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14	COUNTY OF SAIN BERNARDING				
15	CENTER FOR BIOLOGICAL DIVERSITY, NATIONAL PARKS CONSERVATION ASSOCIATION, SAN BERNARDINO VALLEY)	Case No.			
16	AUDUBON SOCIETY AND SIERRA CLUB, SAN GORGONIO CHAPTER				
17	Petitioners,	VERIFIED PETITION FOR WRIT OF			
18	vs.	MANDATE			
19	COUNTY OF SAN BERNARDINO, BOARD OF	(Cal. Code Civ. Proc. § 1094.5; Cal. Pub.			
20	SUPERVISORS OF COUNTY OF SAN BERNARDINO, SANTA MARGARITA WATER	Resources Code § 21000 et seq. (California Environmental Quality Act))			
21	DISTRICT, AND SANTA MARGARITA WATER DISTRICT BOARD OF DIRECTORS,				
22	Respondents;				
23	CADIZ, INC., ARIZONA AND CALIFORNIA				
24	RAILWAY COMPANY, CALIFORNIA WATER SERVICES COMPANY, FENNER WATER COMPANY				
25	VALLEY MUTUAL WATER COMPANY, GOLDEN STATE WATER COMPANY, JURUPA COMMUNITY SERVICES DISTRICT,)				
26	SUBURBAN WATER SYSTEMS, THREE VALLEYS MUNICIPAL WATER DISTRICT				
27	AND DOES 1-40.				
28	Real Parties in Interest.				

INTRODUCTION

- 1. This action challenges the July 31, 2012 approval of the Cadiz Valley Water Storage and Conservation Project (the "Project") by the Santa Margarita Water District ("SMWD"), through its Board of Directors, as recorded in a Notice of Determination and SMWD's certification of the Environmental Impact Report ("EIR") for the Project.
- 2. Under the guise of a self-proclaimed "conservation" project, the Project would mine millions of gallons of water a year—for 50 years—from a desert aquifer system in the Mojave Desert. As proposed and approved, the Project would drain the aquifers at a rate far in excess of the rate of natural recharge, with significant environmental harm. Returning the aquifers to their current levels following the end of the Project may take centuries.
- 3. Petitioners, together with various governmental agencies at the state and federal level, Native American Tribes, and concerned members of the public documented numerous violations of CEQA during the administrative proceedings leading up to the certification of the EIR and SMWD's approval of the Project. Included among these violations is SWMD's usurpation of San Bernardino County's (the "County") proper role as lead agency for the Project under the California Environmental Quality Act ("CEQA"), and SWMD's failure to properly prepare and certify a legally adequate EIR for the Project.
- 4. As described below, SMWD's certification of the Project violated the California Environmental Quality Act ("CEQA"), Cal. Public Resources Code § 21000 *et seq.*, and the CEQA Guidelines, title 14 California Code of Regulations, § 15000 *et seq.* ("CEQA Guidelines.)"
- 5. This action also challenges the County of San Bernardino and its Board of Supervisors for failure to act as lead agency for the Cadiz project under CEQA.
- 6. Because SMWD and San Bernardino County failed to comply with CEQA, Petitioners petition this Court for a writ of mandate under Code of Civ. Proc. §§ 1085 and 1094.5, directing SMWD to vacate and set aside its approval of the Project and EIR certification. Petitioners also petition for declaratory relief in the form of a finding that the

County of San Bernardino is the proper lead agency for future environmental review of this project under CEQA.

7. Petitioners' have no plain, speedy, or adequate remedy in the course of ordinary law unless this Court grants the requested writ of mandate to require Respondent SWMD to set aside its certification of the EIR and approval of the project, and declares that San Bernardino County is the proper lead agency. In the absence of such remedies, Respondents' decisions will remain in effect in violation of state law.

JURISDICTION AND VENUE

- 8. This Court has jurisdiction over this action pursuant to Cal. Code Civ. Proc. §§ 1085 and 1094.5 and Pub. Resources Code §§ 21168 and 21168.5. This Court has the authority to issue a writ of mandate directing SMWD to vacate and set aside its approval of the Project and certification of the EIR for the Project under Code Civ. Proc. §§ 1085 and 1094.5.
- 9. Venue for the CEQA actions contained in this Petition properly lies in the San Bernardino County Superior Court pursuant to Cal. Code Civ. Proc. § 395(a), because Respondent County of San Bernardino and the Board of Supervisors of San Bernardino County have their principal place of business in the City of San Bernardino, and additionally pursuant to § 393(b), because the primary location of both the project and the majority of its associated impacts is the County of San Bernardino. In addition, Respondents and Real Parties in Interest reside throughout a four-county region, including San Bernardino County, making no other location more appropriate or convenient.

PARTIES

10. Petitioner CENTER FOR BIOLOGICAL DIVERSITY ("The Center") is a non-profit, public interest organization with over 41,000 members and 280,000 online activists.

