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FEE EXEMPT
FILED
SUPERIOR COURT
COUNTY OF SAN BERNARDINO
RANCHO CUCAMONGA DISTRICT
APR 01 2008
BY *[Signature]*
DEPUTY

7
8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF SAN BERNARDINO

10 CHINO BASIN MUNICIPAL WATER
11 DISTRICT

12 Plaintiff,

13 vs.

14 CITY OF CHINO, ET AL.

15 Defendant.

Case No. RCV 51010

[Assigned for All Purposes to the
Honorable MICHAEL GUNN]

**WATERMASTER COMPLIANCE WITH
CONDITION SUBSEQUENT NUMBER
FOUR**

Hearing Date: None

Dept: R8

16
17
18 Condition number four of the Court's December 21, 2007 Order requires that:

19 Watermaster shall report to the Court on the status of California Environmental Quality Act
20 ("CEQA") documentation, compliance, and requirements, and provide the Court with assurances
21 that Watermaster's approval and participation in any project that is a "project" for CEQA purposes
22 has been or will be subject to all appropriate CEQA review.

23 The 2004 Basin Plan Amendment approved by the Regional Water Quality Control Board
24 and the State Water Resources Control Board established the "maximum benefit" objectives and
25 established certain milestones that must be achieved by Watermaster and IEUA. To demonstrate
26 compliance with the Regional Board Order, Watermaster and IEUA agreed to achieve Hydraulic
27 Control. (Project Description for the 2007 Amendment to the Chino Basin Optimum Basin
28 Management Program at p. 2.)

1 Article II of the Peace II Agreement sets forth Watermaster's covenant to comply with
2 CEQA. Specifically, Section 2.1 requires that: the proposed project description regarding the design,
3 permitting, construction and operation of the Future Desalter, as well as securing Hydraulic Control
4 through Basin Re-Operation is set forth in Attachment "A" to Watermaster Resolution 07-05 which
5 is attached to the Peace II Agreement as Exhibit "1." Attachment "A" provides that the Project
6 Description set forth therein will be used in, "any environmental impact report to be prepared as part
7 of the expansion of the desalters." (Project Description for the 2007 Amendment to the Chino Basin
8 Optimum Basin Management Program at p. 1.)

9 Section 2.2 specifies that Inland Empire Utilities Agency ("IEUA") has been properly
10 designated as the "Lead Agency" for the purposes of completing the environmental assessment and
11 review of the proposed project. Section 2.3 recites that the Parties agree and acknowledge that no
12 commitment will be made to carry out any "project" under the amendments to the OBMP and within
13 the meaning of CEQA unless and until the environmental review and assessment that may be
14 required by CEQA for that defined "project" have been completed.

15 As is customary, Watermaster, as an extension of the Court, will not conduct any CEQA
16 review per se but will ensure that CEQA compliance occurs. In addition, Watermaster has already
17 caused to be performed significant engineering, hydrogeologic and technical analysis of the potential
18 physical impacts attributable to the Peace II Measures. Mr. Wildermuth prepared the *2007 CBWM*
19 *Groundwater Model Documentation and Evaluation of the Peace II Project Description* which was
20 filed with this Court on November 15, 2007, and was the subject of Mr. Wildermuth's testimony on
21 November 29, 2007. He later supplemented this analysis and filed with the Court the Watermaster
22 *Response to Condition Subsequent Number 3 from the Order Confirming Motion for Approval of the*
23 *Peace II Documents.*

24 At this time, Watermaster is generally aware and informed of the following actions regarding
25 CEQA analysis relative to implementation of the Peace II measures.

26 Because the expansion of desalter capacity is proceeding in an expedited fashion, the CEQA
27 analysis associated with these elements of the Peace II projects have been performed first. CEQA
28 analysis relative to the expansion of Desalter II consisted of the adoption of a categorical exemption

1 by Western Municipal Water District in January of 2008. A true and correct copy of which is
2 attached hereto as Exhibit "A."

3 CEQA compliance relative to the construction of the Chino Creek Well Field – the facilities
4 component necessary to achieve Hydraulic Control – is proceeding under the direction of IEUA. The
5 first effort to accomplish this requires Watermaster's construction of test wells for the well field.
6 Watermaster has set aside approximately \$125,000 in the 2007-2008 budget cycle for completing
7 these test wells.

8 As for the further evaluation of the impacts associated with the groundwater extraction,
9 Watermaster is informed that IEUA intends to process an addendum to the 2000 Optimum Basin
10 Management Program Programmatic Environmental Impact Report ("OBMP PEIR"). Watermaster
11 is further informed that IEUA has concluded that this addendum will not require recirculation of the
12 PEIR. If the results of the well tests are as predicted, it is anticipated that a mitigated negative
13 declaration will be adopted as a subsequent environmental document.

14 Further items relating to Peace II, including Basin Re-Operation and Hydraulic Control, are
15 also underway. Watermaster is currently in the process of creating its draft budget for 2008-2009,
16 and will budget sufficient funds for this purpose. Watermaster is informed that Tom Dodson &
17 Associates, the consultant that drafted the OBMP PEIR, has been retained for this work and is in the
18 process of developing a scope of work.

