

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

County Clerk
County of Riverside
Post Office Box 751
Riverside, CA 92502

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

State Clearinghouse
Office of Planning and Research
Post Office Box 3044, Room 113
Sacramento, CA 95812-3044

County of San Diego
Recorder/County Clerk's Office
1600 Pacific Highway, Suite 260
Post Office Box 121750
San Diego, CA 92112-1750

Project Title: Third Amendment to the Delivery and Exchange Agreement between MWD and CVWD for 35,000 acre-feet

Project Location: Throughout Riverside, Imperial, and San Diego Counties

Description of Nature, Purpose and Beneficiaries of Project:

The Coachella Valley Water District (CVWD) proposes to amend its Delivery and Exchange Agreement with the Metropolitan Water District (MWD) for 35,000 Acre-Feet (af). The Delivery and Exchange Agreement was negotiated as part of the Quantification Settlement Agreement (QSA) and was executed by CVWD and MWD on October 10, 2003. A Supplemental Agreement for the years 2011, 2012, and 2013 was signed in 2011. Two amendments have previously been made to the original Delivery and Exchange Agreement for 35 taf, with the First Amendment executed in 2015 and the Second Amendment executed in 2019 and expiring on December 31, 2026 (aligning with the termination of the 2007 Interim Guidelines for the Colorado River).

The 2003 Delivery and Exchange Agreement for 35,000 af, as previously amended, provides that MWD transfer to CVWD up to 35,000 acre-feet per year of MWD State Water Project (SWP) water through 2035. This water is exchanged for an equivalent amount of MWD Colorado River water delivered by MWD to CVWD at the Colorado River Aqueduct Turnout to the Whitewater River. The minor modifications in the proposed Third Amendment to the 2003 Delivery and Exchange Agreement for 35,000 af would be:

- The total amount of 315,000 af transfer water to be delivered to CVWD between January 1, 2027, and December 31, 2035.
- Setting goal for MWD and CVWD of working toward extending the Delivery and Exchange Agreement to 2077 (current expiration date is 2035) conditioned on extending the SWP Exchange Agreement to 2085. The date of 2077 aligns with the QSA expiration date.
- Extending CVWD's existing ability to request delivery at Imperial Dam for overrun protection as needed.
- Allowing MWD flexibility to defer the exchange delivery in any year but delivering the entire 315,000 af no later than 2035.
- Continuing current practice of MWD reimbursing CVWD for a portion of its unused Colorado River water.

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- Setting water cost at \$400/af through 2026 and escalated at 4.8% annually starting in 2027.
- Providing option for predelivery of up to 200,000 af total in 2025 and 2026.
 - Recognizing the benefit of advancing funds through predelivery, MWD reduced the annual escalator to 3.9% starting in 2027 (assuming the full delivery of 200,000 af) while retaining the water rate at \$400/af through 2026 (Table 2).
- For billing purposes, annual cost would be based on either 35,000 af/yr (no predelivery) or 12,778 af/yr (with predelivery), applied at the current year cost with the appropriate escalator.
- MWD would invoice CVWD by June 30 for any water exchanged, or scheduled to be exchanged, in the prior fiscal year (July 1 – June 30).

Lead Agency Approving Project and Contact:

Coachella Valley Water District; Robert Cheng, Assistant General Manager/ Phone: (760) 398-2651

Exempt Status:

- Not a project:** State CEQA Guidelines §15378
- Review for Exemption/Common Sense Exemption:** State CEQA Guideline §15061(b)(3)
- 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:** 15269(b)
- Statutory Exempt:** State CEQA Guidelines § 15277
- Categorically Exempt:** State CEQA Guidelines:

Reasons why project is exempt:

Approval of the Third Amendment to the 2003 Delivery and Exchange Agreement for 35,000 Acre-Feet is not subject to CEQA for multiple reasons. First, approval of the Second Amendment to the 2003 Delivery and Exchange Agreement for 35,000 Acre-Feet is not subject to CEQA because it does not constitute a “project,” under CEQA, i.e., pursuant to State CEQA Guidelines §15378(a), the action has no potential to result in a direct or reasonably foreseeable indirect physical change in the environment because the action will merely result in minor administrative changes to an existing agreement and will have no effect on the environment.

Second, approval of the Third Amendment to the 2003 Delivery and Exchange Agreement for 35,000 Acre-Feet is not subject to CEQA because it does not constitute a “project,” pursuant to State CEQA Guidelines §15378(b)(5), because the minor administrative changes to the existing agreement will not result in any change to the previously approved entitlements and constitutes an organizational or administrative activity that will not result in a direct or indirect physical change in the environment not previously analyzed.

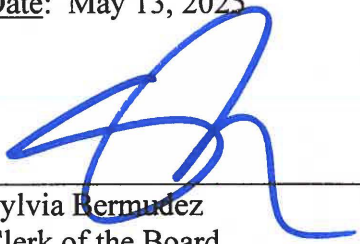
Third, even if approval of the Third Amendment to the 2003 Delivery and Exchange Agreement for 35,000 Acre-Feet did constitute a “project” subject to CEQA, the action would be exempt from CEQA review pursuant to State CEQA Guidelines §15061(b)(3); because it can be seen with certainty that there is no possibility that approval of the amendment may have a significant effect on the environment. The Third Amendment to the 2003 Delivery and Exchange Agreement for 35,000 Acre-Feet will result in minor changes regarding the administration of an existing agreement; there will be no changes or adverse impacts to the environment as a result of the minor administrative changes.

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Environmental Contact Person:

Carlos Huerta, CVWD Environmental Resources Analyst, Phone (760) 398-2651

Date: May 13, 2025



Sylvia Bermudez
Clerk of the Board

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

File No. 0106.21
0460.24
0645.61
0645.712.2