

**STATEMENT OF AGREEMENT BETWEEN THE COUNTY, CCRB AND ID#1
FOR PRESENTATION TO THE SWRCB**

The County, CCRB and ID#1 agree that modification of the Cachuma Operations Manual to provide that no surcharge above 751.8' elevation except for winter storm operations shall occur for 5 years or completion of relocation of the water treatment plant and accessory facilities, whichever occurs first, is the appropriate measure to address potential impacts to recreational resources at Lake Cachuma from the proposed surcharge of the Lake. The County, CCRB and ID#1 agree that the Cachuma Operations Manual should be modified to provide that following 5 years or completion of relocation of the water treatment plant and accessory facilities, whichever occurs first, the Cachuma Reservoir may be surcharged up to 753' elevation.

The County, CCRB and ID#1 agree to work with the Bureau to take all actions necessary to modify the Cachuma Operations Manual to provide that no surcharge above 751.8' elevation except for winter storm operations shall occur for 5 years after the execution of the Memorandum of Understanding referenced below or completion of relocation of the water treatment plant and accessory facilities, whichever occurs first.

The County, CCRB and ID#1 immediately will seek the Bureau's agreement in principle that the above-described modification of the Cachuma Operations Manual is the appropriate measure to address potential impacts to recreational resources at Lake Cachuma from the proposed surcharge of the Lake.

The County shall in good faith complete design and pursue necessary permits and funding for the relocation of the water treatment plant and accessory facilities. In order to provide an alternative funding source in the event that County cannot obtain adequate grants or other funds on its own, the Cachuma Project Member Units will negotiate in good faith with the County an alternative proposal for ID#1 to fund in full or part and/or install a water treatment plant acceptable to CCRB, ID#1 and the County, with repayment in full or part by the County as agreed by all parties.

The County, CCRB and ID#1 agree that interim repair and reconstruction of the boat launch ramp to raise it to elevation 751.8' elevation can be accomplished by April 1, 2004, and, therefore, surcharge to 751.8' elevation may occur in the spring of '04' without affecting public recreational opportunities on the lake. The interim Boat Launch Ramp modification project cost is approximately \$75,000. The County Water Agency can advance project funds for the project from its reserve. The Cachuma Project Member Units shall refund \$50,000 to the County Water Agency Reserve Fund at \$10,000 per year over 5 years. The County, CCRB and ID#1 agree that the Cachuma Betterment Fund may be a source of repayment to the County Water Agency because the ramp modifications will be required in order to surcharge the reservoir to 751.8' elevation.

CCRB and ID#1 agree to assist the County in obtaining a long-term land management agreement/lease renewal with the Bureau for the Lake Cachuma recreation area and

funding from the state and federal governments for relocation of the water treatment plant and other critical facilities.

The County, CCRB and ID#1 will seek the agreement of the Bureau to modify the Cachuma Operations Manual to provide that no surcharge above 751.8' elevation, except for winter storm operations, shall occur for 5 years after the execution of the Memorandum of Understanding referenced below or completion of relocation of the water treatment plant and accessory facilities, whichever occurs first. The County, CCRB and ID#1 agree that the Cachuma Operations Manual should be modified to provide that following 5 years or completion of relocation of the water treatment plant and accessory facilities, whichever occurs first, the Cachuma Reservoir may be surcharged up to 753' elevation.

The County, CCRB and ID#1 will enter into a Memorandum of Understanding (MOU) memorializing these agreements to be submitted to the State Water Resources Control Board.

ALS/cachuma/Revised proposal for swrcb11-06