19
20 Dated: April 1, 2008

BROWNSTEIN HYATT FARBER SCHRECK, LLP

21
22 By: 

23 Michael T. Fife
24 Scott S. Slater
25 Attorney For Chino Basin Watermaster
26
27
28

EXHIBIT A

**NOTICE OF EXEMPTION
WESTERN MUNICIPAL WATER DISTRICT**

To: Riverside County **FILED**
Clerk and Recorder RIVERSIDE COUNTY
2724 Gateway Drive
Riverside, CA 92507 **JAN 15 2000**
and **LARRY W. WARD, CLERK**
Office of Planning and Research
State Clearinghouse **M. Meyer**
1400 Tenth Street Deputy
Sacramento, CA 95814

From: Western Municipal Water District
450 East Alessandro Boulevard
Riverside, CA 92508
COUNTY CLERK
Neg Declaration/No Determination
Filed per P.R.C. 21152
POSTED

JAN 15 2000

Removed: 2.1.0.08
By: [Signature]
County of Riverside, State of California Dept

Project Title: Chino II Desalter Expansion
Project Location: The Chino II Desalter is located north of Harrel Street and just west of Etiwanda Avenue in the community of Mira Loma.

Project Location - City: Unincorporated community of Mira Loma

Project Location - County: Riverside

Description of Nature, Purpose, and Beneficiaries of the Project: The project being considered for approval by the Western Municipal Water District (WMWD or District) is the installation of the two RO treatment trains and support facilities. These two new RO treatment trains will be integrated into the existing treatment system at the Chino II Desalter. New cartridge filters and a third decarbonation unit will also be installed. All of these facility modifications will occur within existing structures or within the Chino II Desalter footprint. No new undisturbed areas will be impacted by the proposed project as all facilities will occur within the graded footprint of the Chino II Desalter facility. Existing pipelines and other facilities have been sized to accommodate the proposed treatment of an additional 10.5 mgd of raw water that will be delivered to the Desalter from existing wells and future wells that remain to be developed.

Name of Public Agency Approving Project: Western Municipal Water District

Name of Person or Agency Carrying Out Project: Chino Basin Desalter Authority

Exempt Status: (Check One)

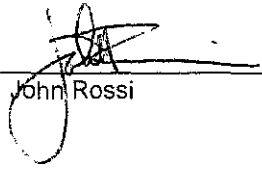
- Ministerial (Sections 21080(b)(1); 15268)
- Declared Emergency (Sections 21080(b)(3); 15269(a))
- Emergency Project (Sections 21080(b)(4); 15269(b)(c))
- Categorical Exemption (Sections 21084; 15301(b))

Reasons why project is exempt: The State CEQA Guidelines provide a series of categorical exemptions for projects that have been deemed to have minimal impacts on the environment. The proposed expansion of the treatment facilities at the Chino II Desalter has no potential to cause significant adverse effects on the environment and will ensure the facility continues to operate without equipment or process failure. Categorical Exemption Class exempts" operation, repair, maintenance.. or minor alteration of existing public or private structures, facilities and mechanical equipment...involving negligible or no expansion of use beyond that existing at the time of the lead agency's determination." The exceptions to the issuance of categorical exemptions have been evaluated for the proposed project activities. The proposed installation and operation

of the Chino II Desalter expansion facilities have been determined not to have a potential to cause significant adverse environmental effects as a result of any of the exceptions. Therefore, this proposed action is not forecast to cause any adverse potential for significant environmental impacts and qualifies with the requirements for Class 1 exemption.

Lead Agency

Contact Person: Jack Safely Telephone: (951) 789-5068

Signature:  Title: General Manager Date: 1/14/08
John Rossi

CHINO BASIN WATERMASTER
Case No. RCV 51010
Chino Basin Municipal Water District v. The City of Chino

PROOF OF SERVICE

I declare that:

I am employed in the County of San Bernardino, California. I am over the age of 18 years and not a party to the within action. My business address is Chino Basin Watermaster, 9641 San Bernardino Road, Rancho Cucamonga, California 91730; telephone (909) 484-3888.

On April 1, 2008 I served the following:

1) WATERMASTER COMPLIANCE WITH CONDITION SUBSEQUENT NUMBER FOUR

BY MAIL: in said cause, by placing a true copy thereof enclosed with postage thereon fully prepaid, for delivery by United States Postal Service mail at Rancho Cucamonga, California, addresses as follows:

See attached service list: Mailing List 1

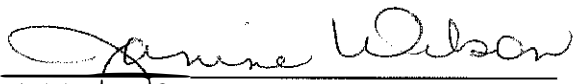
BY PERSONAL SERVICE: I caused such envelope to be delivered by hand to the addressee.

BY FACSIMILE: I transmitted said document by fax transmission from (909) 484-3890 to the fax number(s) indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting fax machine.

BY ELECTRONIC MAIL: I transmitted notice of availability of electronic documents by electronic transmission to the email address indicated. The transmission was reported as complete on the transmission report, which was properly issued by the transmitting electronic mail device.

I declare under penalty of perjury under the laws of the State of California that the above is true and correct.

Executed on April 1, 2008 in Rancho Cucamonga, California.



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