The Center has offices in Joshua Tree, Los Angeles, and San Francisco, California, as well as offices in Arizona, Florida, New Mexico, Oregon, Vermont, and Washington, D.C. The Center and its members are dedicated to protecting diverse native species and habitats through science, policy, education, and environmental law. The Center's members reside and own property

throughout California as well as those areas served by the State Water Project, and use the waters and lands affected by the proposed Project, including the Mojave National Preserve, for recreational, wildlife viewing, scientific, and educational purposes. The Center was one of the coalition of organizations that submitted timely comments to SMWD in response to the December 2011 Draft Environmental Impact Report ("DEIR") for the Project, and has submitted letters to both Respondents explaining the improper choice of lead agency and warning of problems and inadequate review of a subsequent contractual agreement (MOU) between Respondents and Cadiz, Inc. The Center and its members would be directly, adversely and irreparably harmed by the Project and its components, as described herein, until and unless this Court provides the relief prayed for in this petition.

- 11. Petitioner NATIONAL PARKS CONSERVATION ASSOCIATION ("NPCA") is a non-profit, membership based advocacy group whose mission is to protect and enhance our national parks for present and future generations. NPCA has over 100,000 active supporters and members in California and over 600,000 nationwide. NPCA maintains offices nationwide, including Joshua Tree and Barstow, California. NPCA, in collaboration with other petitioners to this action, has actively opposed and provided substantive and timely written and oral comments on the challenged Project. Many NPCA members live, work and recreate in San Bernardino County and throughout the areas to be impacted by the Project. NPCA members use, recreate and enjoy the 1.6 million acre Mojave National Preserve, the third largest national park unit in the lower forty eight states, including its diversity of wildlife and plants, desert springs and desert habitat, and visual beauty. The interests of NPCA, its staff and its members in preserving the Mojave National Preserve and surrounding lands will be harmed by the Cadiz project unless court action is taken and Petitioners' requested relief is granted.
- 12. Petitioner SAN BERNADINO VALLEY AUDUBON SOCIETY ("SBVAS") is a non-profit 501(c)3 organization of good standing. SBVAS is an independent organization from the National Audubon Society, and maintains its own board, volunteer staff, membership, policy and fundraising efforts. SBVAS is committed to protecting endangered species and wild places, and in particular avian species, their habitats, and their sources of food. SBVAS

has worked to protect the natural resources of California; the organization's mission is to educate the public as to the importance of the natural environment and to preserve habitat for birds and other wildlife. SBVAS is specifically focused on promoting and protecting these values in the Inland Empire region, which includes the Cadiz project site, its surrounding habitat and the Mojave National Preserve. SBVAS was part of the coalition of public interest organizations which provided timely comments in response to the December 2011 DEIR for the proposed Project. The interests of SBVAS, its staff and its members in preserving the desert habitat and wildlife will be harmed by the Cadiz project unless court action is taken and Petitioners' requested relief is granted.

- 13. Petitioner SIERRA CLUB, SAN GORGONIO CHAPTER ("the Club") is a chapter of The Sierra Club, a national non-profit membership organization committed to protecting endangered species and wild places. The San Gorgonio Chapter of the Sierra Club is based in San Bernardino, California. From its inception and for over a century, the Sierra Club has worked to protect the natural resources of California, and has been a long-time advocate for protection of the public wilderness lands surrounding the Cadiz project. The Club has led community opposition to the Project since the project was originally proposed over a decade ago, and continues to work with local communities in opposition. The Club was one of the coalition of public interest organizations which submitted timely comments in response to the current Project's December 2011 DEIR, and members attended and spoke in opposition to the project at SMWD's July 2012 board meetings where the Cadiz FEIR was considered by the SMWD's board for approval. The Club, its staff and its members would be directly, adversely and irreparably harmed by the Project, as described herein, until and unless this Court provides the relief prayed for in this petition.
- 14. Respondent SANTA MARGARITA WATER DISTRICT ("SMWD") is a water district organized and existing under the California Water District Law, Cal. Water Code §§ 34000 *et seq.*, with its principle place of business in Rancho Santa Margarita, California, providing retail water service to a mostly residential area of southern Orange County, located over two hundred miles away from the Cadiz project site. SMWD acted as the lead agency for

environmental review of the Cadiz project and Respondent SMWD BOARD OF DIRECTORS approved the EIR in that capacity, as indicated in the Project's July 31, 2012 Notice of Determination.

