February 27, 2012

VIA OVERNIGHT MAIL

Division of Water Rights
State Water Resources Control Board
Attention: Jane Farwell
1001 I Street, 2nd Floor
Sacramento, CA 95814

Consideration of Inclusion of Final Environmental Impact Report in the Cachuma Hearing Record

Dear Ms. Farwell:

This letter responds to the January 23, 2012 Notice of Public Hearing issued by the State Water Resources Control Board (“State Board”) regarding Water Right Permits 11308 and 11310 held by the U.S. Bureau of Reclamation for its operation of the Cachuma Project. It is being submitted on behalf of the Santa Ynez River Water Conservation District, Improvement District No. 1 (“I.D. No. 1”); the Cachuma Conservation Release Board (“CCRB”); and the Santa Ynez River Water Conservation District (“Santa Ynez Parent District”).

The Key Issue raised in the State Board’s January 23, 2012 Hearing Notice is the following:

Should the Final Environmental Impact Report for the Consideration of Modifications to Reclamation’s Water Right Permits 11308 and 11310 to Protect Public Trust Values and Downstream Water Rights on the Santa Ynez River below Bradbury Dam be entered into the administrative record for the Cachuma Project?

In connection with the foregoing issue, the Hearing Notice provides for the commencement of a hearing on March 29, 2012 and requires hearing parties intending to present
rebuttal evidence to identify their rebuttal witnesses and prepare an outline of their testimony and to provide that information along with a statement of witness qualifications and a statement of service by 12 noon on Tuesday, February 28, 2012.

I.D. No. 1, CCRB and the Santa Ynez Parent District support inclusion of the State Board’s Final Environmental Impact Report (“FEIR”) in the hearing record for the Cachuma Project. They believe the State Board and its staff have worked very hard to develop the FEIR and have done a thorough job of analyzing the data relating to the Bureau of Reclamation’s operation of the Cachuma Project, its potential impact upon public trust values and downstream water rights and have given substantial consideration to a reasonable range of alternatives to existing operations. We believe the FEIR’s conclusion that Alternative 3C is the environmentally superior alternative is correct and that it is amply supported by the record. We also believe the Alternative is consistent with the State Board’s obligation to balance competing beneficial uses of water, including public trust uses, in order to promote the public interest consistent with the overarching constitutional objective that the water resources of the State be put to reasonable and beneficial use.

As a consequence, I.D. No. 1, CCRB and the Santa Ynez Parent District do not intend to present rebuttal evidence at the hearing scheduled for March 29 and 30, 2012. However, because other parties to the Cachuma Hearing may attempt to present rebuttal testimony, I.D. No. 1, CCRB and the Santa Ynez Parent District reserve the right to present surrebuttal testimony if rebuttal testimony is sought by other parties and allowed by the Hearing Officer. In the event rebuttal testimony is allowed by the Hearing Officer, I.D. No. 1, CCRB and the Santa Ynez Parent District may offer surrebuttal evidence from one or more witnesses including, but not limited to, the following: Ms. Jean Baldrige, Dr. Charles Hanson, Mr. Ali Shahroody, Mr. Edward Donahue, Ms. Rebecca Bjork, Mr. Christopher Rich, Mr. Thomas Payne, and Dr. Dudley Reiser. These surrebuttal witnesses will be called, if necessary, to support inclusion of the State Board’s FEIR in the Cachuma Project hearing record.

Because I.D. No. 1, CCRB and the Santa Ynez Parent District have not yet been served with a list of rebuttal witnesses or any outlines of testimony by other parties to the Cachuma Hearing and because they do not know whether such proposed rebuttal testimony will be allowed by the Hearing Officer, they cannot at this time describe, with certainty, whether surrebuttal witnesses will be needed or what the precise scope and content of the testimony of such witnesses will be. If rebuttal witnesses are proposed by other parties and if it is determined by the Hearing Officer that their proposed testimony is within the scope of the State Board’s Hearing Notice, I.D. No. 1, CCRB and the Santa Ynez Parent District will expeditiously notify the State Board and the Cachuma Hearing parties of their intention to present surrebuttal witnesses, will provide evidence of the qualifications of such witnesses and will provide an outline of the surrebuttal testimony to be presented by each witness.
number of surrebuttal witnesses needed and the scope of the rebuttal testimony believed to be necessary, I.D. No. 1, CCRB and the Santa Ynez Parent District reserve the right to request additional time for the preparation and presentation of such surrebuttal testimony.

If you or other State Board staff members have any questions regarding our response to the January 23, 2012 Notice of Hearing, please do not hesitate to contact any of the undersigned at your convenience.

Yours very truly,

[Signature]
Gregory K. Wilkinson
of BEST BEST & KRIEGER LLP
Attorneys for Santa Ynez River Water Conservation District, Improvement District No. 1

[Signature]
Kevin M. O'Brien
of DOWNEY, BRAND, LLP
Attorneys for the Cachuma Conservation Release Board

[Signature]
Ernest A. Conant
of YOUNG WOOLDRIDGE
Attorneys for the Santa Ynez River Water Conservation District

GKW/lcp

cc: Cachuma Hearing Mailing List (attached)
   Dana Heinrich, Esq.
   David Rose, Esq.