **"FERC Annual License"** means one or more annual licenses issued to Yuba by FERC for the operation of the power facilities of the Yuba Project following the expiration of the term of the FERC License.

u. **"FERC Long-Term License"** means the long-term license issued to Yuba by FERC for the operation of the power facilities of the Yuba Project following the expiration of the term of the FERC License and the last FERC Annual License.

v. **"Final Classification"** means the year-type classification for the Sacramento River region in the May issue of DWR's Bulletin 120.

w. **"Fisheries Agreement"** means the agreement among Yuba, the California Department of Fish and Game, and other parties, dated _____, under which Yuba operates the Yuba Project to provide higher flows in the lower Yuba River under certain conditions to improve fisheries protection.

x. **"Force Majeure Event"** means any: (1) flood; (2) earthquake; (3) failure of the California Aqueduct, the Delta-Mendota Canal, levees, other conveyance facilities, or other major components of the SWP, CVP or the Yuba Project; (4) act of God (other than drought); or (5) any other event (other than a Regulatory Action) beyond the reasonable control of DWR, Reclamation, or Yuba that significantly affects the ability to divert or use Water delivered by Yuba under this Agreement, or that significantly affects Yuba's ability to deliver Water under this Agreement while also meeting its obligations to its Member Units or its obligations under the Fisheries Agreement.

y. **"Groundwater Monitoring and Reporting Program"** means the program, set forth in Exhibit 3 to this Agreement, pursuant to which Yuba will monitor and report groundwater pumping to implement this Agreement.

z. **"Groundwater O&M Costs"** means the costs related to pumping groundwater as described in Section 12 ("Other Payments to Yuba by Buyers") of this Agreement.

aa. **"Member Units"** means a "Member Unit" as defined in section 84-2(g) of the Yuba Act.

bb. **"NEPA"** means the National Environmental Policy Act.

cc. **"PG&E"** means Pacific Gas and Electric Company.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

dd. "PG&E Power Contract" means the power purchase contract between Yuba and PG&E related to the operation of the Yuba Project for the generation of hydroelectric power, dated May 13, 1966.

ee. "Policy Committee" means the committee, consisting of one representative each from Yuba, DWR, Reclamation, the CALFED fishery agencies on behalf of EWA, SWP contractors, and CVP contractors, established under Section 14 ("Technical Committee and Policy Committee") of this Agreement.

ff. "Projects" means the SWP and the CVP.

gg. "Reclamation" means the United States Department of the Interior, Bureau of Reclamation.

hh. "Regulatory Action" means a court order, regulatory action or change in applicable law that significantly affects either the ability to divert or use Water, or that significantly affects Yuba's ability to deliver Water while also meeting its obligations to its Member Units or its obligations under the Fisheries Agreement.

ii. "Short-Term Phase 8 Settlement Agreement" means the "Short-Term Agreement to Guide Implementation of Short-Term Water Management Actions to Meet Local Water Supply Needs and to Make Water Available to the SWP and CVP to Assist in Meeting the Requirements of the 1995 Water Quality Control Plan and to Resolve Phase 8 Issues" (effective date March 24, 2003).

jj. "State Board" means the California State Water Resources Control Board.

kk. "SWP" means the State Water Project operated by DWR. The SWP is also known as the State Water Facilities, as defined in California Water Code section 12934(d).

ll. "Technical Committee" means the committee, consisting of technical representatives from Yuba, DWR, Reclamation, the CALFED fishery agencies on behalf of EWA, SWP contractors and CVP contractors, established under Section 14 ("Technical Committee and Policy Committee") of this Agreement.

mm. "Water" means Component 1 Water through Component 4 Water delivered by Yuba in a manner consistent with the provisions of Section 11 ("General Provisions Applicable to Water") of this Agreement.

nn. "Water Accounting Year" means the twelve-month period from January 1 to December 31. The Water Accounting Year will be used to account for Water.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

oo. "Water Year" means the twelve-month period from October 1 of one year through September 30 of the following year. For this Agreement, each Water Year will be classified: (1) as "Wet," "Above-Normal," "Below-Normal," "Dry" or "Critical," based on the Sacramento Valley Water Year Hydrologic Classification in Figure 1 on page 188 of the State Board's March 15, 2000, Revised Water-Right Decision 1641; or (2) as a "Conference Year," based on the procedures and formulas set forth in Exhibit 1 to this Agreement, using the latest available forecast for the Water Year.

pp. "Yuba" means the Yuba County Water Agency.

qq. "Yuba Act" means the Yuba County Water Agency Act, California Statutes 1959, Chapter 788, as amended.

rr. "Yuba Project" means the Yuba River Development Project, including New Bullards Bar Dam and Reservoir on the North Yuba River.

ss. "Yuba River Accord" means Yuba's initiative as described in Recitals D and E of this Agreement.

2. Term of Agreement.

This Agreement will terminate on December 31, 2025, or when all obligations under this Agreement have been satisfied, whichever is later, unless this Agreement is terminated earlier as provided herein.

3. Effective Date.

This Agreement will become effective on the first day of January after: (1) full execution of this Agreement; (2) full execution of the Fisheries Agreement; (3) full execution of the Conjunctive Use Agreements; (4) full execution of an agreement between Yuba and PG&E to amend provisions of the PG&E Power Contract, and approval of the California Public Utilities Commission of such an amendment, if necessary; (5) full execution of the agreement between DWR and Reclamation for the allocation of the Water to be made available under this Agreement; (6) receipt of all State Board approvals that may be necessary to enable the Fisheries Agreement and this Agreement to be fully implemented; and (7) full execution of the agreements between DWR and SWP contractors, and Reclamation and CVP contractors, referred to in Recital K of this agreement. The Contracting Parties will support the actions described in this section.

4. Actions Taken by Yuba to Make Water Available.

A. In accordance with Section 5 of the Yuba Act, all sales of Water are subject to the prior right to the use of such water or Yuba facilities by or for the Member Units. Yuba has taken the following measures to assure that the quantities of Water will be

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

available to DWR and Reclamation during all Water Year types, as provided in this Agreement, for the term of this Agreement:

1. Yuba has entered into the Conjunctive Use Agreements under which the contracting Member Units have agreed to provide groundwater supplies in substitution for surface water supplies to assist Yuba in implementing this Agreement; and

2. Yuba is implementing a groundwater monitoring program within its service area to ensure that the water supply developed pursuant to the Conjunctive Use Agreements is within the long-term safe yield of the affected aquifer ; and

3. The Board of Directors of Yuba has adopted Resolution No. _____ making findings concerning Yuba's compliance with Section 5 of the Yuba Act, and determining that the Water exceeds the needs of its Member Units and that Yuba can and will perform its obligations under this Agreement.

B. In addition, Yuba is planning for the installation and operation of the Feather River Diversion Facility in the event that Yuba determines that operation of the Feather River Diversion Facility would assist Yuba in making water supplies available within Yuba County. Subject to Yuba agreeing to operate this facility in the manner described in Section 1(q) of this Agreement, DWR and Reclamation will not oppose the installation and operation of the Feather River Diversion Facility for this purpose, and will not object to Yuba obtaining regulatory permits and approvals for the Feather River Diversion Facility.

5. Component 1 Water

A. Component 1 Water Quantity.

1. In each of the first nine Water Accounting Years of this Agreement (January 1, 2007 through December 31, 2015), Yuba will deliver to the Buyers, for use by the EWA, and the Buyers will pay for, 60,000 acre-feet of Component 1 Water, subject to Section 11 ("General Provisions Applicable to Water") of this Agreement. The total quantity of Component 1 Water that Yuba will deliver to the Buyers during the first nine Water Accounting Years of this Agreement will be 540,000 acre-feet. Unless conditions under Section 23.D. apply, Component 1 Water will be used to support continued implementation of current EWA fishery protection purposes that supplement existing regulatory obligations, and Component 1 Water will not be used to comply with, or offset compliance with, the regulatory baseline level of protection in place at the time of the EWA action.

2. In certain years, and pursuant to the accounting principles set forth in **Exhibit 1**, operational limitations of the Yuba Project, the CVP, and/or the SWP may cause the quantity of Component 1 Water that Yuba can deliver to the Buyers to be reduced below 60,000 acre-feet during a Water Accounting Year. Under those

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

circumstances, unless the Contracting Parties agree otherwise, Yuba will deliver the undelivered Component 1 Water: (a) during the next Water Accounting Year that is not a Dry or Critical Water Year; (b) when such make-up water can be delivered from Yuba's available surface-water supply; and (c) on a schedule that is acceptable to the Buyers and Yuba that would not impair the ability of Yuba to make Components 2 through Components 4 Water available, as provided in this Agreement.

3. The Buyers and Yuba will schedule Component 1 Water pursuant to Section 9 ("Scheduling of Water") of this Agreement.

4. In all Water Accounting Years that include all or part of the term of any FERC Annual License, Yuba will deliver to the Buyers, and the Buyers will pay for, 60,000 acre-feet of Component 1 Water, subject to Sections 15A(2) and 15B of this Agreement.

5. The quantities of Component 1 Water delivered by Yuba to the Buyers during all Water Accounting Years that include the term of the FERC Long-Term License, and do not include any part of the term of any FERC Annual License, will be subject to Sections 15A(3) and 15C of this Agreement.

B. Component 1 Water Pricing.

1. As full compensation to Yuba for making Component 1 Water, available during each of the first nine Water Accounting Years of this Agreement, the Buyers will pay Yuba as follows: (a) an initial payment of \$32,700,000; and (b) an additional payment of \$2,550,000. These payments will be made as described in Section 5C and Section 10 ("Invoicing") of this Agreement.

2. The pricing provisions applicable to Component 1 Water delivered by Yuba to Buyers during all Water Accounting Years after the first nine Water Accounting Years will be those set forth in Section 15 ("Quantities of and Pricing Provisions for Water During a FERC Annual License and During the FERC Long-Term License") of this Agreement.

C. Component 1 Water Payment Provisions.

1. In accordance with Section 10 ("Invoicing") of this Agreement, Yuba will, within thirty days of the Effective Date, submit an invoice to DWR for the initial payment of \$32,700,000. DWR will make payment to Yuba within sixty days of the date the invoice has been received by both the DWR Contract Manager and the Accounting Office.

2. In accordance with Section 10 ("Invoicing") of this Agreement, and not more than sixty days before October 1, 2015, unless requested sooner in writing by DWR and Reclamation, Yuba will submit duplicate invoices to DWR and Reclamation for the additional payment for Component 1 Water of \$2,550,000. The Buyers will promptly

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

allocate the payment responsibilities between DWR and Reclamation. Provided that any undelivered Component 1 water specified in Sections 5(A)(1) and (2) of this Agreement has been delivered or scheduled for delivery within twelve months of the payment due date, and in accordance with Section 9 ("Scheduling of Water") of this Agreement, DWR will make payment to Yuba within sixty days of the date the invoice has been received by both the DWR Contract Manager and the Accounting Office, and Reclamation will make payment to Yuba within thirty days of the date that the invoice is received by Reclamation. If undelivered Component 1 water has not been fully scheduled at the time the invoices are received by DWR and Reclamation, the beginning date for determining when payment to Yuba is due will be the day such schedule is agreed to among the Contracting Parties.

6. Component 2 Water.

A. Component 2 Water Quantity.

1. Yuba will deliver to the Buyers, subject to Section 11 ("General Provisions Applicable to Water") of this Agreement, and the Buyers will pay for:

a. In any Water Year that has a Final Classification as Dry, 15,000 acre-feet of Component 2 Water; and

b. In any Water Year that has a Final Classification as Critical, 30,000 acre-feet of Component 2 Water.

2. The Buyers and Yuba will schedule Component 2 Water pursuant to Section 9 ("Scheduling of Water") of this Agreement.

3. In all Water Accounting Years that include all or part of the term of any FERC Annual License, Yuba will deliver to the Buyers Component 2 Water, subject to Sections 15A(2) and 15B of this Agreement.

4. The quantities of Component 2 Water delivered by Yuba to the Buyers during all Water Accounting Years that include the term of the FERC Long-Term License, and do not include any part of the term of any FERC Annual License, will be subject to Sections 15A(3) and 15C of this Agreement.

B. Component 2 Water Pricing.

1. The Buyers will pay Yuba for Component 2 Water as follows:

a. In any Water Year that has a Final Classification as Dry, \$50.00 per acre-foot;

b. In any Water Year that has a Final Classification as Critical, \$62.50 per acre-foot; and

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

c. The payment adjustments (if any) provided for in Section 12C of this Agreement.

2. The Buyers will pay Yuba for Component 2 Water pursuant to Section 6C and Section 10 ("Invoicing") of this Agreement.

3. The pricing provisions applicable to Component 2 Water delivered by Yuba to Buyers during all Water Accounting Years that include all or part of the term of any FERC Annual License or the term of the FERC Long-Term License are set forth in Section 15 ("Quantities of and Pricing Provisions for Water During a FERC Annual License and During the FERC Long-Term License") of this Agreement.

C. Component 2 Payment Provisions.

1. For each Water Year that Component 2 Water is being delivered to Buyers, Yuba will submit an invoice to each of the Buyers on or after June 1 for fifty percent of the amount due for Component 2 Water scheduled to be delivered to the Buyers pursuant to this Agreement, adjusted by an amount equal to fifty percent of any credits or reimbursements due from Yuba to the Buyers. By January 7 of the subsequent year, Yuba will submit an invoice to each of the Buyers for the remaining fifty percent of the amount due for Component 2 Water scheduled to be delivered to the Buyers pursuant to this Agreement, less the remaining amount of any credits or reimbursement due the Buyers. The invoices will contain all of the information and be transmitted to Buyers as set forth in Section 10 ("Invoicing") of this Agreement.

2. DWR will pay Yuba within sixty days of the date that both the DWR Contract Manager and the Accounting Office receive invoices containing all of the information required by Section 10(B) of this Agreement. Reclamation will make payment to Yuba within thirty days of the date a complete invoice is received by Reclamation. With respect to the first invoice from Yuba, the Buyers will pay Yuba an amount equal to fifty percent of the price for the Component 2 Water that has been scheduled for delivery during the current Water Accounting Year in accordance with Section 9 ("Scheduling of Water") of this Agreement, minus fifty percent of any credit or reimbursement due from Yuba to the Buyers pursuant to Section 12 ("Payments for Fixed Annual Costs") of this Agreement. With respect to the second invoice from Yuba, the Buyers will pay the remaining amount due to Yuba for Component 2 Water, based on an accounting of actual Water deliveries in the previous Water Accounting Year, less the remaining amount of any credit or reimbursement due the Buyers pursuant to Section 12 ("Payments for Fixed Annual Costs") of this Agreement. With respect to both invoices from Yuba, DWR will pay Yuba within sixty days of the date both the DWR Contract Manager and the Accounting Office have received the appropriate invoices containing all of the information required by Section 10(B) of this Agreement, and Reclamation will make payment to Yuba within thirty days of the date a complete invoice is received.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

7. Component 3 Water.

A. Component 3 Water Quantity.

1. Subject to Section 11 ("General Provisions Applicable to Water") of this Agreement:

a. When the allocations as of April 21:

(i) For CVP South of Delta agricultural contractors are at or below thirty-five percent of their CVP contractual entitlements, and for SWP contractors are at or below forty percent of their SWP water supply contract Table A Amounts, Yuba will deliver to the Buyers, and the Buyers will pay for, 40,000 acre-feet of Component 3 Water; or

(ii) For CVP South of Delta agricultural contractors are at or below forty-five percent and above thirty-five percent of their CVP contractual entitlements, or for SWP contractors are at or below sixty percent and above forty percent of their SWP water supply contract Table A Amounts the Buyers, on or before April 21, the Buyers may request that Yuba deliver up to 40,000 acre-feet of Component 3 Water, and Yuba will deliver to Buyers the quantity of Component 3 Water requested.