- and geographical subdivision of the State of California with its principal offices located in the town of San Bernardino, California. Respondent SAN BERNARDINO COUNTY BOARD OF SUPERVISORS constitutes the elected decision-making body of the County empowered to approve or disapprove projects under CEQA, and which entered into agreements with SMWD and Cadiz regarding the County's role in the Project. The Project's pumps and the majority of the Project's anticipated environmental impacts lie within the County's boundaries. The County maintains the authority to permit and regulate the construction and development of the Project. The EIR for the Cadiz project describes the County as a responsible agency under CEQA.
- 16. Real Party in Interest CADIZ, INC. ("Cadiz") is a company doing business under the laws of the State of California with its principal place of business in Los Angeles, California. Petitioners are informed and believe that (1) Cadiz is a Delaware corporation doing business in California at all times relevant to this Petition, and (2) through its subsidiary Cadiz Real Estate LLC, Cadiz Inc. owns approximately 34,000 contiguous acres of land in the Cadiz and Fenner Valleys (Cadiz Property), upon which most or all of the Project's pumping and pumping-related infrastructure will be constructed.
- 17. Real Party in Interest ARIZONA & CALIFORNIA RAILROAD COMPANY ("ACRC") is a company existing as a limited liability partnership with its principle place of business in Parker, Arizona. ACRC is a subsidiary of RailAmerica, a corporation listed on the New York Stock Exchange with its corporate headquarters in Jacksonville, Florida. Petitioners are informed and believe that ACRC is the owner and operator of the shortline railroad that runs from Cadiz, California to Parker, Arizona, and that Cadiz has entered into an agreement with the ACRC to utilize a portion of its right-of-way ("ROW") for placement of necessary infrastructure for the proposed Project.

- 18. Real Party in Interest CALIFORNIA WATER SERVICES COMPANY is a subsidiary of the California Water Services Group, a publicly-traded Delaware corporation. CWS' principal place of business is San Jose, California. California Water Services Company was included as a participant in the Project EIR and is listed as a recipient of Project water in the July 31, 2012 Notice of Determination.
- 19. Real Party in Interest FENNER VALLEY MUTUAL WATER COMPANY is a California mutual water company describing itself as a non-profit entity, existing under the laws of the State of California with its principal place of business in Los Angeles, California. Petitioners are informed and believe that Fenner Valley Mutual Water Company was created by Cadiz to distribute Project water and will be solely comprised of public water systems that will own shares commensurate with their rights to receive water from the Project.
- 20. Real Party in Interest GOLDEN STATE WATER COMPANY ("Golden State") is a water company with its principal place of business in San Dimas, California. Golden State Water Company is a wholly-owned subsidiary of American States Water Company, a publicly-traded Delaware corporation also based in San Dimas. Golden State Water Company is included as a Project Participant in the EIR, and is listed as a recipient of Project water in the July 31, 2012 Notice of Determination.
- 21. Real Party in Interest JURUPA COMMUNITY SERVICES DISTRICT is a public agency known as a Special District organized and existing under the California Community Services District Law, Cal. Government Code §§ 61000 *et seq.*, with its principal place of business in Jurupa Valley, California. Jurupa Community Services District is responsible for providing potable water, sewer and streetlights to over 101,000 people located throughout 48 square miles in the Jurupa area of Riverside County. Jurupa Community Services District was included as a project participant in the Project DEIR, is listed as a recipient of Project water in the July 31, 2012 Notice of Determination, and is acting as a responsible agency for the proposed Project's environmental review.
- 22. Real Party in Interest SUBURBAN WATER SYSTEMS is an investor-owned water utility doing business in the State of California with its principal place of business in

Covina, California, and is a wholly-owned subsidiary of SouthWest Water Company, a privately-held corporation based Sugar Land, Texas. Suburban Water Systems was identified as a project participant in the Environmental Impact Report and is listed as a recipient of Project water in the July 31, 2012 Notice of Determination.

- 23. Real Party in Interest THREE VALLEYS MUNICIPAL WATER DISTRICT is a California Municipal Water District with its principle place of business in Claremont, California. Petitioners are informed and believe that Three Valleys Municipal Water District is a beneficiary of approval as listed on the Notice of Determination, was identified as a project participant in the Project EIR, and is acting as a Responsible Agency for the Project's environmental review.
- 24. Petitioners are currently unaware of the true names and capacities of Does 1 through 20, inclusive, and therefore sue those parties by such fictitious names. Does 1 through 20, inclusive, are government or private entities presently unknown to Petitioners who will receive Project water, or are otherwise beneficiaries of approval of the Cadiz Project, not listed in the Project's July 31, 2012 Notice of Determination. Petitioners will amend this petition to show the true names and capacities of Does 1 through 20 when such names and capacities become known.
- 25. Petitioners are currently unaware of the true names and capacities of Real Parties in Interest, Does 21 through 40, inclusive. Does 21 through 40, inclusive, are persons or private entities presently unknown to Petitioners who claim some legal or equitable interest in the Project that is the subject of this action. Petitioners will amend this petition to show the true names and capacities of Does 1 through 20 when such names and capacities become known.
- 26. Petitioners bring this action as private attorneys general pursuant to Cal. Code of Civil Procedure § 1021.5, and any other applicable legal theory to enforce important public rights affecting the public interest.

GENERAL ALLEGATIONS

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corporations in the greater Los Angeles region.

then re-sell the water to Project participants.

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17 The Original Project

Participants.

