

**PROPOSED PROCESS STIPULATION FOR OPTIMUM BASIN
MANAGEMENT PROGRAM UPDATE:
WATERMASTER OBMP ENVIRONMENTAL REVIEW**

- Watermaster is granted discretionary power, pursuant to Paragraph 41 of the Judgment, to develop an Optimum Basin Management Program (“OBMP”).
- Watermaster adopted the goals and objectives of the OBMP Phase 1 Report and the OBMP Implementation Plan as its “OBMP”.
- Watermaster is not a Party to the Peace Agreement or the OBMP Implementation Plan but acts in accordance with their terms and administers the Judgment.
 - *Watermaster’s authority arises from the Judgment and Court Orders issued pursuant to its continuing jurisdiction.*
 - *The Parties to the Peace Agreement covenant not to challenge the actions of Watermaster when it is implementing the OBMP Implementation Plan in a manner consistent with the Peace Agreement. (Peace Agreement Section 4.2)*
- Watermaster is not a public agency, it is a special master serving the Court in the administration of the decree and the physical solution and it does not act as a Lead Agency for purposes of CEQA. Watermaster does require demonstrated compliance with CEQA before approving a “project” subject to the Judgment under the Court’s jurisdiction. (Peace Agreement Section 2.1, Watermaster Rules and Regulations Section 2.23)

- Watermaster will convene at least one meeting with stakeholders within the next 45 calendar days and thereafter as frequently as it determines reasonable and constructive to determine to what extent “projects” should be included within a *programmatic level* environmental review.
- The programmatic level review will include reasonably foreseeable “projects”.
- The Inland Empire Utilities Agency (“IEUA”) will agree to act as the Lead Agency and prepare a *programmatic level* analysis for the OBMPU and projects nominated by Watermaster and the parties to reflect stakeholder input, with the understanding that “projects” within the meaning of the CEQA – not Watermaster actions under the Judgment and the Peace Agreement - will be implemented by the parties to the Judgment.
- As customary, Watermaster may provide technical and legal support to IEUA for the programmatic evaluation of the OBMPU.
 - *This is consistent with the Court Order requiring IEUA to prepare a Programmatic Environmental Impact Report for the OBMP on November 18, 1999 and work commenced in January of 2000.*
 - *The Peace Agreement and the OBMP Implementation Plan were not agreed upon until June 2000 and remained subject to completion of further environmental review and final.*
- No “project level” environmental review will be included in the PEIR.

- Watermaster will not find that a “project” has received sufficient CEQA clearance under the Peace Agreement Section 2.1 and its Rules and Regulations Section 2.23 without the preparation of “project level” environmental review for the project being completed.
 - Project level environmental review *may* be carried out by a project sponsor or by agreement with another public agency, including but not limited to IEUA.
 - Watermaster actions under the Judgment and Court order are not projects and therefore, they are not subject to environmental review.

- Amendments to the Peace Agreement and the OBMP Implementation Plan attached thereto as Exhibit “B” and “projects” that require such amendments, must satisfy the consent requirements of Peace Agreement Section 10.14.

- If an amendment to the OBMP Implementation Plan and the Peace Agreement is required as a condition precedent to the implementation of a “project” it may proceed only in accordance with the consent requirements of the Peace Agreement.