2. The Buyers and Yuba will schedule Component 3 Water pursuant to Section 9 ("Scheduling of Water") of this Agreement. In addition:

a. If after April 21, but prior to May 21, allocations to CVP South of Delta agricultural contractors or SWP contractors decrease, then:

(i) if section 7A(1)(a)(ii) of this Agreement remains applicable notwithstanding the decreased allocation(s), the Buyers will have the right to call for Component 3 Water or additional Component 3 Water up to the maximum amount authorized by section 7A(1)(a)(ii); provided, however, that the quantity or increased quantity of Component 3 Water Yuba is required to deliver will be reduced to reflect any reduction in the amount of groundwater pumping availability between April 21 and May 21.

(ii) if section 7A(1)(a)(i) of this Agreement becomes applicable due to the decreased allocations, and the Buyers had opted to have less than 40,000 acre feet of Component 3 Water delivered, Yuba will deliver to the Buyers, and the Buyers will pay for 40,000 acre feet of Component 3 Water reduced by an amount that reflects any reduction in the amount of groundwater pumping availability between April 21 and May 21.

b. If after April 21, but prior to May 21, allocations to CVP South of Delta agricultural contractors or SWP contractors increase, then the Buyers

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

may, on or before May 21, reduce their request for Component 3 Water to the greater of zero or the quantity of water already delivered by Yuba plus the quantity of water already stored by Yuba through the substitution of groundwater for surface water in anticipation of Component 3 Water deliveries originally requested by the Buyers. This section will not apply to circumstances where, notwithstanding an increase in the Buyers' May water supply allocations, Section 7(A)(1)(a)(i) of this Agreement remains applicable.

3. In all Water Accounting Years that include all or part of the term of any FERC Annual License, Yuba will deliver to the Buyers, and the Buyers will pay for, Component 3 Water, subject to Section 15B of this Agreement.

4. The quantities of Component 3 Water delivered by Yuba to the Buyers during Water Accounting Years that include the term of the FERC Long-Term License, and do not include any part of the term of any FERC Annual License, will be subject to Section 15C of this Agreement.

B. Component 3 Water Pricing.

1. The Buyers will pay Yuba for Component 3 Water as follows:

a. In any Water Year that has a Final Classification as Above-Normal, \$50.00 per acre-foot;

b. In any Water Year that has a Final Classification as Below-Normal, \$75.00 per acre-foot;

c. In any Water Year that has a Final Classification as Dry, \$100.00 per acre-foot;

d. In any Water Year that has a Final Classification as Critical, \$125.00 per acre-foot; and

e. The payment adjustments (if any) provided for in Section 12C ("Payments for Adjustments in Groundwater O&M Costs) of this Agreement.

2. The Buyers will pay Yuba for Component 3 Water pursuant to Section 7C and Section 10 ("Invoicing") of this Agreement.

3. The pricing provisions applicable to Component 3 Water delivered by Yuba to Buyers during all Water Accounting Years that include all or part of the term of any FERC Annual License or the term of the FERC Long-Term License are set forth in Sections 15B and C of this Agreement.

C. Component 3 Payment Provisions

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

1. In accordance with Section 10 ("Invoicing") of this Agreement, Yuba will submit an invoice to the Buyers on or after June 1 each Water Accounting Year for fifty percent of the amount due for Component 3 Water scheduled to be delivered to the Buyers pursuant to this Agreement, adjusted by an amount equal to fifty percent of any credits or reimbursements due from Yuba to the Buyers. By January 7 of the subsequent year, Yuba will submit an invoice to the Buyers for the remaining fifty percent of the amount due for Component 3 Water scheduled to be delivered to the Buyers pursuant to this Agreement, less the remaining amount of any credits or reimbursement due the Buyers.

2. In accordance with Section 10 ("Invoicing") of this Agreement, DWR will pay Yuba within sixty days of the date that both the DWR Contract Manager and the Accounting Office receive the appropriate invoices and verification that the amount of Component 3 Water specified therein has been scheduled in accordance with Section 9 ("Scheduling of Water") of this Agreement. Reclamation will make payment to Yuba within thirty days of the date the invoice is received by Reclamation. The Buyers will pay Yuba an amount equal to fifty percent of the price for the Component 3 Water that has been scheduled for delivery during the current Water Accounting Year in accordance with Section 9 ("Scheduling of Water") of this Agreement, minus fifty percent of any credit or reimbursement due from Yuba to the Buyers pursuant to Section 12 ("Payments for Fixed Annual Costs") of this Agreement. On or before March 7 of the subsequent year, the Buyers will pay the remaining amount due to Yuba for Component 3 Water, based on an accounting of actual Water deliveries in the previous Water Accounting Year, less the remaining amount of any credit or reimbursement due the Buyers pursuant to Section 12 ("Payments for Fixed Annual Costs") of this Agreement.

8. Component 4 Water.

A. Component 4 Water Quantity.

1. Yuba will provide to the Buyers, subject to Section 11 ("General Provisions Applicable to Water") of this Agreement, Component 4 Water as follows:

a. On or before April 10 of each year, Yuba will inform the Buyers of the quantity of Component 4 Water that Yuba could make available from Yuba's available surface and groundwater that Water Accounting Year.

b. By May 15 the Buyers will notify Yuba if they will take delivery of any or all of the Component 4 Water that Yuba informed the Buyers that Yuba will make available.

2. The Buyers and Yuba will schedule Component 4 Water pursuant to Section 9 ("Scheduling of Water") of this Agreement.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

3. In all Water Accounting Years that include all or a part of the term of any FERC Annual License, Yuba will deliver to the Buyers, and the Buyers will pay for, Component 4 Water pursuant to Section 15B of this Agreement.

4. The quantities of Component 4 Water delivered by Yuba to the Buyers during all Water Accounting Years that include the term of the FERC Long-Term License, and do not include any part of the term of any FERC Annual License, will be subject to Section 15C of this Agreement.

B. Component 4 Water Pricing.

1. The Buyers will pay Yuba for Component 4 Water as follows:

a. In any Water Year that has a Final Classification as Wet, \$25.00 per acre-foot;

b. In any Water Year that has a Final Classification as Above-Normal, \$50.00 per acre-foot;

c. In any Water Year that has a Final Classification as Below-Normal, \$75.00 per acre-foot;

d. In any Water Year that has a Final Classification as Dry, \$100.00 per acre-foot;

e. In any Water Year that has a Final Classification as Critical, \$125.00 per acre-foot

f. The payment adjustments (if any) provided for in Section 12C ("Payments for Adjustments in Groundwater O&M Costs") of this Agreement.

2. The Buyers will pay Yuba for Component 4 Water pursuant to the payment and invoicing provisions of this Section.

3. The pricing provisions applicable to Component 4 Water delivered by Yuba to Buyers during all Water Accounting Years that include all or part of the term of any FERC Annual License or the term of the FERC Long-Term License are set forth in Sections 15B and C of this Agreement.

C. Component 4 Payment Provisions.

1. In accordance with Section 10 ("Invoicing") of this Agreement, Yuba will submit an invoice to the Buyers on or after June 1 each Water Accounting Year for fifty percent of the amount due for Component 4 Water scheduled to be delivered to the

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

Buyers pursuant to this Agreement, adjusted by an amount equal to fifty percent of any credits or reimbursements due from Yuba to the Buyers. By January 7 of the subsequent year, Yuba will submit an invoice to the Buyers for the remaining fifty percent of the amount due for Component 4 Water scheduled to be delivered to the Buyers pursuant to this Agreement, less the remaining amount of any credits or reimbursement due the Buyers.

2. In accordance with Section 10 ("Invoicing") of this Agreement, DWR will pay Yuba within sixty days of the date that both the DWR Contract Manager and the Accounting Office receive the appropriate invoices and verification that the amount of Component 4 Water specified therein has been scheduled in accordance with Section 9 ("Scheduling of Water") of this Agreement. Reclamation will make payment to Yuba within thirty days of the date the invoice is received by Reclamation. The Buyers will pay Yuba an amount equal to fifty percent of the price for the Component 4 Water that has been scheduled for delivery during the current Water Accounting Year in accordance with Section 9 ("Scheduling of Water") of this Agreement, minus fifty percent of any credit or reimbursement due from Yuba to the Buyers pursuant to Section 12 ("Payments for Fixed Annual Costs") of this Agreement. On or before March 7 of the subsequent year, the Buyers will pay the remaining amount due to Yuba for Component 4 Water, based on an accounting of actual Water deliveries in the previous Water Accounting Year, less the remaining amount of any credit or reimbursement due the Buyers pursuant to Section 12 ("Payments for Fixed Annual Costs") of this Agreement.

9. Scheduling of Water.

On or about April 10 of each Water Accounting Year, or as soon thereafter as practicable, the Contracting Parties will agree on a proposed delivery schedule for Component 1, 2, 3 and 4 Water. The proposed schedule may be revised periodically thereafter, and the Contracting Parties will agree on a final schedule no later than May 21. The final schedule may be adjusted to account for changes in Bay-Delta conditions that affect the delivery of Water, and for changes in the flow schedule for the lower Yuba River as provided for in the Fisheries Agreement. The proposed and final schedules will also show the scheduling of water delivered by Yuba under the Short-Term Phase 8 Settlement Agreement. The scheduling of Water, and any adjustments to the schedule, will be in accordance with the water scheduling and accounting provisions set forth in **Exhibit 1** ("Scheduling and Accounting Principles") of this Agreement.

10. Invoicing.

A. On or before May 31 of each year, the Buyers will notify Yuba of the percentage allocation of payments to be billed by Yuba that year to DWR and Reclamation, respectively; provided that, the Buyers will not allocate a payment obligation to one of the Buyers to the extent that the Buyer lacks funds to make the payment that year.

B. Yuba's invoices to DWR and Reclamation will contain the following

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

information:

1. Federal and State Agreement numbers;
2. Yuba's Taxpayer Identification Number;
3. remittance address;
4. point of contact;
5. for estimated payments, verification that the Water has been scheduled in accordance with Section 9 ("Scheduling of Water") of this Agreement; and
6. for year-end payments, certification that the Water has been delivered.

C. Yuba will submit, at the same time, two copies of each invoice to DWR State Water Project Analysis Office and one copy to DWR Accounting office at the following addresses:

Department of Water Resources
Chief, State Water Project Analysis Office
1416 Ninth Street
Post Office Box 942836
Sacramento, California 94236-0001

Department of Water Resources
Accounting Office, Contracts Payable Unit
Post Office Box 942836
Sacramento, California 94236-0001

D. Yuba will submit copies of each invoice to the following address:

U.S. Bureau of Reclamation, Mid Pacific Region
Re: Agreement No. (to be provided)
2800 Cottage Way
Sacramento, California 95825

11. General Provisions Applicable to Water.

A. Accounting for Water.

Water delivered by Yuba to the Buyers will be accounted for in the manner set forth in **Exhibit 1** ("Scheduling and the Accounting Principles") of this Agreement.

B. Reservoir Refill Impact Accounting.

Yuba will provide assurance to the Buyers that the refilling of reservoir storage in the Yuba Project resulting from the delivery of Water under this Agreement will not adversely impact the Projects by complying with the provisions of **Exhibit 2** ("Reservoir Refill

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

Accounting Provisions") of this Agreement. The provisions of **Exhibit 2** will not apply to Water made available as a result of Yuba delivering groundwater instead of surface water to its Member Units to implement this Agreement.

C. Yuba's Conjunctive Use Program.

To the extent that Yuba delivers groundwater instead of surface water to its Member Units in order to deliver Water to the Buyers pursuant to this Agreement, Yuba will comply with the provisions of **Exhibit 3** ("Groundwater Monitoring and Reporting Program") of this Agreement.

D. Conference Year Principles.

During any Conference Year, the Contracting Parties will meet (along with the parties to the Fisheries Agreement and the Conjunctive Use Agreements) to determine how to address the circumstances, and to discuss the operation of the Yuba Project during that Water Accounting Year. During a Conference Year: (1) Yuba will have no obligation to deliver any quantity of Components 1 through 4 Water; (2) Yuba will not have to refund any part of the payment received for Component 1 Water; and (3) Yuba will deliver in a subsequent Water Accounting Year on a schedule that is acceptable to the Buyers and Yuba the quantity of Component 1 Water that was not delivered during the Conference Year.

E. Efforts to Maximize the Beneficial Use of Water.

Yuba will optimize to the extent feasible the operation of the Yuba Project to meet Yuba's obligations to supply Water under this Agreement. The Contracting Parties will coordinate their respective Projects' operations to maximize the beneficial use of Water released by Yuba under this Agreement.

F. Sale to Third Parties.

To the extent the Water is otherwise transferable under California law, in those years when Yuba offers Components 3 or 4 Water, but the Buyers decline to take all of the Water offered, Yuba may sell the Water not taken by Buyers to a third party, provided that such sale to the third party will not impair Yuba's ability to meet its obligations to deliver Components 1 through 4 Water in the current or any future Water Accounting Year. In addition, to the extent the water is otherwise transferable under California law, Yuba may sell to a third party any quantity of Components 1, 3 or 4 Water released by Yuba that would have been accounted for as Water except for the inability of the Buyers to take delivery (e.g., during times when the Bay-Delta was out of balance). Yuba will provide the Buyers ten days' advance notice of a sale to a third party under this section.

G. Periodic Accounting of Water Delivered by Yuba.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

After the first nine years of operations under this Agreement, and as appropriate thereafter, the Contracting Parties, with the assistance of the Technical Committee and the Policy Committee, will develop a comprehensive accounting of all Water delivered under this Agreement. If it is determined that less than the quantities of Water required to be delivered under the first nine years have been delivered or under appropriate periods thereafter, and the Buyers have paid for quantities of Water that have not been delivered, then Yuba will deliver supplies of Water to the Buyers to make up for such deficiencies, on a schedule that is acceptable to the Buyers and Yuba that would not impair the ability of Yuba to make other deliveries of Water under this Agreement.

12. Other Payments to Yuba by the Buyers.

A. Diesel Conversions.

In furtherance of the mitigation of potential impacts to air quality from implementation of the Accord, Yuba has implemented as part of the Conjunctive Use Agreements a program to convert certain pumps used to pump groundwater from diesel to electric, or to other forms of energy that reduce air quality impacts. Conversion of pumps to electricity or other forms of energy that reduce air quality impacts has been and will be performed by Yuba for purposes of this Agreement. Prior to submitting invoices to the Buyers under Section 10 ("Invoicing") of this Agreement, Yuba will: (1) submit to the Technical Committee for review documentation of the diesel conversion work performed and costs incurred from and after September 1, 2004 for purposes of this Agreement and the Accord; and (2) confirm to the Policy Committee that the work performed and costs incurred were in furtherance of mitigation of potential impacts on air quality from implementation of the Accord. Subject to receipt of such information and concurrence by the Policy Committee, the Buyers will pay Yuba the amount of such invoices, but not more than a total of \$1,000,000.00.