31. A version of the Project was originally proposed as the "Cadiz Groundwater Storage and Dry-Year Supply Program" in the late 1990's, with the Metropolitan Water District of Southern California ("MWDSC") acting as lead agency under CEQA, and the federal Bureau of Land Management acting as lead agency under the National Environmental Policy Act.

The Cadiz Valley Water Conservation, Recovery and Storage Project ("Project")

The Project was reviewed under CEQA with Santa Margarita Water District

The Project applicant is Cadiz, Inc. who, through its subsidiary Cadiz Real

The Project also includes "Phase II," which will consist of spreading basins to

is a project to mine and export water from alluvial aquifers underlying the Mojave Desert, near

Cadiz, California, and transport Project water to multiple public and private water districts and

("SMWD") acting in the role of lead agency. SMWD's Notice of Determination was signed

July 31, 2012, and states that the Project will extract an average of 50,000 acre-feet (approx.

field with up to 34 wells, and a 43-mile pipeline to the Colorado River Aqueduct.

recharge surface water into the groundwater basin and convey stored water back to

16.2 billion gallons) per year over a 50 year period. Physical infrastructure will include a well

Estate, owns the Project site, and will be the primary financial beneficiary. Cadiz has entered

into agreements to sell the Project water to Fenner Valley Mutual Water Company, who will

- 32. The original project emphasized storage of Colorado River water, and only intended to export water in "dry" years, but was nonetheless supported by applicant-funded studies claiming the aquifers were naturally provided with 40,000 to 50,000 acre-feet per year of water for recharge. The executive summary to the original DEIR further stated that the project could export up to 150,000 acre-feet a year.
 - 33. The original project's studies of groundwater recharge were strongly disputed by

multiple expert reports, including two by the United States Geological Survey. Expert hydrologist Dr. John Bredhoeft, a former 32-year career scientist at the United States Geological Survey ("USGS"), reviewed the existing studies, and concluded that recharge was a small fraction of the applicant's estimates, finding that the most probable range of recharge is 5,000-6,000 acre-feet per year.

34. MWDSC voted to cancel the previous Cadiz project in 2002. The Staff Recommendation was that "further board action on the project be deferred" due to "uncertainty over the availability of surplus water;" the "growing realization that significant quantities of native groundwater may not be available for export;" the "demand for Colorado River water supply... may reduce our flexibility to store Colorado River water;" "increased capital costs above the \$150 million estimate;" "the money that is planned to be spent on the Cadiz project may be needed elsewhere to acquire water supplies that are not dependent upon surplus Colorado River water and the availability of disputed local groundwater supplies;" and "substantial financial risk."

San Bernardino County Desert Groundwater Management Ordinance

- 35. The County of San Bernardino enacted its Desert Groundwater Management Ordinance in October, 2002, less than two weeks after MWDSC cancelled the original project, doing so specifically in response to the County's inability to effectively regulate groundwater exports, and to adequately monitor and protect against harm to the County's aquifers.
- 36. The Desert Groundwater Management Ordinance, San Bernardino County Code Article 5, § 33.06551 *et seq.*, states that no person or entity shall locate, construct, operate or maintain a groundwater export and/or storage project in the Cadiz project area absent a permit issued pursuant to the ordinance, unless the project is exempted by (1) a Groundwater Management Monitoring and Mitigation Plan (GMMMP), and (2) the County entering into a Memorandum of Understanding (MOU) with the Applicant. (San Bernardino County Code § 33.06554(a).)
- 37. The Ordinance emphasizes the "particular importance" of protecting groundwater in the Project area due to "relative lack of significant natural recharge in those

areas" and the "lack of regulatory or judicial oversight of the groundwater aquifers." (San Bernardino County Code §§ 33.06551 (b)(2) and (3).)

- 38. The Ordinance prohibits issuing a permit unless the reviewing County authority concludes that the project's operation "would not result in exceeding groundwater safe yield of the relevant aquifers." (San Bernardino County Code § 33.06554(d)).
- 39. In 2007, Cadiz submitted a Desert Groundwater Management Permit application for a project similar to the original project, but without MWDSC as lead agency. The 2007 application also included both storage of Colorado River water and export of water from the aquifer only in dry or very dry years. The permit application included a statement that any withdrawal of groundwater would be temporary and had to be replenished by importation of Colorado River water. The County did not approve the 2007 permit application.

