

**NOTICE OF EXEMPTION**  
Coachella Valley Water District  
Post Office Box 1058  
Coachella, CA 92236

To: County of Imperial  
Imperial County Clerk/Recorder  
940 West Main Street, Suite 202  
El Centro, CA 92243

Project Title: State Water Supply Contract Extension (Extension); SCH Number 2014092036

Project Applicant: California Department of Water Resources (DWR)

Responsible Agency: Coachella Valley Water District (CVWD)

Project Location: No specific physical location, although the Environmental Impact Report (EIR) prepared by DWR reviewed State Water Project Contractor service areas. CVWD is a State Water Project Contractor and its service area is located within portions of the counties of Riverside, Imperial, and San Diego.

Description of Nature, Purpose and Beneficiaries of Project: The State Water Contractors and DWR are parties to the State Water Resources Development System Water Supply Contracts (Contracts), which enable the State Water Contractors to participate in the State Water Project (SWP). CVWD is a State Water Contractor and is party to a Water Supply Contract with DWR.

The Extension would extend the term of each of the Contracts, including CVWD's contract, and amend and add financial provisions to each of the Contracts, including CVWD's contract. The key elements of the Extension are as follows:

1. Extend Contract Term: revise Article 2 to extend the term of the Contracts to December 31, 2085, (subject to the provisions of Article 4 of the Contracts);
2. Increase Operating Reserves: provide for increased SWP financial operating reserves;
3. New Billing Provisions: implement a comprehensive pay-as-you-go repayment methodology with a corresponding billing system that more closely matches the timing of future SWP revenue to future expenditures. The pay-as-you-go repayment methodology generally means to recover capital, operation and maintenance costs within the year incurred and/or expended;
4. Enhance Funding Mechanisms and New Accounts: provide enhanced funding mechanisms and create additional accounts to address SWP financial needs and purposes; and
5. Enhance Coordination Regarding SWP Finances; provide for a finance committee and provide other means to increase coordination between DWR and the State Water Contractors regarding SWP financial matters.

The Extension would not create new water management measures, alter the existing authority to build new facilities or modify existing facilities, or change water allocation provisions of the Contracts.

NOTICE OF EXEMPTION (continued)

Name of Public Agency Approving Project: DWR as lead agency. CVWD as responsible agency.

Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity: DWR as lead agency. CVWD as responsible agency.

Exempt Status:

- Ministerial (Pub. Res. Code §21080(b)(1); State CEQA Guideline §15268)
- Declared Emergency (Pub. Res. Code §21080(b)(3); State CEQA Guideline §15269(a))
- Emergency Project (Pub. Res. Code §21080(b)(4); State CEQA Guideline §15269(b)(c))
- Statutory Exempt: State CEQA Guidelines §
- Categorically Exempt: State CEQA Guidelines §
- General Rule (State CEQA Guidelines §15061(b)(3))
- Not a project. (State CEQA Guidelines §15378)

Reasons why project is exempt:

The Extension is not a "project" as that term is defined by CEQA. An activity is a "project" subject to CEQA only if it has the potential to result in either a direct physical change to the environment or a reasonably foreseeable indirect change in the environment. (State CEQA Guidelines §15378). The Extension will have no potential to cause any direct or reasonably foreseeable indirect change in the environment.

Even if the Extension were deemed to be a project within CEQA's meaning, the Extension is exempt under the Class 1 categorical exemption for existing facilities (State CEQA Guidelines §15301) and the catch-all "common sense," general rule exemption (State CEQA Guidelines §15061(b)(3)).

The Class 1 exemption consists of the operation, repair, and maintenance of existing facilities, involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination.

The general rule exemption applies 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. Here, the Class 1 categorical exemption and the "common sense" exemption apply because:

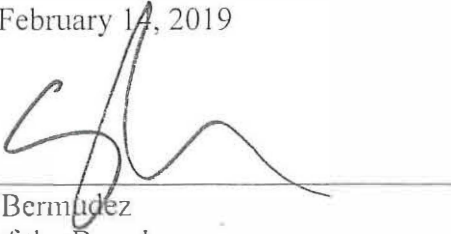
1. The Extension will not create new water management measures, alter existing authority to build new facilities or modify existing facilities, or change water allocation provisions of the Contracts;
2. The Extension proposes financial changes that do not modify any existing physical conditions;
3. The Extension will not change hydrology, regulations, or the SWP's water supply; and
4. Although a benefit of the Extension could be the ability to continue to finance projects, including repair and maintenance projects, such future projects, if any, are too speculative to allow for meaningful analysis at this time and if and when any such project is actually proposed, it would be subject to CEQA review as required by law.

NOTICE OF EXEMPTION (Continued)

Further, substantial evidence in the record, including the evidence discussed above, demonstrates that none of the exceptions that prohibit the use of an exemption (including the exceptions identified in State CEQA Guidelines §15300.2) apply here. The Extension does not present any unusual circumstances; would not damage scenic resources; would not be utilized on a hazardous waste site; and would not impact historic resources of any kind.

Lead Agency Contact Person: Karla Nemeth, Director California Department of Water Resources; phone: (916) 653-7007

Date: February 14, 2019



Sylvia Bermudez  
Clerk of the Board

File Nos. 0644.101  
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0644.302

Governor's Office of Planning & Research

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