B. Payments for Fixed Annual Costs.

During the term of this Agreement, on or before April 1 each year, the Buyers will pay to Yuba up to \$250,000.00 to pay a portion of Yuba's annual costs for implementing the Yuba River Accord. On or before February 1, Yuba will submit to DWR and Reclamation duplicate invoices with documentation of costs incurred by Yuba to implement the Yuba River Accord, up to \$250,000 per year. The Buyers will pay Yuba the amount of such invoice, but not more than \$250,000 per year, pursuant to this Section and Section 10 ("Invoicing") of this Agreement. Yuba will provide to the Buyers, for payments made under this subsection, a credit against future payments due for Components 2, 3 and 4 Water. Yuba will record and accrue these credits from year to year until Yuba makes Component 2, 3 or 4 Water available, in which time such credits will be applied toward payments due.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

C. Payments for Adjustments in Groundwater O&M Costs.

During the term of this Agreement, the Buyers will pay Yuba, based on itemized invoices of work done and costs incurred, an amount to compensate for any annual increases above actual 2006 Groundwater O&M Costs, including those costs necessary for upkeep, power, and operation of those fixed assets that are dedicated to making Water available to the Buyers under this Agreement from groundwater sources, and recurring costs or payments required to obtain consents necessary to make Water available under this Agreement from groundwater sources. Groundwater O&M Costs will exclude general district overhead charges. Yuba will submit to the Technical Committee for a thirty-day review the documentation of work done and costs incurred prior to submitting invoices to the Buyers in accordance with the payment and invoicing provisions for Components 2, 3, or 4 Water under this Agreement. The Technical Committee will review invoices to ensure that payments made under the payment and invoicing provisions for Components 1 through 4 Water do not duplicate payments made under this subsection. Annual increases above the 2006 baseline will be computed based on the Consumer Price Increase as provided by the United States Department of Labor, Bureau of Labor Statistics. *[Drafting note: This section is subject to revision to provide a more specific reference to the applicable Consumer Price Index.]*

13. Certain Payments Contingent on Appropriation or Allotment of Funds.

A. General.

In consideration of Yuba's 9-year commitment to deliver Component 1 Water, the Buyers confirm that the funds required to pay Yuba for Component 1 Water during that period have been appropriated, and DWR will encumber the funds to pay Yuba for Component 1 Water during that period on the schedule provided for in Section 5C1 of this Agreement. The Buyers intend that the payments due to Yuba under this Agreement for Components 2, 3, and 4 Water that is made available to the SWP and CVP contractors will be paid from DWR funds received from the SWP contractors and from Reclamation funds received from the CVP contractors. The Buyers have made contractual arrangements with the SWP and CVP contractors under which the SWP and CVP contractors would have an opportunity to make payments due to Yuba under this Agreement, in the event that the Buyers fail to make such payments when due, in order to avoid an interruption in Yuba making Water available to the Buyers under this Agreement. To the extent that the Buyers default in making the payments due to Yuba under this Agreement, then: (1) Yuba's obligation to make Water available to the Buyers under this Agreement will be excused to the extent and for the duration of the Buyers' default; (2) Yuba may attempt to mitigate its damages by selling Component 3 and Component 4 Water made available under this Agreement to other parties to the extent and for the duration of the Buyers' default; and (3) the Buyers will be obligated to pay Yuba to the extent that Yuba is unable to mitigate Yuba's damages resulting from the Buyers' default, subject to any applicable limitations on Reclamation's authority under federal law.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

B. State Funding Contingency.

Except to the extent that DWR uses funds from sources that do not require legislative budgetary appropriation, DWR's payment obligations under this Agreement are contingent on appropriation or allotment of funds through the State Budget process.

C. Federal Anti-Deficiency Clause.

The expenditure or advance of any money or the performance of any obligation of the United States under this Agreement will be contingent upon the appropriation or allotment of funds for the purposes of this Agreement. No liability will accrue to the United States in case funds are not appropriated or allotted.

14. Technical Committee and Policy Committee

A. Technical Committee.

The Technical Committee will: (1) collect, review and analyze information relevant to accounting for Water consistent with Exhibits 1 through 3, and information related to advances, payments and cost adjustments; (2) identify and attempt to resolve technical implementation issues; (3) periodically report to the Policy Committee on the information gathered and any technical implementation issues identified; and (4) make recommendations to the Policy Committee for resolution of any policy issues that arise or for any required factual determinations. If the Technical Committee is unable to agree on a recommendation to the Policy Committee, the Technical Committee will cooperate to provide a balanced presentation of the facts, opinions and other information underlying the various positions on the issue to be determined.

B. Policy Committee.

The Policy Committee will: (1) provide policy guidance in implementing this Agreement; (2) make any factual determinations required to implement this Agreement; (3) consider information provided by the Technical Committee, if applicable, when making decisions; and (4) identify and resolve any policy-related implementation issues. If agreement among the representatives to the Policy Committee cannot be reached on any issue necessary to the ongoing implementation of the Agreement, the Buyers and Yuba will meet and confer in a good faith effort to reach agreement. In the event that agreement cannot be reached among the Buyers and Yuba on an issue, that issue will be subject to Section 22 ("Remedies and Dispute Resolution") of this Agreement.

C. Interaction with River Management Team.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

DWR and Reclamation will each designate a representative to actively participate in the River Management Team established under the Fisheries Agreement.

15. Quantities of and Pricing Provisions for Water During a FERC Annual License and During the FERC Long-Term License.

A. Intent of the Contracting Parties.

1. Yuba expects that, upon the expiration of the term of the FERC License, FERC will issue to Yuba one or more FERC Annual Licenses, before it issues to Yuba the FERC Long-Term License.

2. The Contracting Parties desire that Yuba continue to deliver, and the Buyers continue to pay for, Components 1 through 4 Water in accordance with Section 11 ("General Provisions Applicable to Water") of this Agreement during any Water Year beginning after September 30, 2015 for which either the FERC License or a FERC Annual License is in effect, if: (a) these quantities of Water can be delivered by Yuba consistent with the terms of the FERC License or any FERC Annual License; and (b) subject to a pricing agreement between the Contracting Parties. The Contracting Parties further intend that, other than the pricing provisions, there will be no change in the other provisions of this Agreement (including the provisions regarding the quantities of Components 1 through 4 Water delivered by Yuba, and paid for by the Buyers) during any Water Year beginning after September 30, 2015 that includes all or part of the term of any FERC Annual License, if the terms of the FERC Annual License do not significantly affect Yuba's ability to make these water supplies available.

3. The Contracting Parties desire that Yuba continue to deliver, and the Buyers continue to pay for, Components 1 through 4 Water in accordance with Section 11 ("General Provisions Applicable to Water") of this Agreement during any Water Year that is within the term of a FERC Long-Term License, and not within the term of any FERC Annual License, if these quantities of Water can be delivered by Yuba consistent with: (a) the terms of the FERC Long-Term License; (b) the water supply needs within the service area of Yuba; and (c) the ability of the Buyers and Yuba to agree to pricing provisions. The Buyers and Yuba further intend that, other than the quantity and pricing provisions, there will be no change in the other provisions of this Agreement during any Water Year that is within the term of a FERC Long-Term License.

B. Quantities of Water and Pricing Provisions Applicable During the Term of the FERC Annual Licenses.

During any Water Accounting Year beginning after December 31, 2015 during which either the FERC License or any FERC Annual License is in effect, Yuba will deliver, and the Buyers will pay for, Components 1 through 4 Water, in accordance with Section 11 ("General Provisions Applicable to Water") of this Agreement, subject to the following: Yuba may adjust the quantities of Water that Yuba will deliver to the Buyers (but the

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

quantity will not be less than 20,000 acre-feet of Water in each such Water Accounting Year, other than a Conference Year), but only to the extent needed to reflect the ability of Yuba to deliver these quantities of Water consistent with the terms of the FERC Annual License. The Buyers and Yuba will negotiate in good faith the quantity and pricing provisions applicable to Components 1 through 4 during such Water Accounting Years, but under no circumstance will the price for the Water be less than the pricing provisions applicable to Components 1 through 4 Water, as set forth in Sections 5 through 8 of this Agreement.

C. Quantities of Water and Pricing Provisions Applicable During the Term of the FERC Long-Term License.

During any Water Accounting Year that is within the term of the FERC Long-Term License, and for which no part of the Water Accounting Year is within the term of any FERC Annual License, Yuba will deliver, and the Buyers will pay for, Components 1 through 4 Water, in accordance with Section 11 ("General Provisions Applicable to Water") of this Agreement, subject to the following: the Buyers and Yuba reach agreement as to the quantities of Components 1 through 4 Water that Yuba will deliver to the Buyers (but which quantities will not be less than 20,000 acre-feet of Water in any Water Accounting Year through December 31, 2025, other than during a Conference Year), to reflect the ability of Yuba to deliver these quantities of Water consistent with: (a) the terms of the FERC Long-Term License; and (b) the water supply needs within the service area of Yuba. The Buyers and Yuba will negotiate in good faith the quantity and pricing provisions applicable to Components 1 through 4 Water during the term of the FERC Long-Term License.

16. Environmental Compliance. [Drafting note: this section will be written to reflect final compliance with NEPA, CEQA and ESA.]

A. NEPA/ESA.

On _____, 20___, Reclamation adopted and approved a Record of Decision on an Environmental Impact Statement addressing the impact and effects of the actions taken under this Agreement. On _____, 20___, Reclamation received a concurrence letter from the United States Fish and Wildlife Service and NOAA Fisheries regarding compliance with ESA. *(To be completed)*

B. CEQA.

Yuba, as lead agency, and DWR and _____, as responsible agencies, have approved and filed notices of determination concerning the implementation of the Yuba River Accord and its environmental effects. *(To be completed)*

17. Approvals and Conditions Precedent to Performance of this Agreement.

A. Section 5.2 of the Yuba Act.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

Yuba represents that Yuba has complied with the provisions of Section 5.2 of the Yuba Act, which requires that, prior to entering into this Agreement, the Board of Directors of Yuba to: (1) determine that water to be purchased under this Agreement would be surplus to the amount of water available to meet the contractual requirements of Member Units; (2) hold a public hearing to receive and consider comments on and objections to this Agreement; (3) confirm that a majority in number of registered voters residing within Yuba County have not filed written protests against this Agreement; and (4) find that the long-term purchase of water under this Agreement may be carried out without injuring any legal user of water, without unreasonably affecting fish, wildlife or other instream beneficial uses, and without unreasonably affecting the overall economy of Yuba County.

B. State Board Order.

Yuba has obtained approval of the State Board as necessary to enable this Agreement to be fully implemented.

C. Compliance with Water Code Section 1745.10.

Yuba represents that Yuba has complied with the provisions of Water Code Section 1745.10.

D. Other Approvals by Yuba.

Yuba will be responsible for obtaining any other permits and approvals necessary for Yuba to make Water available to the Buyers under this Agreement.

E. Other Approvals by Buyers.

Except as otherwise addressed in this Agreement, the Buyers will be responsible for obtaining any permits and approvals necessary for them to make use of the Water made available under this Agreement

18. Place of Use of Water.

Water made available under this Agreement will be not used outside of the place of use specified in the State Board order approving this delivery of Water from Yuba to the Buyers, without the written consent of Yuba.

19. Hold Harmless.

A. DWR will not assert that Reclamation and Yuba, their respective officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by DWR, its officers, agents or employees, related to DWR's performance of this Agreement, where such liability is caused by an act, error or omission of

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

DWR, its officers, agents or employees.

B. Reclamation will not assert that DWR and Yuba, their respective officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by Reclamation, its officers, agents or employees, related to Reclamation's performance of this Agreement, where such liability is caused by an act, error or omission of Reclamation, its officers, agents or employees.

C. Yuba will not assert that DWR and Reclamation, their respective officers, agents or employees, are liable for damages of any nature whatsoever arising out of any actions or omissions by Yuba, its officers, agents or employees, related to Yuba's performance of this Agreement, where such liability is caused by an act, error or omission of Yuba, its officers, agents or employees.

D. To the extent permitted by California law, Yuba will indemnify, defend and hold DWR and its officers, agents and employees safe and harmless from any and all claims, judgments, damages, penalties, costs, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorney's fees, paralegal fees, consultant fees, engineering fees, expert fees and any other professional fees) that arise from or are related in any way to Yuba's activities under this Agreement that are under the exclusive control of Yuba, including but not limited to the release, conveyance, use or distribution of water released by Yuba from the Yuba Project for purposes of this Agreement.

E. To the extent permitted by California law, DWR will indemnify, defend and hold Yuba and its officers, agents and employees safe and harmless from any and all claims, judgments, damages, penalties, costs, liabilities and losses (including without limitation, sums paid in settlement of claims, actual attorney's fees, paralegal fees, consultant fees, engineering fees, expert fees and any other professional fees) that arise from or are related in any way to DWR's activities under this Agreement that are under the exclusive control of DWR, including but not limited to the conveyance, use or distribution of water made available by Yuba from the Yuba Project for purposes of this Agreement.

F. Yuba and its officers, agents, employees and insurers will not be responsible for the quality of water made available by Yuba from the Yuba Project for purposes of this Agreement.

20. Force Majeure Event.

A. A *Force Majeure* Event will excuse or suspend performance as provided in this section for the duration of the *Force Majeure* Event. To the extent that *Force Majeure* Event prevents the Buyers from using the Water delivered by Yuba, then: (a) the Buyers will be excused from paying for Components 2 through 4 Water during the duration of the *Force Majeure* Event; and (b) Yuba will retain the payments received for Component 1 Water with no obligation to deliver this Component 1 Water again at some later time.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

B. To the extent that a *Force Majeure* Event prevent Yuba from providing Components 1 through 4 Water, then: (a) Yuba's performance will be excused during the duration of the *Force Majeure* Event; (b) Yuba will not be required to refund payments for Component 1 Water; and (c) Yuba will deliver this Component 1 Water supply at some later time on a schedule that is acceptable to the Buyers and Yuba.

C. During a *Force Majeure* Event, each of the Contracting Parties will, to the extent practicable, take actions to minimize the impacts of the *Force Majeure* Event on the other Contracting Parties.

21. Regulatory Action.

In the event of a Regulatory Action during the term of this Agreement: (a) the affected Contracting Party will promptly notify the other Contracting Parties of the Regulatory Action and the manner in which it affects performance under this Agreement; and (b) the Contracting Parties will proceed under the process provided for in Section 22 ("Remedies and Dispute Resolution"), to the extent applicable. This section does not affect the other rights and remedies of the parties under this Agreement.

22. Remedies and Dispute Resolution.

A. Should any material disputes arise concerning any provision of this Agreement, or the rights and obligations of the Contracting Parties thereunder, including those involving possible termination or those that might cause the initiation of any administrative or judicial proceeding to enforce or interpret this Agreement, the Contracting Parties will present the issue to the Policy Committee (which may request assistance from the Technical Committee) for a recommendation for resolving the dispute.

B. If the Process described in the preceding subsection fails to resolve the dispute within thirty days, the Contracting Parties will submit the dispute to a mediator who has experience in water-related disputes. The costs of any such mediation will be borne one-third each by the Contracting Parties. Initiation of this mediation process will be through written notice by one Contracting Party to the other Contracting Parties. The Contracting Parties reserve all of their other remedies that may be provided by law or equity in the event that such mediation fails to resolve a dispute. The Contracting Parties, in consultation with the mediator, will use their best efforts to resolve the dispute within thirty days. Under no circumstances, however, will mediation under this Section 22 result in a requirement that diminishes, limits or contravenes the discretion, authority or any delegated authority of the Commissioner of Reclamation or of the Secretary of the Interior, under federal law or of the Director of DWR under State law.

C. If mediation fails to resolve the dispute, and prior to commencing any legal action to resolve the dispute, the Contracting Party proposing to commence legal action will provide the other Contracting Party thirty days' written notice of such action, provided

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

that such notice will not be required where a delay in commencing an action would prejudice the interests of the Contracting Party that intends to file suit. During the thirty-day notice period, the Contracting Parties will continue to attempt to resolve the dispute.

23. Effect of this Agreement on other Matters.

A. As a Precedent.

Nothing in this Agreement is intended or will be construed as a precedent or other basis for any argument that the Contracting Parties have waived or compromised their rights that may be available under State or federal law, except as to matters addressed in this Agreement.

B. As to Water Rights.

The only rights granted to the Contracting Parties as a result of this Agreement are those expressly set forth in this Agreement. The providing of water by Yuba under this Agreement will not confer any appropriative, public trust or other right to water on any person or entity. Nothing in this Agreement is intended or will be construed to act as a forfeiture, diminution or impairment of any water right of Yuba. Consistent with the provisions of California Water Code sections 109, 475, 1011, 1014 through 1017, 1244 and 11961, the delivery of water under this Agreement will not be evidence of or used to demonstrate either the existence of surplus water after this Agreement expires, or the lack of beneficial use of the water supplies referred to in this Agreement, and the Contracting Parties will not contend otherwise. In accordance with Water Code section 1016, and other applicable provisions of California law, at the conclusion of the term of the water transfers provided for under this Agreement, all rights in, and the use of, the water supplies referred to in this Agreement will revert back to the Yuba, and DWR, Reclamation or any beneficiary of this Agreement, will not do either of the following: (1) bring any claim for continuation of the water supply made available by this Agreement; or (2) claim any right to a continued supply of water made available under this Agreement, based on reliance, estoppel, intervening public use, prescription, water shortage emergency, or unforeseen or unforeseeable increases in demand, or any other cause.