The Current Project

- 40. The current Cadiz Project was re-born in 2011 with SMWD as the lead agency. MWDSC, which must still facilitate the transport of water for the Project, was not consulted as a lead or responsible agency for the new Project's DEIR, and has not promised to treat or transport Cadiz water, despite both being necessary for exporting the project's water.
 - 41. The Project has not undergone review under NEPA.
- 42. While the original emphasized importing and storing Colorado River water, and only exporting water in "dry" years, the current Project focuses on groundwater export and demotes the import and storage of water to a secondary "program" role of the Project, to be implemented at an undetermined later time.
- 43. The original project claimed that MWDSC would employ conservation, or water saving measures, across its system in relation to the Project. The current Project claims that it "conserves" water by exporting water for consumptive use that would otherwise evaporate from the dry lakebeds overlying the aquifer. The Project's alleged "conservation" does not include a detailed analysis of the end-uses of the water beyond a presumption that it will be "beneficially used."
 - 44. The 2011 Project DEIR was accompanied by a Groundwater Management,

Monitoring and Mitigation Plan ("GMMMP"), which purports to meet the Project's mitigation and monitoring requirements, and claims to function to exempt the Project from the San Bernardino County Desert Groundwater Management Ordinance in conjunction with a Memorandum of Understanding entered into between Cadiz, SMWD and the County. The GMMMP has not been approved by the County.

- 45. Petitioners provided detailed comments on the DEIR, identifying both legal and scientific inadequacies with the Project, and included two reviews of the Project conducted by expert hydrologists, detailing the shortcomings in their analysis of water supply. Other commenters, including MWDSC and the National Parks Service, were also highly critical of the project and its underlying studies. Petitioners' comments included, but are not limited to the following:
 - a. SMWD is the improper lead agency for the Project, and that the County is the appropriate lead agency for the project;
 - b. SMWD failed to identify, include, and consult as required with required responsible agencies;
 - c. The stated CEQA objectives for the Project are overly narrow;
 - d. The stated objectives and description of the Project are misleading;
 - e. The DEIR failed to adequately analyze the Project's environmental impacts, including but not limited to impacts related to biological resources, threatened and endangered species, air quality and water quality.
 - f. The DEIR failed to provide substantial evidence in support of its conclusions regarding the level of significance of the Project's impacts and the efficacy of proposed mitigation measures;
 - g. The DEIR improperly deferred impact analysis and development of mitigation measures and appropriate thresholds;
 - h. The DEIR failed to consider a reasonable range of alternatives by, inter alia, failing to give meaningful consideration to alternatives and rejecting without adequate evidentiary basis reasonable alternatives that would meet most

project objectives;

- The DEIR failed to adequately analyze growth-inducing and cumulative impacts; and
- j. The DEIR was so fundamentally flawed as to preclude meaningful public review, and should have been revised and recirculated with additional information.
- 46. The Memorandum of Understanding referred to in the GMMMP was not included in the DEIR or approved by SMWD or the County prior to the DEIR's circulation. However, in May, 2012, after circulation of the DEIR and the close of the comment period, Cadiz, the County and SMWD entered into a Memorandum of Understanding (MOU) which, in conjunction with the GMMMP, purports to exempt the Project from the County's Desert Groundwater Management Ordinance.
- 47. The MOU provided several terms for the Project whose definitions and use were not fully disclosed or analyzed in the EIR or GMMMP, including "aquifer health," "overdraft," "safe yield," and "undesirable results."
- 48. The MOU also indicated that the County would provide several key variables necessary to determine safe yield, aquifer health and overdraft. Specifically, the MOU dictates that the County must designate a minimum groundwater "floor" level and an acceptable "rate of decline." However, the MOU, the DEIR and the GMMMP do not include the County's findings regarding these variables.
- 49. The MOU identified San Bernardino County as a responsible agency for the project and required the County to make a decision on whether to approve the Project within 90 days of SMWD's certification of the Project EIR.
- 50. On May 31, 2012, the Center submitted a letter to SMWD and the County objecting to the approval of the MOU, and identified several elements presented therein which were inadequately discussed or omitted entirely from the DEIR and GMMMP. The Center, a Petitioner, requested that the DEIR analyze the additional information contained in the MOU, and then that the DEIR be re-circulated for public review with the additional information and

analysis included. This request was repeated by Petitioners and other members of the public during oral comments at the July 25, 2012 SMWD Board meeting.

- 51. SMWD did not recirculate the DEIR for review and comment. Instead, SMWD released the Final Environmental Impact Report ("FEIR") for public review on July 13, 2012 and scheduled a public hearing to consider approval of the EIR and project on July 25, 2012.
- 52. The National Park Service requested that SMWD delay approval of the FEIR until it and other members of the public had sufficient time to review. The Park Service's request was not approved.
- 53. Hours of public comments, the vast majority of which indicated opposition to the Project, caused the July 25 hearing to continue past midnight, resulting in the meeting being continued to July 31, 2012. SMWD then approved the FEIR on July 31, 2012, and signed a Notice of Determination (NOD) approving the Project on the same day. Petitioners are informed and believe that the SMWD also approved the Project's adopted findings and a statement of overriding consideration at the July 31 meeting, as well as a revised GMMMP.

