This is to notify you of a change in procedure for processing the contract amendment that was sent to you for your consideration in December 1998.

The Department of Water Resources has determined that it is best to proceed with an Initial Study to evaluate the potential for environmental impacts arising out of the implementation of the contract amendment. The Department will act as lead agency for the project, and each State Water Project contractor will be a responsible agency under the California Environmental Quality Act. The contract amendment will not be signed by the Department until such environmental review is completed.

CEQA requires that responsible agencies consider the environmental documentation prepared by the lead agency prior to making a decision on the project. Accordingly, the Department will consult with and send copies of environmental documentation to the contractors, and the contractors should incorporate their review of the CEQA documents in their approval process as required by CEQA Guidelines Section 15096(f). Those contractors who already approved the contract amendment will be requested to reaffirm their approval after reviewing the CEQA documents to be prepared by the Department.

If there are any questions, please call Donald R. Long, Chief, State Water Project Analysis Office, at (916) 653-4313 or Peggy Bernardy of the Department’s Office of the Chief Counsel at (916) 653-7084.