C. As to the Phase 8 Settlement

Nothing contained in this Agreement affects the Contracting Parties' respective rights and obligations under the Short-Term Phase 8 Agreement. The Contracting Parties agree that water provided by Yuba under the Short-term Phase 8 Agreement will be accounted for and delivered on a higher priority than water delivered under this Agreement.

D. As to the Continuation of the EWA Program

1. The Buyers intend that Component 1 Water will be dedicated to the EWA, and that in the future, upon completion of environmental documentation for a

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

long-term EWA, the EWA would be sized sufficiently to accommodate the proposed South Delta Improvement Program, including the proposal to increase the maximum diversion rate into Clifton Court Forebay for the SWP Bank's Pumping Plant. If the EWA terminates or the maximum diversion rate into Clifton Court Forebay of the SWP Banks Pumping Plant is not increased to 8500 cfs by December 31, 2008, the Buyers agree that Component 1 Water remaining to be delivered under this Agreement will be managed annually, as follows:

(a) DWR, in coordination with the California Department of Fish and Game, will first use Component 1 Water to fulfill fishery obligations necessary to maintain and enhance water supply reliability of the Delta export facilities; and (b) if any Component 1 Water is not used for such fishery obligations, DWR will use the remaining Component 1 Water for other purposes consistent with the requirements of the funding source from which this water was purchased, including funds from Chapter 7(d) of Proposition 50, California Water Code Section 79550(d).

2. Except as provided in the previous subsection, none of the rights and obligations of the Contracting Parties under this Agreement will be affected in the event that the EWA program terminates prior to the expiration of the term of this Agreement.

E. As to the Fisheries Agreement.

None of the rights and obligations of the Contracting Parties under this Agreement will be affected in the event that the Fisheries Agreement terminates prior to the expiration of the term of this Agreement.

F. As to the Application of Section 27 of the Federal Power Act.

Section 27 of the Federal Power Act limits the licensing authority of FERC with respect to a law regarding the control, appropriation, use or distribution of water used in irrigation or for municipal or other uses. The Contracting Parties, and the SWP and CVP contractors, will not contend or bring any claim that any provision of this Agreement is a law regarding the control, appropriation, use or distribution of water used in irrigation or for municipal or industrial uses, as these terms are used in Section 27 of the Federal Power Act.

24. General Contracting Provisions.

A. Notices.

The time for providing any notices specified in this Agreement may be extended within the term of this Agreement with the consent of the Contracting Parties, confirmed in writing, without requiring an amendment to this Agreement. All notices and other communications required under this Agreement will be in writing, and will be deemed to have been duly given upon the date of service, if: (a) served personally on the Contracting Party to whom notice is to be given; (b) sent by electronic mail, and the Contracting Party to whom notice is to be given confirms receipt; or (c) on the third day after mailing, if mailed to

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

the Contracting Party to whom notice is to be given by first-class mail, postage prepaid, and properly addressed to the designated representatives of the Contracting Parties set forth below. A Contracting Party may notify the other Contracting Parties in writing of a change in its designated representatives, without requiring an amendment to this Agreement.

DWR: Director
Department of Water Resources
1416 Ninth Street, Room 1115-1
P.O. Box 942836
Sacramento, CA 94236-0001

Reclamation: Regional Director
U.S. Department of the Interior
Bureau of Reclamation, MP-100
2800 Cottage Way
Sacramento, CA 95825

Yuba: General Manager
Yuba County Water Agency
1402 D Street
Marysville, CA 95901

B. Signatories' Authority.

The signatories to this Agreement represent that they have authority to execute this Agreement and to bind the Contracting Party on whose behalf they execute this Agreement. Yuba will provide to DWR and Reclamation a copy of a resolution or minute order authorizing execution of this Agreement.

C. Counterparts of this Agreement.

This Agreement may be signed in any number of counterparts by the Contracting Parties, each of which will be deemed to be an original, and all of which together will be deemed to one and the same instrument. This Agreement, if executed in counterparts, will be valid and binding on a party as if fully executed all in one copy.

D. Binding on Successors/Assignment.

This Agreement will bind and inure to the benefit of the respective successors and assigns of the Contracting Parties, except that, none of the obligations of the Contracting Parties set forth in this Agreement will be assigned without the prior, written approval of the other Contracting Parties, which approval will not unreasonably be withheld.

E. No Third-Party Beneficiaries, Except as Expressly Provided.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

This Agreement will not be construed to create any third-party beneficiaries, except as set forth in this section. This Agreement is for the sole benefit of the Contracting Parties, their respective successors and permitted transferees and assigns, and no other person or entity will be entitled to rely on or receive any benefit from this Agreement or any of its terms.

F. Amendments.

This Agreement may be amended or modified only by a subsequent written agreement approved and executed by the Contracting Parties.

G. Opinions and Determinations.

Where the terms of this Agreement provide for action to be based upon the opinion, determination, approval or review of either Contracting Party, such terms are not intended to be, and will not be construed as permitting such actions to be arbitrary, capricious or unreasonable. Any opinion, determination, approval or review required of a Contracting Party under this Agreement will be provided in a timely manner.

H. Reasonable Cooperation.

The Contracting Parties will reasonably cooperate with each other, including the execution of all necessary documents and providing assistance in obtaining approvals and permits from regulatory agencies required to perform the obligations under this Agreement and to carry out the purpose and intent of this Agreement.

I. Construction and Interpretation.

This Agreement is entered into freely and voluntarily. This Agreement has been arrived at through negotiation, and each Contracting Party has had a full and fair opportunity to revise the terms of this Agreement. Consequently, the normal rule of construction that any ambiguities are to be resolved against the drafting party will not apply in construing or interpreting this Agreement.

J. Complete Contract.

This Agreement constitutes the sole, final, complete, exclusive and integrated expression and statement of the terms of this Agreement among the Contracting Parties concerning the subject matter, and supersedes all prior negotiations, representations or agreement, either oral or written, that may be related to the subject matter of this Agreement, except as to those other agreements that are expressly referred to in this Agreement.

K. Determination of Unenforceable Provisions.

DRAFT: SUBJECT TO REVISION

EXHIBIT 1

April 19, 2005

R. Standard Clauses.

With respect to the mutual obligations of DWR and Yuba under this Agreement, DWR and Yuba will comply with the Standard Clauses as shown on **Exhibit 4** ("State of California Standard Clauses") to this Agreement for the State of California, Contracts with Public Entities.

S. Exhibits Incorporated.

Each exhibit to which reference is made is deemed incorporated in this Agreement, whether or not actually attached.

The foregoing is hereby agreed to by the Contracting Parties.

List of Exhibits

[This draft does not include exhibits.]

- Exhibit 1** Scheduling and Accounting Principles
- Exhibit 2** Reservoir Refill Accounting Provisions
- Exhibit 3** Groundwater Monitoring and Reporting Program
- Exhibit 4** State of California Standard Clauses

[Signature page to be added.]

Exhibit 2

Draft Notice of Intent

DRAFT: SUBJECT TO REVISION

EXHIBIT 2

DEPARTMENT OF THE INTERIOR

Bureau of Reclamation

Lower Yuba River Accord, Yuba County, California

AGENCY: Bureau of Reclamation, Interior

ACTION: Notice of Intent to prepare an Environmental Impact Report/Environmental Impact Statement (EIR/EIS) and to hold public scoping meetings.

SUMMARY: Pursuant to the National Environmental Policy Act (NEPA) of 1969, as amended, the Bureau of Reclamation (Reclamation) proposes to participate and serve as the lead agency under NEPA in the preparation of a joint EIR/EIS on the Lower Yuba River Accord (Yuba Accord). The Yuba County Water Agency (YCWA), a local public water agency, is proposing the project and will serve as the lead agency under the California Environmental Quality Act (CEQA). The purpose of the Yuba Accord is to resolve instream flow issues associated with operation of the Yuba River Development Project (Yuba Project) in a way that protects and enhances lower Yuba River fisheries and local water-supply reliability, while providing revenues for local flood-control and water-supply projects, water for the CALFED Program to use for protection and restoration of Sacramento-San Joaquin Delta (Delta) fisheries, and improvements in state-wide water supply management, including supplemental water for the Central Valley Project (CVP) and the State Water Project (SWP).

DRAFT: SUBJECT TO REVISION

This notice is published in accordance with NEPA regulations found in 40 CFR 1501.7. The purpose of this notice is to obtain suggestions and information from other agencies and the public on the scope of issues to be addressed in the EIR/EIS. A similar notice is being published by YCWA in accordance with CEQA. Comments and participation in the scoping process are encouraged.

DATES: Three public scoping meetings will be held on the following dates:

- [Insert Date]
- [Insert Date]
- [Insert Date]

Written comments on the scope of the Yuba Accord or issues to be addressed in the EIR/EIS must be received no later than [INSERT DATE 45 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Scoping meetings will be held at:

- [Insert Location]
- [Insert Location]
- [Insert Location]

Send written comments to Mary Grim, Bureau of Reclamation, 2800 Cottage Way, MP-400, Sacramento, CA 95825.

FOR FURTHER INFORMATION CONTACT: Mary Grim, Environmental Specialist, Reclamation, at the above address; telephone number 916-978-5204.

DRAFT: SUBJECT TO REVISION

SUPPLEMENTARY INFORMATION: YCWA is a public agency created and existing pursuant to the provisions of the Yuba County Water Agency Act of 1959.

YCWA owns and operates the Yuba Project, which includes New Bullards Bar Dam and Reservoir on the North Yuba River. YCWA operates the Yuba Project in accordance with a Federal Energy Regulatory Commission License, flood control rules promulgated by the U.S. Army Corps of Engineers, state water rights permit terms, and an agreement with the California Department of Fish and Game (CDFG) for instream flows.

In March of 1991, CDFG released a “Lower Yuba River Fisheries Management Plan”, which contained recommendations regarding fishery protection and enhancement measures in the lower 24-mile section of the Yuba River. CDFG requested that the State Water Resources Control Board (SWRCB) consider modifying YCWA’s water rights permits to implement the recommendations contained in CDFG’s Plan. Based on CDFG’s request, and to address various allegations raised by a coalition of non-governmental fisheries organizations (NGOs) against several water agencies in 1989 filings, the SWRCB initiated a proceeding to consider fishery protection and water right issues on the lower Yuba River in early 1992.

The SWRCB held hearings on these issues in 1992 and 2000. The SWRCB adopted Water Rights Decision 1644 (D-1644) on March 1, 2001. D-1644 established new instream flow requirements for the lower Yuba River in YCWA’s water right permits, required YCWA to take actions to address potential concerns regarding water

DRAFT: SUBJECT TO REVISION

temperatures for Chinook salmon and steelhead, and required studies and consultation on various other issues.

YCWA, several local water districts in Yuba County, and a collective of fisheries NGOs all initiated legal actions challenging D-1644 on a variety of issues. After considering some new evidence, the court remanded D-1644 to the SWRCB for reconsideration in light of the new evidence. After a brief hearing in 2003, the SWRCB issued Revised Water Rights Decision 1644 (RD-1644), which contains only minor changes from D-1644. The same parties that had challenged D-1644 then initiated new legal proceedings challenging RD-1644 on most of the same issues.

Since RD-1644 was issued, the parties to the litigation and the state and Federal fisheries agencies have been engaged in a collaborative, interest-based initiative to try to resolve the flow and other fisheries issues on the lower Yuba River. The potential settlement has become known as the Yuba Accord. If implemented, the Yuba Accord would resolve issues associated with operation of the Yuba Project in a way that would protect and enhance lower Yuba River fisheries, protect local water supply reliability, provide revenues for local flood-control and water-supply projects, provide water for protection and restoration of Delta fisheries, and increase state-wide water supplies.

The Yuba Accord would include three major elements:

- The first element would be an agreement (Fisheries Agreement) between YCWA, CDFG and the collective of NGOs, with the U.S. Fish and Wildlife Service (USFWS) and the National Oceanic and Atmospheric Administration, National

DRAFT: SUBJECT TO REVISION

Proposed Action Alternative, and others as appropriate. In addition, the draft EIR/EIS will address the cumulative impacts of implementation of the Yuba Accord in conjunction with other past, present, and reasonably foreseeable actions.

Our practice is to make comments on a Notice of Intent, including names and home addresses of respondents, available for public review. Individual respondents may request that we withhold their home addresses from public disclosure, which we will honor to the extent allowable by law. There also may be circumstances in which we would withhold a respondent's identity from public disclosure, as allowable by law. If you wish us to withhold your name and/or address, you must state this prominently at the beginning of your comment. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public disclosure in their entirety.

Dated: _____

Signed: /s/ Frank Michny
Frank Michny
Regional Environmental Officer
Mid-Pacific Region

Exhibit 3

Draft Environmental Compliance Plan

DRAFT: SUBJECT TO REVISION

EXHIBIT 3

**Yuba County Water Agency, U.S. Bureau of Reclamation
and California Department of Water Resources
Lower Yuba River Accord
Draft Proposed CEQA/NEPA Compliance Plan**

**Yuba County Water Agency, U.S. Bureau of Reclamation
and California Department of Water Resources
Lower Yuba River Accord
Draft Proposed CEQA/NEPA Compliance Plan**

TABLE OF CONTENTS

Section	Page
INTRODUCTION	1
PROJECT ELEMENTS	1
The Lower Yuba River Accord	1
THE PROJECT TEAM	2
Participants in the Yuba Accord Environmental Process	2
Project Team Structure	7
PROJECT TIMELINE	9
OVERVIEW OF ENVIRONMENTAL PROCESS INVOLVEMENT	9
AGENCY AND KEY STAKEHOLDER INVOLVEMENT FRAMEWORK	10
STEP 1: PROJECT PLANNING AND INITIATION	16
STEP 2: PROJECT/ACTION AND ALTERNATIVES DESCRIPTION FORMULATION	17
STEP 3: PUBLIC INVOLVEMENT	19
STEP 4: ENVIRONMENTAL SETTING/AFFECTED ENVIRONMENT	21
STEP 5: IMPACT ASSESSMENT APPROACH AND PROCESS	22
STEP 6: MODELING (SURFACE WATER AND GROUNDWATER)	24
STEP 7: PRELIMINARY ANALYTICAL FINDINGS	25
STEP 8: MITIGATION, MONITORING AND REPORTING PLAN/ENVIRONMENTAL COMMITMENTS PLAN	26

DRAFT: SUBJECT TO REVISION

TABLE OF CONTENTS (CONTINUED)

Section	Page
STEP 9: ADMINISTRATIVE DRAFT EIR/EIS	27
STEP 10: AGENCY APPROVAL/PRINT CHECK DRAFT EIR/EIS	27
STEP 11: PUBLIC REVIEW DRAFT EIR/EIS	28
STEP 12: PUBLIC HEARING/MEETING(S) ON PUBLIC REVIEW DRAFT EIR/EIS.....	29
STEP 13: RESPOND TO COMMENTS ON PUBLIC REVIEW DRAFT EIR/EIS - ADMINISTRATIVE FINAL EIR/EIS	29
STEP 14: AGENCY APPROVAL/PRINT CHECK FINAL EIR/EIS	30
STEP 15: FINAL EIR/EIS.....	30
STEP 16: PROJECT APPROVAL/NOTICE OF DETERMINATION AND RECORD OF DECISION	31

List of Figures

Figure 1 - Proposed Draft CEQA NEPA Team Organization Chart	3
---	---

List of Tables

Table 1 - Overview of Environmental Process Involvement Framework: Compliance Plan Steps, Anticipated Participants and Tentative Coordination/Meeting Topics	11
---	----

DRAFT: SUBJECT TO REVISION

LIST OF ACRONYMS

CDFG	California Department of Fish and Game
CEQA/NEPA	California Environmental Quality Act/National Environmental Policy Act
CESA	California Endangered Species Act
Compliance Plan	Lower Yuba River Accord CEQA/NEPA Compliance Plan
CVP	Central Valley Project
DWR	California Department of Water Resources
EIR/EIS	Environmental Impact Report/Environmental Impact Statement
EPA	Environmental Protection Agency
ESA	Endangered Species Act
EWA	Environmental Water Account
FOR	Friends of the River
MMRP/ECP	Mitigation Monitoring and Reporting Plan/Environmental Commitments Plan
NGOs	Non-Governmental Organizations
NMFS	National Oceanic and Atmospheric Administration, National Marine Fisheries Service
NOA	Notice of Availability
NOD	Notice of Determination
NOP	Notice of Preparation
NOI	Notice of Intent
OCAP	Operations Criteria and Plan
RD-1644	Revised Water Rights Decision-1644
Reclamation	U.S. Bureau of Reclamation
ROD	Record of Decision
SWP	State Water Project
SWRCB	State Water Resources Control Board
SYRCL	South Yuba River Citizens League
TBI	The Bay Institute
Transfer Agreement	Long-term Water Transfer Agreement
TU	Trout Unlimited
USFWS	U.S. Fish and Wildlife Service
YCWA	Yuba County Water Agency
Yuba Accord	Lower Yuba River Accord
Yuba Project	Yuba River Development Project

**Yuba County Water Agency, U.S. Bureau of Reclamation
and California Department of Water Resources
Lower Yuba River Accord
Draft Proposed CEQA/NEPA Compliance Plan**

INTRODUCTION

This document has been prepared by the Yuba County Water Agency (YCWA), the U.S. Bureau of Reclamation (Reclamation), and the California Department of Water Resources (DWR) to provide participating responsible, cooperating and trustee agencies and other key stakeholders or interested parties involved in the Lower Yuba River Accord (Yuba Accord) information regarding the draft proposed California Environmental Quality Act/National Environmental Policy Act (CEQA/NEPA) Compliance Plan (Compliance Plan), including highlights of key project milestones that form the lead, responsible, trustee and cooperating agency, stakeholders, and public involvement framework. In effect, this Compliance Plan for the Yuba Accord provides a blueprint for the overall strategy to address the variety of activities required to take the Yuba Accord process from Project Planning and Initiation through Project Approval and issuance of YCWA's Notice of Determination (NOD), Reclamation's Record of Decision (ROD) and DWR's related project approvals.

