Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044

County Clerk of the Board
County of Santa Barbara
105 E. Anapamu St., 4th Floor,
Room 407
Santa Barbara, CA 93101

Department of Water Resources
P.O. Box 942836
Sacramento, CA 94236

From: Central Coast Water Authority
255 Industrial Way
Buellton, CA 93427

Project Title: Assignment and transfer of the 1963 State Water Supply Contract between the State of California's Department of Water Resources (DWR) and the Santa Barbara County Flood Control and Water Conservation District (District), as amended, from the District to the Central Coast Water Authority (CCWA).

Project Location: The State Water Project (SWP) includes facilities located throughout the State of California. The SWP is owned and operated by DWR, headquartered in Sacramento, California. The District is an independent special district within Santa Barbara County (County) whose boundaries coincide with the County's boundary. The County Board of Supervisors (BOS) acts as the Board of Directors of the District. CCWA is a joint powers agency formed to construct, own, and operate certain facilities needed to treat, convey, and deliver SWP water to its member agencies–the cities of Buellton, Guadalupe, Santa Barbara, and Santa Maria, the Carpinteria Valley Water District, the Goleta Water District, Montecito Water District, and the Santa Ynez River Water Conservation District, Improvement District No. 1 (individually, a Member, and collectively, the Members), and other retail water providers and end users, all of which are located within the County. CCWA's service area is coextensive with the service area boundaries of its Members, and accordingly the project is located entirely within the County of Santa Barbara.

Description of Nature, Purpose and Beneficiaries of Project: In 1963, the District entered into the State Water Supply Contract (SWP Contract) with DWR for the delivery of SWP water to the County. In exchange for such service, the District agreed to repay all associated SWP capital and operating costs. Between 1985 and 1988, the District entered into 19 separate agreements (Water Supply Retention Agreements or WSRAs) with local contractors wherein the District assigned its retained rights under the SWP Contract to the local contractors. In return, each local contractor agreed to pay the District for the local contractor's pro rata share of all costs and expenses associated with delivery of portion of the supply made available by the SWP Contract. The purpose of the WSRAs was to shift responsibility for payment under the SWP Contract from the County taxpayers to the individual local contractors and their customers—the ratepayers.

On August 31, 1991, CCWA's Members entered into the Joint Exercise of Powers Agreement, creating CCWA. Thereafter, CCWA entered into a Water Supply Agreement (WSA) with each

Member and other retail agencies and end users (each a Participant) providing for CCWA's delivery of SWP water to each Participant in return for each Participant's payment of its pro rata share of all DWR and CCWA costs. On November 12, 1991, the District and CCWA entered into a Transfer of Financial Responsibility Agreement (TFRA) under which the District assigned its financial obligations under the SWP Contract to CCWA, but the District remained the contracting party with DWR to the SWP Contract. For the past 34 years, CCWA has assumed full responsibility for the SWP Contract, including but not limited to the administration, implementation, and performance of the SWP Contract.

CCWA and the District now wish to effectuate a full, final, and complete assignment and transfer of the District's rights, interests, and obligations under the SWP Contract to CCWA. The proposed assignment requires the approval of DWR. In order to accomplish this, by approving the proposed "Agreement Regarding Assignment, Assumption, and Release of the State Water Supply Contract for Santa Barbara County" the District will agree to assign and transfer all of its rights, interests, and obligations under the SWP Contract, CCWA will agree to assume all such rights, interests, and obligations, and DWR will release the District from its obligations and approve the assignment.

Name of Public Agencies Approving Project: CCWA, the District, and DWR.

Name of Persons or Agencies Carrying Out Project: CCWA, the District, and DWR.

Exempt Status: Title 14, CCR, Chapter 3 (CEQA Guidelines), Article 5, Section 15061(b)(3) (Common Sense); Article 19, Section 15320 (Changes in Organization of Local Agencies); and Article 19, Section 15301(b) (Existing Public Facilities); Article 20, Section 15378(b)(5).

Reasons Why Project is Exempt: For the reasons stated below, this project is determined to be exempt per CEQA Guidelines section 15061(b)(3) which provides that a public agency may determine an activity to be exempt based upon the general rule that CEQA applies only to projects that have a potential for causing a significant effect on the environment. (See also Guidelines section 15378(b)(5) [project does not include organizational or administrative activities of governments that will not result in direct or indirect physical changes in the environment].) Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Further, this project is exempt under CEQA Guidelines section 15320 (Changes in Organization of Local Agencies), and CEQA Guidelines section 15301(b) (Existing Public Facilities).

1. For the past 34 years, CCWA has assumed full responsibility for performance of the SWP Contract pursuant to the TFRA and WSRAs. CCWA has paid all of the costs charged to the District under the SWP Contract. CCWA owns and operates the facilities used to convey, treat, and deliver SWP water to and within the County.

2. The project is an assignment of rights and assumption and release of obligations under the SWP Contract from the District to CCWA that will formalize the existing circumstances, rights, and obligations of the parties.

3. The proposed approvals will result in the substitution of CCWA for the District as the contracting party with DWR to the SWP Contract. In all other respects, the SWP Contract will remain the same. The area in which SWP water will be delivered will be the same; CCWA's service area will remain the same; and the existing physical infrastructure and conveyance of water under the SWP Contract will remain the same. The scope of contract rights and

obligations to DWR under the SWP Contract will be identical. Accordingly, the transaction—assignment of the SWP Contract from the District to CCWA—will not affect any change in the environment.

4. There is no causal link between the action—assignment of rights and assumption and release of obligations—and any environmental impacts. The character of the supply, method of delivery, the place of use, and the population served will remain the same. There is no reasonable argument that the assignment will have a significant impact on the environment, either directly or indirectly.

5. The assignment to CCWA will be similar to that included in CEQA Guidelines section 15320(a), as the project is a change in organization of governmental agencies where the change does not change the geographical area in which previously existing powers were exercised.

Agency Contact: Ray Stokes, CCWA **Area Code/Telephone:** 805-688-2292

Signature: Ray A Stokes Date: 10-7-25

Title: CCWA, Executive Director

Date received for filing at OPR: _____