EXHAUSTION OF ADMINISTRATIVE REMEDIES

- 54. Petitioners have exhausted all administrative remedies by submitting written and oral comments and testimony on the Project to Respondent requesting compliance with CEQA, including the completion of full and adequate environmental review. All issues raised in this Petition were raised before Respondent by Petitioners, other members of the public, or public agencies prior to approval of the Project.
- 55. Petitioners have complied with Cal. Public Resources Code § 21167.5 by prior service of a notice upon Respondents indicating their intent to file this Petition. Proof of Service of this notification, with the notification, is attached as Exhibit A.
- 56. Petitioners have elected to prepare the record of proceedings in the abovecaptioned proceeding pursuant to Cal. Public Resources Code § 21167.6(b)(2). Proof of Service of this notification, along with the notification, is attached as Exhibit B.
 - 57. This Petition is timely filed in accordance with Cal. Public Resources Code §

21167 and CEQA Guidelines § 15112..

FIRST CAUSE OF ACTION

Violation of California Environmental Quality Act (Cal. Public Resources Code § 21000 et seq.)

- 58. Petitioners hereby incorporate by reference each and every allegation set forth above, inclusive.
- 59. The purpose of an EIR is to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment. (Pub. Resources Code § 21061.)
- 60. An EIR must fully disclose and analyze all of the project's potentially significant environmental effects. (Pub. Resources Code § 21100(b)(1).)
- 61. The EIR should be prepared with a sufficient degree of analysis to provide decision-makers with information which enables them to make a decision which intelligently takes account of environmental consequences. (CEQA Guidelines § 15151.)
- 62. CEQA further requires the lead agency to adequately consider mitigation measures and alternatives to the Project, to adopt all feasible mitigation measures and/or alternatives, to determine that proposed mitigation measures will or will not be effective in avoiding or substantially lessening the Project's significant environmental impacts, and to make an adequate statement of overriding considerations for those significant environmental impacts deemed unavoidable. (Pub. Resources Code §§ 21002.1(b), 21100(b)(3); CEQA Guidelines §§ 15092 and 15093).
- 63. CEQA contemplates an interactive process of assessment and responsive modification that must be genuine. The lead agency must be able to substantially change or disapprove the project through the CEQA review process; using CEQA as a *post hoc* justification for a project is not permitted.

64. For the following reasons, SMWD's approval of the Cadiz project failed to comply with CEQA, and was arbitrary and capricious, not supported by the evidence, and not in accordance with applicable law:

Choice of SMWD as Improper Lead Agency

(Against SMWD and the County)

- 65. Under CEQA, the lead agency is required to prepare a complete and legally adequate EIR prior to approving any discretionary project that may have a significant adverse environmental effect. (Pub. Resources Code §§ 21100(a) and 21150).
- 66. CEQA defines "lead agency" as "the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect on the environment." (Cal. Public Resources Code. § 21067.)
- 67. CEQA defines "local agency" as "any public agency other than a state agency, board or commission." (Cal. Public Resources Code § 21062.)
- 68. When two or more public agencies are involved with a project, "if the project is to be carried out by a nongovernmental person or entity, the lead agency shall be the public agency with the greatest responsibility for supervising or approving the project as a whole." (CEQA Guidelines § 15051(b).)
- 69. Cadiz., Inc., the Project applicant, is a publically-traded company. Cadiz has been responsible for the Project's financing and permitting, most of the Project pumping will occur on or near Cadiz property, and Cadiz will be the primary financial beneficiary of the Project. The Project requires at least one government approval, and qualifies as a Private Project pursuant to CEQA Guidelines § 15377.
- 70. The lead agency "will normally be the agency with general governmental powers, such as a city or county, rather than an agency with a single or limited purpose such as an air pollution control district or a district which will provide a public service or public utility to the project." (CEQA Guidelines § 15051(b)(1).)

- 71. The majority of the Project's impacts, including but not limited to impacts to water supply, water quality, air quality, and biological resources, will occur at or in the vicinity of the Cadiz Project site located in eastern San Bernardino County.
- 72. The Project falls under the jurisdiction of the San Bernardino County Desert Groundwater Management Ordinance, which requires that the County either issue a permit authorizing the Project, or issue an exemption. The County's approval of either the permit or the exemption to the permit constitutes a "project" which is likely to have a significant effect on the environment, and is therefore subject to CEQA environmental review process.
- 73. The County, in addition to sanctioning the Project pursuant to the Desert Groundwater Management Ordinance, must also issue building and construction permits and other municipal approvals for the project.
- 74. Further, as the public agency tasked with issuing a permit or exemption pursuant to the County Desert Groundwater Management Ordinance, the County was required to act as lead agency under CEQA for the permit or exemption.
- 75. The County did not act as lead agency for the project, permitting instead SMWD to act as lead agency.
- 76. The County had multiple opportunities to assert its role as lead agency for the Project, including but not limited to the 2012 MOU it entered into with SMWD and Cadiz, requiring the County to make a decision on the Project in the capacity of responsible agency. The County could also have petitioned the Office of Planning and Research for a determination that it was lead agency pursuant to CEQA Guidelines § 15053, but did not.
- 77. Failure to act as lead agency severely constrained the County's ability to assert control over the environmental review, mitigation, monitoring, and enforcement aspects of the Project and its future oversight, and circumscribed the County's discretion to change, approve or disapprove the EIR and GMMMP.
- 78. The County's failure to assert its role as lead agency for the Project is arbitrary, capricious and not in accordance with CEQA statute and guidelines.