This Compliance Plan provides information about the team management structure, lead agencies, responsible, trustee and cooperating agencies, key stakeholders, anticipated roles and responsibilities of involved parties, including document review and meeting commitments and will include development of a timeline for successful completion of the CEQA and NEPA documentation and regulatory processes.

PROJECT ELEMENTS

The Lower Yuba River Accord

Representatives of YCWA, non-governmental organizations (NGOs), state and federal resource agencies, and representatives of state and federal water contractors have collaborated on the development of a settlement proposal known as the Yuba Accord. NGOs involved in the process include the South Yuba River Citizens League (SYRCL), Friends of the River (FOR), Trout Unlimited (TU), and The Bay Institute (TBI). Resource agencies participating in the process include the California Department of Fish and Game (CDFG), DWR, National Oceanic and Atmospheric Administration, National Marine Fisheries Service (NMFS), U.S. Fish and Wildlife Service (USFWS), and Reclamation.

The Yuba Accord includes three primary proposed components: (1) a Lower Yuba River Fisheries Agreement (Fisheries Agreement); (2) Conjunctive Use Agreement(s); and (3) a Long-term Water Transfer Agreement (Transfer Agreement). These proposed agreements make up the key project elements that will be evaluated in the Environmental Impact Report/Environmental Impact Statement (EIR/EIS). The proposed Fisheries Agreement was developed by fishery biologists, fishery advocates and policy representatives. While some of the instream flow requirements in the proposed Fisheries Agreement are based on the interim requirements in State Water Resources Control Board (SWRCB) Revised Water Rights Decision-1644 (RD-1644), YCWA operations under the proposed Fisheries Agreement will

result in higher instream flows in the lower Yuba River than RD-1644 during specific periods of the year. YCWA's ability to operate the Yuba River Development Project (Yuba Project) to manage the water supplies necessary to meet the higher instream flow levels will include implementation of a comprehensive program of water conservation, water use efficiency and groundwater conjunctive use activities. These efforts require the cooperation of several Yuba County agricultural water districts and companies served by YCWA (member units) and will be addressed in the proposed Conjunctive Use Agreement(s). Under the proposed Transfer Agreement, Reclamation and DWR will enter into a long-term water transfer agreement to purchase water from YCWA for use in the CALFED Environmental Water Account (EWA), benefiting fisheries resources in the Sacramento River and Sacramento-San Joaquin Delta, as well helping meet the water supply needs of cities and farms throughout California.

THE PROJECT TEAM

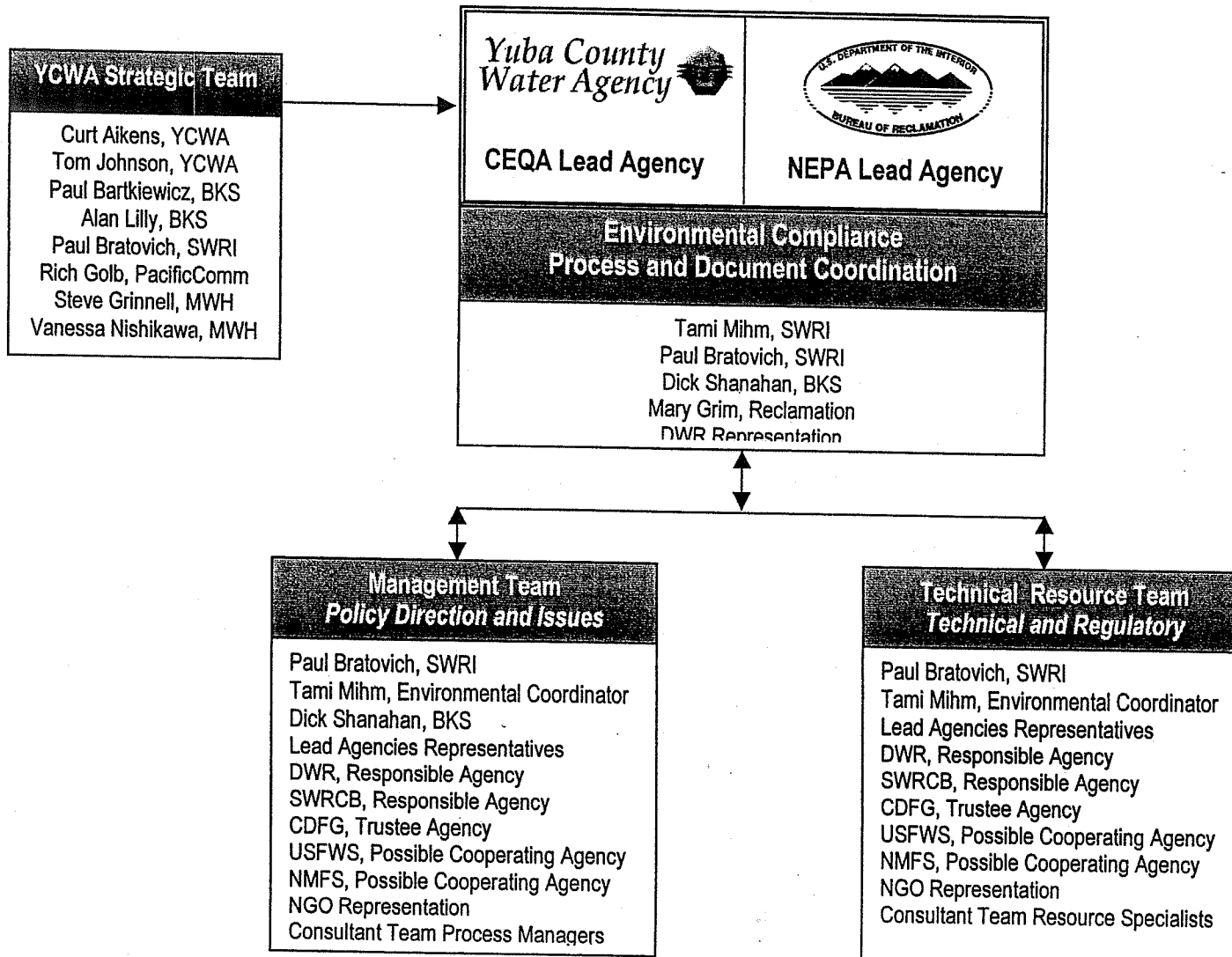
The overall project team structure is represented in the Lower Yuba River Accord Environmental Compliance Organization Chart (**Figure 1**). As depicted on the organization chart, YCWA and Reclamation, as lead agencies, and DWR in a key support role, as a CEQA responsible agency, will oversee and direct the Yuba Accord process. The project organizational structure includes two primary teams to facilitate sharing of information essential to the analysis of the Yuba Accord, development and review of project deliverables and completion of the CEQA and NEPA compliance processes. The Management Team and Technical Resource teams will be made up of representatives from the lead, responsible, trustee and cooperating agencies, key stakeholder representatives, and consultant team members. These teams will be formed in the project planning and initiation stages to ensure early environmental process involvement and participation in the definition and scoping of issues to be addressed in the EIR/EIS.

The Management Team will include policy-level personnel from key resource agencies and stakeholder representatives to ensure that the Yuba Accord environmental process complies with all relevant water, fisheries, and other environmental policies, rules and regulations.

The Technical Resource Team will be comprised of agency and stakeholder experts that can provide important input regarding technical analyses and issues definition for the EIR/EIS impact assessments. Additionally, it is envisioned that focused work groups will be formed over the course of document preparation to prepare various sections and analyses for the EIR/EIS documentation. These work groups will be responsible for the development of draft work products and presentation of these materials to the Management and Technical Resource teams, as appropriate.

The compliance plan presented herein identifies key process milestones and work products that will be provided to the Management Team and Technical Resource Team members for review and comment. Additionally, the plan outlines anticipated meetings to be held for presentation of project information, discussion of comments on work products and resolution of related issues. As shown on the organization chart, key consultant team members will assist the lead agencies oversee and facilitate development of the environmental work products, convening of meetings, and completion of the compliance process. Additionally, the project structure involves subgroups for specific activities including drafting the Yuba Accord agreements (strategic team), legal counsel, and public involvement.

Figure 1
DRAFT
Lower Yuba River Accord



Participants in the Yuba Accord Environmental Process

Many agencies, organizations, and other entities have vested interest in the success of the Yuba Accord because they were involved in the SWRCB hearing process or the collaborative, interest-based settlement negotiations, and/or they may be affected by the proposed Yuba Accord operations. The lead, responsible, and cooperating agencies, other key stakeholders, including the State Water Contractors and Central Valley Project (CVP) Water Contractors and NGOs will be included on the Management and Technical Resource teams to be formed under Project Planning and Initiation (Step 1). Additional information regarding the expected participation of project team members is provided under the discussion of Step 1. The anticipated involved and interested agencies are listed below.

Lead Agencies

- YCWA is the CEQA lead agency
- Reclamation is the NEPA lead agency

YCWA is the local lead agency for CEQA compliance. Pursuant to CEQA, where a project is to be carried out or approved by more than one public agency, only one agency, referred to as the lead agency, shall be responsible for preparation of the EIR for the project (15 CCR § 15050). According to CEQA criteria for identifying the lead agency, YCWA is considered the appropriate lead agency for the Yuba Accord because: (1) YCWA will carry out the Yuba Accord elements; (2) YCWA will have the greatest responsibility for supervising or approving the project as a whole (14 CCR § 15051, subsection (b)); and (3) it is anticipated that YCWA will be the public agency to act first on the project in question (14 CCR § 15051, subsection (c)).

Reclamation is the federal lead agency for NEPA compliance. Under NEPA, Reclamation is the appropriate federal lead agency responsible for supervising the preparation of the EIS because Reclamation would be involved in the purchase of YCWA water under the Transfer Agreement element of the Yuba Accord and, therefore, would have project approval authority relative to the decision (§ 1501-5 (c) (2) CEQ NEPA Regulations). Additionally, Reclamation has special expertise relevant to the Long-term Transfer Agreement element (§ 1501-5 (c) (3) CEQ NEPA Regulations).

State and Local Responsible and Trustee Agencies (CEQA)

- DWR is a state responsible agency involved in the Long-term Water Transfer Agreement process.
- SWRCB is a state-responsible agency involved in making water rights decisions related to implementation of the Yuba Accord.
- CDFG is a state responsible agency and trustee agency involved in the Fisheries Agreement process.

A responsible agency is an agency other than the lead agency that has a legal responsibility for one or more project elements. Responsible agencies can participate and consult with the lead agencies during the development of the environmental documentation to provide input to ensure the document can be used in the responsible agency's subsequent decision-making process.

DWR will be involved in the purchase of Yuba Project water for use in EWA and for State Water Project (SWP) contractor supplies. DWR project representatives will participate in the oversight,

DRAFT: SUBJECT TO REVISION

development and review of project documentation to ensure the Yuba Accord document will satisfy DWR's CEQA-responsible agency requirements.

SWRCB also will be invited to participate as a responsible agency for the Yuba Accord CEQA process. SWRCB will rely upon the Yuba Accord EIR/EIS for its CEQA compliance when it considers and makes decisions regarding YCWA's petitions to implement the Yuba Accord. SWRCB project representatives on project teams will participate in the development and review of project documentation to ensure the Yuba Accord EIR/EIS addresses any SWRCB CEQA issues.

CDFG, as a trustee agency, has jurisdiction over the conservation, protection, and management of wildlife necessary to maintain biologically sustainable populations. In its role as a trustee agency, CDFG participates in consultation with lead and responsible agencies to provide biological expertise to review and comment upon environmental documents and impacts arising from proposed activities. CDFG project team participants will participate in the development and review of environmental work products to ensure the Yuba Accord EIR/EIS addresses CDFG trustee agency issues. Additionally, the Yuba Accord will be subject to the requirements of the California Endangered Species Act (CESA). A separate compliance strategy plan will address the elements of compliance and documentation for these purposes.

Federal Cooperating Agencies (NEPA)

- USFWS may participate as a federal cooperating agency related to the Transfer Agreement and Fisheries Agreement processes.
- NMFS may participate as a federal cooperating agency related to the Transfer Agreement and Fisheries Agreement processes.

NEPA takes a more formal approach than CEQA in identifying other agencies with responsibilities associated with project approval or implementation and refers to them as cooperating agencies. Under NEPA, "cooperating agency" *means any federal agency other than a lead agency which has jurisdiction by law or special expertise with respect to any environmental impact involved in a proposal (or a reasonable alternative) for legislation or other major Federal action significantly affecting the quality of the human environment...*" (40 CFR 1508.5). A federal lead agency is to request the participation of cooperating agencies as early as possible in the NEPA process, use the environmental analyses and proposals prepared by cooperating agencies as much as possible, and meet with cooperating agencies at their request (40 CFR 1501.6 *in The NEPA Book*). A cooperating agency is to participate in the NEPA process as early as possible, participate in the scoping process, and, on the lead agency's request, develop information to be included in the EIS and provide staff support in its preparation (40 CFR 1501.6 *in The NEPA Book*).

It is anticipated that Reclamation will request both USFWS and NMFS participation in the project planning, review and processing as federal cooperating agencies. As such, these agencies will be invited to participate on the Management and Technical Resource teams. Additionally, a separate Technical Assistance Team inviting USFWS and NMFS participation will be formed as part of the federal Endangered Species Act (ESA) and CESA compliance strategy plans.

DRAFT: SUBJECT TO REVISION

Key Stakeholders and Interested Parties

Key stakeholders include those entities directly involved in the implementation of the Yuba Accord, or those with other special interests in one or more of the elements of the Yuba Accord. Currently, key stakeholders identified include: (1) state and federal water project contractors; (2) NGOs that have been involved in the ongoing matters related to development of the Yuba Accord; (3) YCWA member units and anticipated participants in the Conjunctive Use Agreements; and (4) tribal interests/entities within Yuba County.

State and Federal Water Project Contractors

Representatives from the state and federal water project contractors and the EWA agencies (DWR and Reclamation) will be invited to participate on both the Management Team and Technical Resource Team sessions and related activities.

Non-Governmental Organizations

These entities, not already identified as regulatory compliance or resources agencies, include:

- South Yuba River Citizens League
- Friends of the River
- Trout Unlimited
- The Bay Institute

YCWA will invite the NGOs to designate representation to participate in the Management Team and Technical Resource Team meetings and related activities, including review of early draft documentation and analyses prepared for the Yuba Accord environmental documents.

YCWA Member Units

The preliminary list of potential participants in the Conjunctive Use Agreement(s) with YCWA include:

- Browns Valley Irrigation District
- Brophy Water District
- Dry Creek Mutual Water Company
- Hallwood Irrigation Company
- Ramirez Water District
- South Yuba Water District
- Wheatland Water District

These entities will be invited to participate early in the development of the EIR/EIS analysis scope by attending and providing comment during public scoping sessions and focused stakeholder/technical meetings to be held as part of the Public Involvement element of the CEQA/NEPA Compliance Plan (Step 3).

Native American or Tribal Interests

The United States has an Indian trust responsibility to protect and maintain rights reserved by or granted to Indian Tribes or Indian individuals by treaties, statutes, and executive orders. This trust responsibility requires that all federal agencies, including Reclamation, take all actions reasonably necessary to protect trust assets. Therefore, implementation of the CEQA/NEPA Compliance Plan will include activities to achieve outreach and Tribal participation through an invitation encouraging early participation of any federally recognized or other tribes who have

DRAFT: SUBJECT TO REVISION

interest or potentially could be affected by the Yuba Accord elements. Preliminary federally recognized tribal interests in Yuba County include Rumsey Rancheria, Strawberry Valley Maidu Tribe and the Estom Yumeka Maidu Tribe. Additional efforts during public scoping will be undertaken to determine the interest of these entities in the Yuba Accord process, as required pursuant to: (1) Executive Order 12898 "Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations;" (2) the President's April 29, 1994, memorandum regarding the engagement of federally recognized Tribal Governments in the planning and development of projects; and (3) the United States trust responsibility to Indian Tribes (also including Executive Order 13007 "Indian Sacred Sites").

Consultant Team

Surface Water Resources, Inc. – Environmental Compliance and Documentation; Fisheries/Aquatic Resources; Surface Water-related Resource Expertise; and SWP/CVP Resource and Modeling Expertise

Contacts: Tami Mihm, Paul Bratovich, Dave Schuster, Buzz Link

Bartkiewicz, Kronick & Shanahan Law Firm – Legal Counsel

Contacts: Dick Shanahan, Paul Bartkiewicz

MWH Americas, Inc. – Groundwater, Terrestrial and Yuba County Resource Expertise

Contacts: Vanessa Nishikawa, Steve Grinnell, Dave Stevens

Byron Buck Associates – Growth Inducement and Air Quality Resource Expertise

Contact: Byron Buck

MBK Engineers (with support from Bookman-Edmonston Engineers, Inc. and Kleinfelder) – Yuba County Flood Control Issues

Contact: Ric Reinhardt

Project Team Structure

Management Team

The Management Team will be comprised of key policy-level personnel from the lead, responsible, trustee and cooperating agencies, and key stakeholders (NGOs and federal and state water contractors). Management Team activities will focus on resolving any policy issues that may arise related to project implementation, agency management policies, and regulatory compliance. Management Team meetings are anticipated to be held at key milestones over the course of the environmental process. Additional meetings or conferencing may be initiated as needed to address key policy issues for the project.

Lead Agencies/Consultants

- Curt Aikens (YCWA, Lead Agency)
- Mike Heaton, Mary Grim (Reclamation, Lead Agency)
- Tami Mihm (SWRI, Yuba Accord Environmental Coordinator)
- Paul Bratovich (SWRI, Principal Scientist)
- Richard Shanahan (YCWA, Legal Counsel)

DRAFT: SUBJECT TO REVISION

Responsible and Cooperating Agency Representatives

- Jerry Johns, Tom Glover (DWR)
- Dave Harlow (USFWS)
- Banky Curtis (CDFG)
- Mike Aceituno (NMFS)

Key Stakeholder Representatives

- *To be determined* (State Water Contractors)
- *To be determined* (CVP Water Contractors)
- *To be determined* (NGO Representation)

Summary of Management Team Activities

- Provide input and direction regarding policies, regulations, or other requirements that affect the Yuba Accord environmental documentation and process
- Assist in the resolution of issues that may arise during the EIR/EIS process and evaluation of the Yuba Accord
- Review draft work products and project technical memorandum regarding:
 - CEQA/NEPA Compliance Plan
 - Administrative Draft EIR/EIS, including the Mitigation, Monitoring and Reporting Plan/Environmental Commitments Plan (MMRP/ECP)
 - Public Review Draft EIR/EIS
 - Final EIR/EIS – Responses to Comments
 - NOD/ ROD
- Participate in coordination/comment review meetings, as needed

Technical Resource Team

The Technical Resource Team will be formed and meet to provide input to development of technical resource evaluation work products, including Technical Evaluation Guidelines, Significance Criteria, assessment methodology, and review of preliminary findings. The Technical Resource Team will include key technical agency and key stakeholder representatives, SWRI's Principal Scientist and Environmental Coordinator, and other environmental resource specialists, as determined appropriate. A critical role for agency participants will be attendance at meetings and review, comment and verification of technical approaches to development of the resource analyses. Additionally, technical staff may be requested to provide access to data or other related materials for use in the resource analyses. Group membership currently focuses on fisheries/aquatic resources and water supply. The initial list of agency representatives for the Technical Resource Team is provided below.

Lead Agencies/Consultants

- *To be determined* (YCWA)
- Mary Grim, Mike Heaton (Reclamation)
- Paul Bratovich (SWRI, Principal Scientist)
- Tami Mihm (SWRI, Environmental Coordinator)

DRAFT: SUBJECT TO REVISION

Responsible and Cooperating Agencies

- Delores Brown (DWR)
- Victoria Poage (USFWS)
- Jim White (Sacramento-San Joaquin Delta, EWA), John Nelson (River/Instream) (CDFG)
- Mike Tucker (NMFS)

Key Stakeholder Representatives

- *To be determined* (State Water Contractors)
- *To be determined* (CVP Water Contractors)
- *To be determined* (NGO Representation)

Summary of Technical Resource Team Activities

- Provide input and direction regarding Technical Evaluation Guidelines, Significance Criteria/thresholds of significance, analysis approach and methodologies, and other technical aspects that affect the Yuba Accord environmental documentation and process
- Assist in the resolution of technical resource issues that may arise during the EIR/EIS process and evaluation of the Yuba Accord
- Review draft work products and project technical memorandum regarding:
 - Proposed CEQA/NEPA Compliance Plan
 - Public Involvement Materials
 - Description of Proposed Project/Action and Alternatives
 - Definition of Study Area Boundaries
 - Impact Assessment Approach and Methodology
 - Modeling Approach Characterization
 - Preliminary Analytical Findings
 - Administrative Draft EIR/EIS
 - MMRP/ECP
 - Public Review Draft EIR/EIS
 - Final EIR/EIS – Responses to Comments
- Participate in coordination/comment review meetings
- Attend presentation of preliminary analytical findings

It is anticipated that Technical Resource Team representatives may be invited to participate in focused working groups with the project consultants to review progress regarding the environmental process including agency and public involvement activities and deliverables review.

PROJECT TIMELINE

The Project Timeline will indicate the key EIR/EIS process and documentation milestones, including anticipated document review periods, meetings, and workshops to provide opportunity for ongoing agency, stakeholder and public involvement.

OVERVIEW OF ENVIRONMENTAL PROCESS INVOLVEMENT

Development of the Yuba Accord EIR/EIS will include public and agency scoping, preparation of an Administrative Draft EIR/EIS, a Public Review Draft EIR/EIS and a Final EIR/EIS. The steps

DRAFT: SUBJECT TO REVISION

listed below provide the key milestones in the process identified to facilitate lead, responsible, cooperating and trustee agency, key stakeholder and public involvement.

Step 1	Project Planning and Initiation
Step 2	Proposed Project/Action and Alternatives Description
Step 3	Public Involvement
Step 4	Environmental Setting/Affected Environment
Step 5	Impact Assessment Approach and Process
Step 6	Modeling (Surface Water and Groundwater)
Step 7	Preliminary Analytical Findings
Step 8	Mitigation Monitoring and Reporting Plan/Environmental Commitments Plan
Step 9	Administrative Draft EIR/EIS
Step 10	Agency Approval/Print Check Public Draft EIR/EIS
Step 11	Public Review Draft EIR/EIS
Step 12	Public Hearing/Meeting(s)
Step 13	Respond to Comments - Administrative Final EIR/EIS
Step 14	Agency Approval/Print Check Final EIR/EIS
Step 15	Final EIR/EIS
Step 16	Project Approval, NOD/ROD

The lead agencies will be responsible for the development of EIR/EIS work products and will request that the resource agencies provide review and input on the content and adequacy of the information presented in each deliverable. DWR representatives, as participants in the Transfer Agreement, also will have a strong role in development of the EIR/EIS materials. The lead agencies will incorporate into the documentation all relevant information provided by the resource agency representatives. Additionally, to facilitate the communication and distribution of information relative to the project and CEQA/NEPA compliance and regulatory issues, the lead agencies will invite the resource agencies to identify representatives to participate on two project teams and related working groups – the Management Team and the Technical Resource Team. The roles and responsibilities of these teams and team members are described further for each step in the Compliance Plan.

This section identifies and describes individual agency roles, and explains responsibilities expected of team participants. An overview of the environmental process involvement framework, compliance plan steps, anticipated participants, and tentative coordination and meeting topics is presented in **Table 1**. It is anticipated that the number and nature of the meetings may be modified depending upon schedule and other considerations. For example, the project team may hold one meeting to address topics identified for Steps 4, 5, and 6.

AGENCY, KEY STAKEHOLDER AND PUBLIC INVOLVEMENT FRAMEWORK

An overview of the environmental process involvement framework summarizing the Compliance Plan steps, anticipated meetings to be held throughout the process, expected participants, and tentative points of discussion to be addressed at the meetings is presented in Table 1. The actual discussion items may vary as the project progresses, depending upon unforeseen issues or opportunities. Additionally, the key lead agency representatives may combine steps into one meeting or convene additional meetings with individual agency representatives, if needed, to address specific identified comments or concerns. Additional detail regarding each of the Compliance Plan steps and lead and resource agency roles is provided below.

Compliance Plan Step	Anticipated Participants	Tentative Coordination/Meeting Topics¹
Step 3 (Continued) <ul style="list-style-type: none"> • Conduct Public and Agency Scoping (CEQA and NEPA) 	Management Team Technical Resource Team Key Stakeholders <ul style="list-style-type: none"> • CVP and SWP Contractors • NGOs⁴ • Member Units⁵ • Tribal Interests Interested Public	<ul style="list-style-type: none"> • Provide Written Responses/Comment on NOP/NOI • Attend Public Scoping Workshops or Meetings <ul style="list-style-type: none"> – Key Stakeholder Meetings (NGOs, Member Units) – Public Workshops (Tribal Interests) • Technical Agency Meetings (SWP, CVP Contractors)
Step 4 <ul style="list-style-type: none"> • Environmental Setting/Affected Environment 	Technical Resource Team	<u>Informational Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • Identify Factors to Consider in Development of the Environmental Setting/Affected Environment Sections <u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments Regarding the Study Area Defined by the Description of the Environmental Setting/Affected Environment Sections
Step 5 <ul style="list-style-type: none"> • Impact Assessment Approach and Process 	Technical Resource Team	<u>Informational Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • Provide Input Relative to Technical Evaluation Guidelines/Significance Criteria Development • Provide Information Regarding Existing Accepted Impact Analysis Procedures • Provide Relevant Data for Resource Analyses <u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments Regarding Technical Evaluation Guidelines/Significance Criteria to be used in the Impact Assessment • Review and Provide Comments on the Impact Assessment Data Interpretation and Analysis Approach/Methodology
Step 6 <ul style="list-style-type: none"> • Modeling (Surface Water and Groundwater) 	Technical Resource Team	<u>Informational Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • Assist in Development of CEQA/NEPA Alternative Scenarios, Hydrologic Modeling Simulation Assumptions, and Comparative Scenarios • Provide Information Regarding Related Information as Utilized in Other Recent Environmental Documentation

Compliance Plan Step	Anticipated Participants	Tentative Coordination/Meeting Topics ¹
		<u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments Regarding Description of Alternative Scenarios, Hydrologic Modeling Simulation Assumptions, and Comparative Scenarios (<i>may be presented in Draft Modeling Technical Memorandum</i>)
Step 7 <ul style="list-style-type: none"> • Preliminary Analytical Findings 	Technical Resource Team	<u>Informational Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • Participate in Preliminary Analytical Findings Presentation Workshop (<i>one full day</i>) <u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments Regarding Preliminary Analytical Findings: <ul style="list-style-type: none"> - Adequacy of Analysis - Input Regarding Significance of Preliminary Impacts - Assist in Identification of Appropriate Mitigation Measures/Environmental Commitments for Significant Impacts
Step 8 <ul style="list-style-type: none"> • Mitigation, Monitoring and Reporting Plan/ Environmental Commitments Plan 	Technical Resource Team	<u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments on Draft Mitigation, Monitoring and Reporting Plan/Environmental Commitments Plan • Identify Respective Agency Role/Involvement in Mitigation Implementation and Compliance Tracking Requirements
Step 9 <ul style="list-style-type: none"> • Administrative Draft EIR/EIS 	Management Team Technical Resource Team	<u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments on Administrative Draft EIR/EIS • Assist in Development of Draft EIR/EIS Distribution List
Step 10 <ul style="list-style-type: none"> • Agency Approval/Print Check Public Draft EIR/EIS 	Technical Resource Team	<u>Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • As Requested, Clarification of Comments Provided on the Administrative Draft EIR/EIS • Finalize Distribution List for the Public Review Draft EIR/EIS

Compliance Plan Step	Anticipated Participants	Tentative Coordination/Meeting Topics¹
Step 11 <ul style="list-style-type: none"> • Public Review Draft EIR/EIS 	Management Team Technical Resource Team Key Stakeholders <ul style="list-style-type: none"> • NGOs • Member Units • Tribal Interests • CVP and SWP Contractors State, Local and Federal Reviewing/Commenting Agencies Interested Public	<ul style="list-style-type: none"> • Review and Provide Written Comment on Public Draft EIR/EIS
Step 12 <ul style="list-style-type: none"> • Public Hearing/Meeting(s) on the Public Review Draft EIR/EIS 	Technical Resource Team	<ul style="list-style-type: none"> • Attend and Provide Verbal Comment/Project Support at Public Hearing/Meeting(s) on the Public Review Draft EIR/EIS
Step 13 <ul style="list-style-type: none"> • Respond to Comments - Administrative Final EIR/EIS 	Technical Resource Team	<u>Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • As Requested, Clarification of Comments Provided on the Public Draft EIR/EIS • Assist in Development of Responses to Comments for the Administrative Final EIR/EIS <u>Comment Review Meeting(s)</u> <ul style="list-style-type: none"> • Review and Provide Comments on Administrative Final EIR/EIS • Assist in Development of Final EIR/EIS Distribution List
Step 14 <ul style="list-style-type: none"> • Agency Approval/Print Check Final EIR/EIS 	Management Team Technical Resource Team	<u>Coordination/Meeting(s)</u> <ul style="list-style-type: none"> • As Requested, Clarification of Comments Provided on the Administrative Final EIR/EIS
Step 15 <ul style="list-style-type: none"> • Final EIR/EIS 	Technical Resource Team	<ul style="list-style-type: none"> • Reclamation, under federal NEPA Process will accept comments on the Final EIR/EIS during a 30-day review period. CEQA Process does not include same process/review opportunity. • <i>Comment Review Meetings - TBD</i>

Compliance Plan Step	Anticipated Participants	Tentative Coordination/Meeting Topics¹
Step 16 • Project Approval- NOD/ROD	Management Team Technical Resource Team Key Stakeholders Interested Public	<ul style="list-style-type: none"> • Attend YCWA Board of Director's Hearing/Meeting regarding Certification of Final EIR and Decision to Approve Project, Adopt Findings, Statement of Overriding Considerations and Mitigation, Monitoring and Reporting Plan • Review Reclamation's Draft ROD
<p>¹The project team may combine certain Compliance Plan steps into one meeting (i.e., Steps 4, 5, and 6) rather than holding separate meetings for each step in the process.</p> <p>² Management Team: YCWA, Reclamation, DWR, USFWS, CDFG, NMFS, State Water Contractors, CVP Water Contractors, NGO Representation</p> <p>³ Technical Resource Team: YCWA, Reclamation, DWR, USFWS, CDFG, NMFS, State Water Contractors, CVP Water Contractors, NGO Representation</p> <p>⁴ NGOs: South Yuba River Citizens League, Friends of the River, Trout Unlimited, The Bay Institute</p> <p>⁵ Member Units: Browns Valley Irrigation District, Brophy Water District, Dry Creek Mutual Water Company, Hallwood irrigation Company, Ramierz Water District, South Yuba Water District, Wheatland Water District</p>		

STEP 1: PROJECT PLANNING AND INITIATION

1.1 Form Management Team

The Environmental Coordinator, with assistance from the lead agencies, will contact key resource agency and other representatives to form the Management Team. It is anticipated that the project team members will provide Management Team members with a solid understanding of the activities proposed by the Yuba Accord, including potential resource impacts, and that the agency members of the Management Team will provide the lead agency and consultant team members with specific and clear direction regarding all regulatory approval or permit requirements to promote a streamlined efficient approach to all project documentation and related processing.