	79.	SMWD is a local agency in southern Orange County whose purpose is to supply				
wate	r to cust	comers within its service area. SMWD has entered into a contractual agreement to				
receive Project water, and will have its project-related costs reimbursed by Cadiz if it approves						
the Project. Pursuant to California law, SMWD's board of directors is elected by residents of						
carvi	ce area					

- 80. As a water district with limited purpose, servicing an area hundreds of miles from the Project site, with a board elected by residents its service area, SMWD does not possess sufficient regional perspective, scope of expertise, or accountability to San Bernardino County and its residents sufficient to fulfill its role as Lead Agency for the Project. Further, the Project is proposed by a non-government entity, SMWD will neither construct nor operate the Project, and SMWD is not responsible for additional approvals for the Project outside of CEQA.
- 81. Approval of the Project with SMWD acting as lead agency for the Project was arbitrary, capricious and not according to law.

Failure to Properly Include Responsible Agencies (Against SMWD)

- 82. CEQA defines a responsible agency as "a public agency, other than the lead agency which has responsibility for carrying out or approving a project." (Cal. Public Resources Code § 21069.)
- 83. The term "responsible agency" includes all public agencies other than the lead agency which have discretionary approval over the project. (CEQA Guidelines § 15381.)
- 84. MWDSC is a regional State agency providing wholesale water to districts throughout Southern California, including Respondent SMWD.
- 85. The lead agency has a duty to consult with all responsible agencies prior to deciding whether to prepare an EIR. (Cal. Public Resources Code § 21080.3), and is required to notify all responsible agencies of its intent to prepare an EIR (Cal. Public Resources Code § 21080.4). The responsible agency then must respond with information about "the scope and

content of environmental information that is germane to" its responsibilities. The responsible agency must provide comments on the DEIR, including detailed performance objectives for mitigation measures, or refer the lead agency to appropriate, readily available guidelines or reference documents. (Cal. Public Resources Code § 21081.6 (c).)

- 86. MWDSC owns and operates water pipeline infrastructure necessary to convey Project water to its intended recipients, and to deliver water to and from the Colorado River Aqueduct. MWDSC must approve the conveyance of Project water before its infrastructure can be used to deliver water to the listed Project recipients and before the Colorado River Aqueduct can be used. Therefore, MWDSC is properly a responsible agency for the Project.
- 87. MWDSC was not included as a responsible agency for the project when the DEIR was circulated, so it could not provide the information required of it as a responsible agency. The scrivener's change in the FEIR, including MWDSC as a responsible agency, did not provide MWDSC with sufficient reviewing and critiquing authority befitting a responsible agency tasked with approvals fundamental to the project's operation. Further, SMWD did not provide a comment period for the FEIR and approved the Project shortly after the FEIR was issued, so that MWDSC not assert a role as responsible agency at that late stage. The failure to include MWDSC in an early stage of the Project's environmental review foreclosed fulfillment of what would have been MWDSC's duties as a responsible agency in the review process, which are greater than those of an interested member of the public.
- 88. The alteration to the surface of the dry lakebeds may require a streambed alteration permit to be issued by the California Department of Fish and Game ("CDFG") (Cal. Fish & Game Code § 1602). CDFG should also have been included as a responsible agency for the project.
- 89. The addition of imported water to the aquifer during Phase II of the project and the addition of Project water to State Water Project may require a permit for waste discharge requirements and/or a water quality certification issued by the State Water Resources Control Board or a regional Water Quality Control Board. (California Water Code §§ 13160 and

- 13260.) The Water Board or one of its regional agencies should have been included as a responsible agency for the project.
- 90. The addition of Project water to State Water Project facilities requires authorization from the California Department of Water Resources ("DWR"). DWR should have been named as a responsible agency for the project.
- 91. SMWD's failure to properly include MWDSC, CDFG, SWRCB (or regional board) and DWR as responsible agencies in time to provide a meaningful critique and recommendations for the EIR and GMMMP was arbitrary, capricious and not in accordance with law.

Failure to Provide an Adequate Description of the Project and the Affected Environment (Against SMWD)

- 92. CEQA requires an accurate, stable and finite project description of the proposed project; the project description must "embrace the whole of the action" and include a description of the entire scope of the project. (CEQA Guidelines § 15124.)
- 93. The EIR for the Cadiz project fails to provide an accurate, stable and finite definition of the Project and the affected environment, and to describe the true scope of the project, including but not limited to the following areas:

Project Title

94. The Project has a misleading and deceptive title. The title of the Project includes the terms "conservation" and "storage" but the project "conserves" water by exporting it for consumptive use, and claims to "store" water on an undetermined future basis. The title of the project is intentionally misleading and prejudicial to accurate public review.