Identify and Contact Agency Representatives

The Environmental Coordinator will initiate contact with resource agencies and other entities to invite their participation in the Management Team coordination, selected document review and meeting process. The anticipated participants in the Management Team were identified previously.

Project Initiation Meeting to Define Management Team Member Roles and Responsibilities

The key points of discussion for project initiation include:

- Introductions
- Project Team Structure
- Overview of the Yuba Accord
- Proposed CEQA/NEPA Compliance Plan
- Agency, Stakeholder and Public Involvement Framework
- Roles and Responsibilities of Management Team and Technical Resource Team
- Project Timeline
- Exchange Contact Information

1.2 Form Technical Resource Team

The Technical Resource Team's activities will parallel those anticipated for the Management Team, however, the focus will be upon the more technical aspects relevant for project impact assessment and any necessary mitigation efforts. It is anticipated that the environmental project team members will provide Technical Resource Team members with a solid understanding of the activities proposed by the Yuba Accord, including potential resource impacts, and that the agency members of the Technical Resource Team will provide the consultant team members with specific and clear direction regarding all technical regulatory approval or other requirements to promote a streamlined efficient approach to all project documentation and related analyses. It also is anticipated that Technical Resource Team agency members will assist in the development of environmental protection measures that can be incorporated into the project and/or recommend other appropriate mitigation measures for consideration by the lead agencies. It is expected that the focus of the Technical Resource Team meetings will be upon fisheries/aquatic resources and water supply issues. However, as determined necessary and appropriate, environmental resource experts will conduct consultation and coordination activities with other agencies.

DRAFT: SUBJECT TO REVISION

Identify and Contact Agency Representatives

The Environmental Coordinator will initiate contact with resource agencies and other entities to invite their participation in the Technical Resource Team coordination, document review and meeting process.

Project Initiation Meeting to Define Technical Resource Team Member Roles and Responsibilities

The key points of discussion for project initiation include:

- Introductions
- Project Team Structure
- Overview of the Yuba Accord
- Proposed CEQA/NEPA Compliance Plan
- Agency, Stakeholder and Public Involvement Framework
- Roles and Responsibilities of Management Team and Technical Resource Team
- Project Timeline
- Exchange Contact Information

1.3 Initial Determination of Federally Recognized Tribes

The Environmental Coordinator and lead analyst for the Cultural Resources and Indian Trust Assets sections of the EIR/EIS will work with Reclamation cultural resources experts to determine the presence of federally recognized tribes within the project and regional study area that may have interest in or potentially be affected by the Yuba Accord. Communication with federally recognized tribes will be conducted separately from other stakeholders to ensure compliance with federal executive orders and other requirements for providing effective outreach and meaningful tribal participation. Initial contact with any federally recognized tribes within the study area (area within which potential effects of the Yuba Accord alternatives may occur) will be by letter to Tribal chairpersons. It is the responsibility of Reclamation to determine if Indian Trust Assets may be impacted by the action and, if so, to inform the affected tribe(s). All letters or other correspondence with tribe members will be prepared under the direction of Reclamation representatives and provided for review and approval by Reclamation prior to distribution. A preliminary search identified three federally Recognized Tribes within Yuba County: Rumsey Rancheria, Strawberry Valley Maidu Tribe and Estom Yumeka Maidu Tribe.

STEP 2: PROPOSED PROJECT/ACTION AND ALTERNATIVES DESCRIPTION

2.1 Lead Agencies and DWR

The primary responsibility of the lead agencies under Step 2 is to assist in the development of a clear and detailed description of the Project/Action and Alternatives. Key elements of this step are identified below. DWR also will participate in the development of the Project/Action Description with focus upon the agency's involvement in the Transfer Agreement.

Comply with Required CEQA/NEPA and Reclamation Policy and Guideline Requirements

The Project/Action and Alternatives Description (Project Description) will include all components and detail required by both CEQA (*Title 14 California Codes and Regulations (CCR) §15124*) and NEPA (*§ 1502.13 CEQ NEPA Regulations; Section 8.5 Reclamation NEPA Handbook 2000*).

DRAFT: SUBJECT TO REVISION

Clearly Define the Project/Action Purpose, Need and Objectives

The Project Description will clearly state the purpose, need and objectives of the proposed Project/Action, including definition of the individual lead, responsible, cooperating and trustee agency roles in the approval of the project (including definition of the federal actions).

Determine and Describe State, Local and Federal Regulatory Requirements

The Project Description will include information explaining the relevance of various state, local and federal regulations or laws to the Project/Action and Alternatives, including, but not limited to:

State/Local

- CEQA
- California ESA
- Porter-Cologne Water Quality Control Act

Federal

- NEPA
- Federal ESA
- Magnuson-Stevens Fishery Conservation and Management Act
- Fish and Wildlife Coordination Act
- National Historic Preservation Act
- River and Harbors Act
- Clean Water Act
- Clean Air Act
- Executive Order 12898 – Environmental Justice
- Executive Order 13007 – Indian Sacred Sites
- Migratory Bird Treaty Act
- Farmland Protection Policy Act

Determine and Describe State and Federal Laws and Regulations Governing Water Transfers and Water Acquisitions

The Project Description will identify relevant state and federal regulations governing water transfers and water acquisitions and provide pertinent information including, but not limited to:

- Water Rights
- Water Transfers – Duration
- Water Transfers – Sources
- Water Transfers – Proposed Program

Research and Reference Other Pertinent Programs, Agreements, and Documents

The Project Description will include information regarding other ongoing related water supply programs that may influence or be influenced by the Project/Action or Alternatives, including, but not limited to:

- Sacramento Valley Water Management Plan
- CALFED Environmental Water Account
- Central Valley Project Improvement Act
- SWP/CVP Integration Proposition

DRAFT: SUBJECT TO REVISION

- CVP and SWP Coordinated Operations Agreement
- Operations Criteria and Plan (OCAP)
- South Delta Improvements Program

Initiate Development of the CEQA and NEPA Bases of Comparison

Development of the Project/Action and Alternatives descriptions will include definition of the existing conditions and No Action Alternative. The existing condition provides the basis of comparison for the determination of impacts under CEQA, and the No Action Alternative provides the basis of comparison for the determination of impacts under NEPA. Definition and approval of these conditions will influence development of the Affected Environment, Technical Evaluation Guidelines/Significance Criteria, Impact Assessment Approach and Analysis Methodology, Modeling Approach and Impact Assessments.

2.2 Technical Resource Team

The Technical Resource Team will be requested to review the draft Project Description, within their relative areas of expertise or jurisdiction, as follows:

- Verify that responsible, cooperating or trustee agency information requirements are fulfilled
- Verify the accuracy and provide any relevant new or revised information regarding state, local and federal regulatory requirement descriptions
- Verify the relevancy and accuracy of information presented regarding state and federal laws and regulations governing water transfers and water acquisitions
- Provide any updated information regarding other pertinent programs, agreements or documents
- Verify CEQA and NEPA bases of comparison development and descriptions

The Environmental Coordinator will work closely with lead agencies and DWR, legal counsel, and Technical Resource Team members to incorporate all relevant comments and information received on the draft Project Description to produce the final Project Description.

STEP 3: PUBLIC INVOLVEMENT

The purpose of the public involvement task is to ensure the affected public, agencies, key stakeholders, and any potentially affected federally recognized tribes have ample opportunity to participate in supporting the decision-making process for the Yuba Accord. Implementation of the proposed CEQA/NEPA Compliance Plan involves a collaborative process during development and evaluation of the Yuba Accord and alternatives.

Public involvement activities will include development and distribution of the NOP, NOI, and Notice of Scoping Meetings. Additionally, it is anticipated that three public scoping meetings will be held. Step 3 also includes individual meetings with key stakeholders (NGOs, member units, and/or tribal interest sessions) and technical agency representatives to address specific issues, as determined appropriate by the lead agencies and DWR. This step also includes subtasks for development of a Public Scoping Summary. The lead agencies also may initiate development of a public web page for provision of project information and documentation.

3.1 Lead Agencies and DWR

NOP/NOI and Notice of Scoping Meetings

CEQA requires development and distribution of a NOP of an EIR (*Title 14 CCR § 15082*) and NEPA requires development and publication of a NOI to prepare an EIS in the Federal Register (*§ 1501.7 CEQ NEPA Regulations and § 7.6.1 Reclamation NEPA Handbook 2000*). The NEPA regulations also require publication of notice of any public scoping meetings to be held related to the federal action.

The Environmental Coordinator will work with the lead agencies, DWR, and legal counsel representatives to complete and publish the NOP, NOI and Notice of Scoping Meetings. The basic steps in development of the NOP/NOI include:

- Confirm required CEQA NOP content and processing
- Confirm required NEPA NOI content and processing
- Confirm incorporation of Reclamation policy and guideline requirements
- Incorporate scoping meeting(s) schedule into NOI (required) and NOP (optional)

YCWA, as the CEQA lead agency, will oversee and ensure distribution of the NOP to responsible and trustee agencies and previously identified stakeholders. Additionally, the NOP should be routed through the State Clearinghouse for distribution to other reviewing or commenting state agencies. The NOP also will be sent to potentially affected federal agencies as required by CEQA. The NOP will include an explanation of YCWA's role as lead agency and identify the state and local responsible and trustee agencies, including DWR, SWRCB, and CDFG.

Reclamation, as the federal NEPA lead agency, will be responsible for ensuring that the NOI is published in the Federal Register. It is recognized that the NOI must be published a minimum of 15 days (preferably 30 days) prior to the first scoping meeting. These timeframes will be incorporated into the project timeline.

Conduct Public and Agency Scoping

YCWA and Reclamation, as lead agencies for the combined CEQA/NEPA compliance process, will oversee the conduct of public and agency scoping meetings. DWR also will have a substantial role in these activities.

Prepare and Distribute Public Scoping Summary Report

Reclamation may determine that a Public Scoping Summary Report be prepared and distributed to scoping meeting attendees or to those that provided written comment in response to the NOP/NOI. Should a Public Scoping Summary Report be prepared, the lead agencies and DWR will review and approve the final document content and distribution.

3.2 Management Team

Management Team involvement in the NOP/NOI and scoping activities potentially may include a meeting at the initiation of Public Scoping to address any issues that may arise related to implementation of the public scoping or stakeholder/technical meeting process. Additionally, Management Team members may choose to participate in the following manner:

DRAFT: SUBJECT TO REVISION

Provide Written Responses/Comment on NOP/NOI

Attend Public Scoping Workshops

Participate in Key Stakeholder or Technical Agency Meetings

3.3 Technical Resource Team

The Technical Resource Team members will be asked to assist in identification of key technical issues, interests or other potential concerns that should be addressed during the public scoping sessions and stakeholder/technical meetings. Additionally, Technical Resource Team members may choose to participate in the following manner:

Provide Written Responses/Comment on NOP/NOI

Attend Public Scoping Workshops

Participate in Key Stakeholder or Technical Agency Meetings

3.4 Public Scoping Summary

The Environmental Coordinator will work with the Lead Agencies, DWR and possibly a focused working group to prepare a summary of public, agency, stakeholder and tribal Interest comments received during the public scoping meetings and by written responses to the NOP and NOI. The Public Scoping Summary will describe how issues raised will be handled in the EIR/EIS.

3.5 Provision of Project Information and Documentation via Project Web Page

The Lead Agencies and DWR may decide to develop a web page for public access to project information and documentation. The web page may be used to provide project meeting, workshop and other schedule information, postings of downloadable documents for public information (i.e., public meeting summaries) and review/comment (i.e., the Public Review Draft EIR/EIS), join the project mailing list or communicate with project contact persons or obtain links to other public agency web pages (i.e., Reclamation, DWR). The web page may contain an email address to receive comments and feedback on the Yuba Accord throughout the planning and environmental review process.

STEP 4: ENVIRONMENTAL SETTING/AFFECTED ENVIRONMENT

CEQA and NEPA require presentation of the Environmental Setting (CEQA) and Affected Environment (NEPA) describing the condition of natural and human resource areas that may be affected by implementation of the proposed project/action. The level of detail required for these descriptions is to be sufficient to provide an understanding and ability to assess the significance of direct or indirect changes that may take place under project/action and cumulative conditions.

These sections of the Yuba Accord EIR/EIS will describe the local project area as well as the regional setting (anticipated to include the waterbodies affected by the integrated operations of the CVP/SWP system extending from Shasta Reservoir on the Sacramento River to the Sacramento-San Joaquin Delta). Under the lead agencies' direction, the sections will be

DRAFT: SUBJECT TO REVISION

prepared in compliance with CEQA (*Title 14 CCR § 15125*) and NEPA (*§ 1502.15 CEQ NEPA Regulations and § 8.7 Reclamation NEPA Handbook 2000*) requirements.

4.1 Lead Agencies and DWR

YCWA, Reclamation and DWR will direct development of the Environmental Setting/Affected Environment descriptions for each environmental resource topic. It is anticipated that these agencies will provide relevant information from recent studies or reports and also will be responsible for review, comment and approval of these sections for incorporation into the Administrative Draft EIR/EIS.

4.2 Technical Resource Team Representatives

Opportunities for Technical Resource Team involvement in the development and review of the Environmental Setting/Affected Environment sections include:

Informational Coordination/Meeting(s)

- Identify factors to consider in development of the Environmental Setting/Affected Environment sections

Comment Review Meeting(s)

- Review and provide comments regarding the study area defined by the description of the Environmental Setting/Affected Environment

Technical Resource Team involvement in this activity will prove especially useful in determining and supporting the extent of the study area boundaries for both local and regional perspectives.

Environmental resource specialists (project consultants) will develop the Environmental Setting/Affected Environment sections including identification of stakeholder resource issues through review of public scoping and resource agency comments to ensure that substantive and relevant public, stakeholder and agency concerns regarding the authors' respective resources are addressed in the appropriate section(s) of the EIR/EIS. These sections will include descriptions of the resource-specific features that may be affected by implementation of the project/action within the regional, local or site-specific areas to be studied. This section also will include a characterization of the regulatory and management framework relevant for each resource topic.

STEP 5: IMPACT ASSESSMENT APPROACH AND PROCESS

Step 5 includes the development of Technical Evaluation Guidelines and Significance Criteria for each resource topic to be addressed in the EIR/EIS. This step also includes development of data interpretation and impact assessment methodologies.

5.1 Lead Agencies and DWR

The lead agencies and DWR will direct development of an impact assessment approach and process for the Yuba Accord and seek input and comment from the Technical Resource Team representatives. This step includes the following elements:

Confirm Agency Policy and Guideline Requirements

- § 8.8 Reclamation NEPA Handbook 2000

Approve Impact Assessment Methodology

- Analytical assumptions
- General scenario characterizations
- Analytical detail

Approve Evaluation Criteria

- Technical evaluation guidelines
- Index values

Approve Significance Criteria

Identify Approach Refinements

5.2 Technical Resource Team

Technical Resource Team representatives will be asked to participate in the development, refinement, and support of the impact assessment approach and process for the EIR/EIS. Key involvement opportunities include:

Informational Coordination/Meeting(s)

- Provide input relative to Technical Evaluation Guidelines/Significance Criteria development
- Provide information regarding existing accepted impact analysis procedures
- Provide relevant data for resource analyses

Comment Review Meeting(s)

- Review and provide comments regarding Technical Evaluation Guidelines/Significance Criteria to be used in the impact assessment
- Review and provide comments on the impact assessment data interpretation and analysis approach/methodology

The consultant team will provide development of work products for review and distribution to Technical Resource Team members. The environmental resource specialists will develop Technical Evaluation Guidelines and Significance Criteria to be used in the evaluation of each alternatives' potential effects on the specific resource topics to be addressed in the EIR/EIS. The Technical Evaluation Guidelines and Significance Criteria may be based upon literature review findings, including those used in other recent and related certified environmental documentation, and from direct consultation with agencies with jurisdiction over the management of a particular resource issue (i.e., adopted Air Quality Management District thresholds of significance, as relevant). Additionally, this step will include development of impact assessment methodology to be described for each resource topic. Development of these materials will include iterations that permit the incorporation of lead agencies and DWR, and Technical Resource Team comments, information, and input relative to these topics.

STEP 6: MODELING (SURFACE WATER AND GROUNDWATER)

Hydrologic modeling of the proposed project/action and alternative scenarios will be performed and used to assess potential aquatic and surface water-related resources impacts of the alternatives. These analyses will support the impact conclusions presented in the EIR/EIS. Anticipated model simulations include:

- Existing Condition (CEQA/NEPA)
- No Project/No Action Alternative (CEQA/NEPA)
- Cumulative Condition (2030) (CEQA/NEPA future with the project/action)
- Alternatives to the Project/Action (up to two simulation variations)

Definition of the model simulations will include characterization of appropriate “bases of comparison” conditions for the Yuba Accord. The details of the assumptions will be developed in close coordination with the Technical Resource Team members, as appropriate. A Modeling Technical Memorandum will include detailed discussion describing the development of the appropriate baseline for CEQA and NEPA analyses. Anticipated models and related procedures/applications to be utilized include:

- Most recent CALSIM II OCAP studies (i.e., surface water quality and fisheries)
- Yuba River Basin Sub-Module (MWH)
- Lower Yuba River Water Temperature Evaluation
- Post-Processing Application incorporating the Yuba Accord into CALSIM format output (SWRI)
- Reclamation’s American River Temperature Model and Automated Temperature Selection Procedure
- Reclamation’s Sacramento River Temperature Model
- Reclamation’s Shasta Reservoir Temperature Model
- Reclamation’s Folsom Reservoir Temperature Model and Coldwater Pool Management Model
- Sacramento River Salmon Mortality Model
- American River Salmon Mortality Model
- Feather River Salmon Mortality Model
- DWR Delta Simulation Model 2 (DSM2)
- Graphic and Tabular Analyses for Environmental Resources (GATAER)
- Delta Fish Salvage Analysis

6.1 Lead Agencies and DWR

The lead agencies and DWR will oversee and ultimately approve the approach to modeling for the EIR/EIS. Related activities include:

Approve Modeling Approach Characterization of Modeling Simulations

- Existing Condition (CEQA/NEPA)
- No Project Alternative (CEQA)
- No Action Alternative (NEPA)
- Future No Project Alternative (CEQA future without project)
- Future No Action Alternative (NEPA future without action)

DRAFT: SUBJECT TO REVISION

- Cumulative Condition (CEQA/NEPA future with the project/action)
- Alternatives to the Project/Action (up to two simulation variations)

Verify Appropriate Comparative Scenarios

Anticipated comparisons for purposes of CEQA and NEPA impact assessments include:

CEQA

- Proposed Project compared to Existing Condition
- Project Alternatives compared to Existing Condition
- No Project Alternative compared to Existing Condition
- Cumulative Condition compared to Existing Condition
- Cumulative Condition compared to Future No Project Alternative (CEQA requirement to assess Proposed Project's incremental contribution to significant cumulative effects).

NEPA

- Proposed Action compared to No Action Alternative
- Action Alternatives compared to No Action Alternative
- Cumulative Condition compared to Future No Action Alternative

Review Technical Resource Team Recommended Refinements to Modeling Simulation Characterization and Comparisons

The lead agencies and DWR representatives will be directly involved in the review and consideration of any refinements to modeling-related activities made by the Technical Resource Team members.

6.2 Technical Resource Team

It is expected that the Technical Resource Team representatives will be involved in several aspects in the development and review of modeling-related assumptions, including:

Informational Coordination/Meeting(s)

- Assist in development of CEQA/NEPA alternative scenarios, hydrologic modeling simulation assumptions, and comparative scenarios
- Provide information regarding related information as utilized in other recent environmental documentation

Comment Review Meeting(s)

- Review and provide comments regarding description of alternative scenarios, hydrologic modeling simulation assumptions, and comparative scenarios (*may be presented in Draft Modeling Technical Memorandum*)

STEP 7: PRELIMINARY ANALYTICAL FINDINGS

This step involves the evaluation of preliminary modeling and other analytical resource evaluation efforts to determine and identify potential resource impacts associated with the proposed project/action and alternatives. Following completion of the preliminary impact analyses, including modeling and related analyses, the consultant resource experts will prepare a presentation to provide the Technical Resource Team members with information about the

DRAFT: SUBJECT TO REVISION

preliminary findings and potential effects on environmental resources which could result from the project/action or alternatives.

7.1 Lead Agencies and DWR

YCWA, Reclamation and DWR will participate in the review of the preliminary findings presentation to ensure the following:

- Analyses present sufficient level of detail
- Analyses support the impact calls and conclusions made for each resource topic
- Adequate mitigation recommendations have been made for each potentially significant or significant impact

7.2 Technical Resource Team

Technical Resource Team representatives will play key roles by participating in the following meeting(s):

Informational Coordination/Meeting(s)

- Participate in preliminary analytical findings presentation workshop (*one full day*)

Comment Review Meeting(s)

- Review and provide comments regarding preliminary analytical findings:
 - Adequacy of analysis
 - Input regarding significance of preliminary impacts
 - Assist in identification of appropriate mitigation measures/environmental commitments for significant impacts

STEP 8: MITIGATION, MONITORING AND REPORTING PLAN/ENVIRONMENTAL COMMITMENTS PLAN

The MMRP/ECP will be an appendix to the EIR/EIS that will identify all of the environmental protection measures incorporated into the proposed project/action or otherwise recommended for adoption to reduce potential environmental impacts of the Proposed Project/Action.

8.1 Lead Agencies and DWR

The lead agencies and DWR will be involved in the development and review of the MMRP/ECP to ensure all CEQA MMRP content requirements (*Title 14 CCR § 15097*) and NEPA ECP requirements (*§ 1502.16 CEQ NEPA Regulations and § 8.12 Reclamation NEPA Handbook 2000*) are met. Additionally, the lead agencies and DWR will review and consider all relevant comments provided by the Technical Resource Team representatives. All changes authorized by the lead agencies and DWR will be incorporated into the final MMRP/ECP.

8.2 Technical Resource Team

The Technical Resource Team representatives will be asked to participate in the development and review of the MMRP/ECP as follows:

DRAFT: SUBJECT TO REVISION

Comment Review Meeting(s)

- Review and provide comments on Draft MMRP/ECP
- Identify respective agency role/involvement in mitigation implementation and compliance tracking requirements

STEP 9: ADMINISTRATIVE DRAFT EIR/EIS

Preparation of the Administrative Draft EIR/EIS will involve compilation of the Environmental Setting/Affected Environment, Technical Evaluation Guidelines and Significance Criteria, Impact Assessment Approach and Methodology, Preliminary Analytical Findings, and Recommended Mitigation Measures information developed in earlier steps in the CEQA/NEPA Compliance Plan. Additionally, other CEQA and NEPA required sections of the EIR/EIS will be developed and provided to the lead agencies, DWR, Management Team and Technical Resource Team members for review and comment.

9.1 Lead Agencies and DWR

The lead agencies and DWR will have a direct role in review, comment and approval of the Administrative Draft EIR/EIS contents. Specific considerations will include determination that all required CEQA (*Title 14 CCR § 15120 to § 15131*) and NEPA (*§ 1502.11 to § 1502.18 CEQ NEPA Regulations and Chapter 8 Reclamation NEPA Handbook 2000*) content, format and analysis requirements are met.

Additionally, it is anticipated this review will include consideration of the following:

- Consistency in language and analytical detail across disciplines
- Appropriate application of Technical Evaluation Guidelines
- Adequate reporting of results relative to stated methodology
- Use of identified Significance Criteria in determination of impact calls

9.2 Management Team and Technical Resource Team

It is anticipated that the Management Team and Technical Resource Team representatives will be asked to participate as follows:

Comment Review Meeting(s)

- Review and provide comments on Administrative Draft EIR/EIS
- Assist in development of Public Review Draft EIR/EIS distribution list

STEP 10: AGENCY APPROVAL/PRINT CHECK DRAFT EIR/EIS

Development of the Agency Approval/Print Check Draft EIR/EIS will involve incorporation of the lead agencies, DWR, and Management Team/Technical Resource Team comments on the Administrative Draft EIR/EIS. It is expected that the Agency Approval/Print Check document will be distributed to a small group of reviewers authorized to approve the document for publication. However, if needed, the lead agencies will arrange for additional coordination/meetings with individual team members should there be a need to resolve any remaining issues raised during review of the Administrative Draft EIR/EIS.

10.1 Lead Agencies and DWR

Review of the Agency Approval/Print Check Draft EIR/EIS is intended to be focused on the adequacy of revisions made to the document to incorporate reviewers comments on the Administrative Draft EIR/EIS. Following review and any further revisions, if needed, the lead agencies will approve the publication and distribution of the Public Review Draft EIR/EIS.

10.2 Management Team and Technical Resource Team

Possible involvement of Management Team and Technical Resource Team members at this step include:

Coordination/Meeting(s)

- As requested, clarification of comments provided on the Administrative Draft EIR/EIS

STEP 11: PUBLIC REVIEW DRAFT EIR/EIS

The Public Review Draft EIR/EIS will be published and distributed for public and agency review and comment. A 60-day review period, consistent with Reclamation NEPA Handbook policies, is anticipated and will be incorporated into the project timeline.

11.1 Lead Agencies

Publication of the Public Review Draft EIR/EIS will involve:

YCWA

- Send Notice of Completion to the State Office of Planning and Research
- Provide copies of Draft EIR/EIS to State Clearinghouse for distribution to state reviewing and commenting agencies (includes responsible and trustee agencies)

Reclamation

- Send Public Review Draft EIR/EIS to Environmental Protection Agency (EPA) for filing
- Provide copies of Draft EIR/EIS to all appropriate Reclamation divisions/departments
- Issue Press Releases
- Announces availability of Draft EIR/EIS on Reclamation Web Page

EPA Publishes Notice of Availability (NOA) and Notice of Public Hearing in Federal Register

- Three days after receipt of the Draft EIR/EIS
- This publication begins the 60-day Reclamation NEPA review period

11.2 Management Team and Technical Resource Team

It is expected that the Management Team and Technical Resource Team representatives will provide review and possibly written comment on the Public Review Draft EIR/EIS during the public review period.

STEP 12: PUBLIC HEARING/MEETING(S) ON PUBLIC REVIEW DRAFT EIR/EIS

12.1 Lead Agencies

It is anticipated that YCWA and Reclamation will hold up to three Public Hearings/Meetings over the course of the public review period (but no sooner than 15 days after the NOA is published) to receive comment on the Public Review Draft EIR/EIS.

12.2 Management Team and Technical Resource Team

Management Team and Technical Resource Team agency representatives may continue to participate in the CEQA/NEPA Compliance Plan process by attending and providing verbal comment/project support at Public Hearing/Meeting(s) on the Public Review Draft EIR/EIS.

STEP 13: RESPOND TO COMMENTS ON PUBLIC REVIEW DRAFT EIR/EIS – ADMINISTRATIVE FINAL EIR/EIS

Preparation of the Final EIR/EIS will involve development of responses to substantive public and agency comments received during public review of the Public Review Draft EIR/EIS and revisions to the Public Review Draft EIR/EIS.

13.1 Lead Agencies and DWR

The Lead Agencies and DWR will participate in the review and preparation of responses to public and agency comments received on the Public Review Draft EIR/EIS and will have a direct role in review, comment and approval of the Administrative Final EIR/EIS contents. Specific considerations will include determination that all required CEQA (*Title 14 CCR § 15132*) and NEPA (*§ 1506.9 CEQ NEPA Regulations and § 8.5 and § 9.4 Reclamation NEPA Handbook 2000*) content, format and analysis requirements are met.

13.2 Technical Resource Team

Technical Resource Team representatives may participate in the preparation and review of the Administrative Final EIR/EIS, as indicated below:

Coordination/Meeting(s)

- As requested, provide clarification of comments on the Public Review Draft EIR/EIS
- Assist in development of responses to comments for the Administrative Final EIR/EIS

Comment Review Meeting(s)

- Review and provide comments on Administrative Final EIR/EIS
- Assist in development of Final EIR/EIS distribution list

STEP 14: AGENCY APPROVAL/PRINT CHECK FINAL EIR/EIS

14.1 Lead Agencies

The lead agency representatives will be provided with an Agency Approval/Print Check version of the Final EIR/EIS. Review of the document will include verification that all reviewers comments on the Administrative Final EIR/EIS were addressed adequately. Following review and completion of any minor final edits, the lead agencies will approve publication of the Final EIR/EIS for distribution and filing.

At this time, YCWA and Reclamation may prepare or finalize documentation related to the final processing of the EIR/EIS, including:

- Findings of Fact
- Statement of Overriding Considerations
- MMRP
- ECP
- NOD
- ROD

14.2 Management Team and Technical Resource Team

Management Team or Technical Resource Team members may be called upon to provide clarification of comments provided on the Administrative Final EIR/EIS.

STEP 15: FINAL EIR/EIS

15.1 Lead Agencies

The primary responsibilities of the lead agencies include:

- Distribute Final EIR/EIS to commenting agencies and individuals (minimum of 10 days prior to YCWA Board hearing/meeting(s) on the project)
- Reclamation sends Final EIR/EIS to EPA for filing
- EPA publishes NOA in Federal Register
 - Three days after receipt of the Final EIR/EIS
 - This publication begins the 30-day review period

15.2 Management Team and Technical Resource Team

Reclamation, under the federal NEPA process, will accept comments on the Final EIR/EIS during a 30-day review period. The CEQA process does not include the same process/review opportunity.

Comment Review Meetings – To be determined

STEP 16: PROJECT APPROVAL/NOTICE OF DETERMINATION AND RECORD OF DECISION

16.1 Lead Agencies

The CEQA process for YCWA will include:

- YCWA Board of Directors certifies Final EIR
- Makes a decision regarding project approval
- Adopts Findings
- Makes Statement of Overriding Considerations, if needed
- Adopts MMRP
- Files NOD within five working days after approval of the project; filing begins the 30-day statute of limitations under CEQA

The NEPA process for Reclamation will include:

- Files ROD at least 30 days after the Final EIR/EIS is filed
- Reclamation approves the project within 90 days after the EIR/EIS is completed and adopted

16.2 Management Team and Technical Resource Team

Management Team and Technical Resource Team members will be invited to attend YCWA Board of Directors' Hearing/Meeting regarding certification of the Final EIR and decision to approve the project, and adopt the Findings, Statement of Overriding Considerations and Mitigation, Monitoring and Reporting Plan.