Project Objectives

95. CEQA requires a statement of objectives sought by the proposed project.

(CEQA Guidelines § 15124(b) and (d).) A clearly written statement of objectives in turn assists the lead agency in creating a range of alternatives to evaluate in the EIR. (CEQA Guidelines § 15124(b).) The statement of objectives should include the underlying purpose of

the project. (Id.)

- 96. The EIR fails to provide complete or accurate project objectives and does not accurately describe the purpose of the Project. The EIR states that the purpose of the Project is to "conserve" water, but "conserve" is commonly used to mean *save* water, not to export it for consumptive use. The EIR's use of "conservation" as a main project objective is misleading, is unsupported by the evidence and is not in accordance with law.
- 97. The EIR fails to accurately describe the size of the Project's export component. The project EIR and NOD claim the project will extract an average of 50,000 acre-feet per year. However, there is no contract or agreement that specifies the amount of extraction. The contracts referred to in the MOU to deliver water demonstrate a minimum commitment to deliver Project water, but do not describe a maximum threshold. Additional contracts for export of water could cause the Project to export more water without any set limit. The EIR also claims that the project could export at least 75,000 acre-feet per year, and previous versions of the Project have estimated export potential at 150,000 acre-feet per year. Further, it is likely that implementation of Phase II will provide additional exports of Project water and result in an increase in export capacity beyond 50,000 acre-feet. The finding that the project will export an average of 50,000 acre-feet per year is arbitrary, capricious not in accordance with law and unsupported by the evidence.
- 98. The EIR fails to adequately assess the duration of the Project: there is no guarantee or reason why the project will only last 50 years as the EIR claims. The project may be extended, and the EIR states as much: that the duration of the project depends on fulfilling the Project's contractual commitments. Yet the EIR does not provide an analysis of impacts for extending the project. Failure to do so renders the EIR's analysis of long-term impacts inadequate, and its conclusions regarding impacts unsupported by the evidence.
- 99. The MOU contains a provision to deliver 20% or 25,000 acre-feet water to San Bernardino and 30,000 acre-feet to Inland Empire Utilities Agency. Yet Inland Empire Utilities Agency is not listed as a project recipient of approval in the EIR or NOD. It is further unclear from the EIR whether this water would be in addition to or part of the average 50,000

acre-feet already estimated by the project for yearly export. Failure to include or properly analyze this term in the EIR, describing delivery of many thousand acre-feet of water to San Bernardino and Inland Empire Utilities Agency, renders the EIR's project description arbitrary and unsupported by the evidence.

Legal and Regulatory Framework

- 100. CEQA requires a statement of the current legal and regulatory framework in which the proposed project will be developed.
- 101. The EIR inaccurately describes the current regulatory framework within which the Cadiz project must be considered. The EIR does not adequately acknowledge the degree of approval required by MWDSC for use of its pipe infrastructure to both deliver water to the proposed recipients, and to import the water from the Colorado River or State Water Project.

Illegal Segmentation of Project

(Against SMWD)

- 102. Although both "recovery" and "storage" are included in the Project title, the EIR segments the export and import components of the Project into two parts, or "phases," with the "recovery" component analyzed in detail in the EIR ("Phase I"), and the "storage" component's review only occurring on a general "program" level ("Phase II"). The EIR and GMMMP do not estimate the amount of water which would be imported, nor does it assess the likely impacts to water supply and quality resulting from implementing this part of the project.
- 103. Even though the Project does not appear to have a firm commitment to store water, it frequently uses the storage concept as justification for its actions in Phase I, such as the lowering of the aquifer due to "temporary surplus," which the MOU describes as the water which may be exported despite overdraft in order to reverse the flow gradient and/or create space to store imported water.
- 104. The Project EIR is not a programmatic EIR and does not contain sufficient details regarding the storage component of the project. The segmentation of the project is not in accordance with the law and violates CEQA.

associated with export of the water through the MWDSC conveyance infrastructure—an essential element of the Project. Instead, the EIR improperly segments this portion of the Project be reviewed at some later date. By approving an improperly segmented EIR, SMWD failed to proceed in a manner required by law, committed a prejudicial abuse of discretion and acted arbitrarily and capriciously with respect to its approval of the Project.

Failure to Adequately Describe the Project's Impacts (Against SMWD)

106. CEQA requires that an EIR disclose and analyze all possible significant environmental impacts of a proposed project. (Pub. Resources Code § 21100(b)(1) and CEQA Guidelines § 15126.) The significant impacts should be discussed with emphasis in proportion to the severity and probability of occurrence. (CEQA Guidelines § 15143.)

107. The EIR failed to address or inadequately addressed impacts, including but not limited to the deficiencies described in the section immediately above and those enumerated below. As a result, SMWD failed to proceed in the manner required by law and abused its discretion by failing to fully disclose and analyze the Project's environmental impacts, including but not limited to the following:

Water Impacts: Recharge and Evaporation / Inadequate Analysis of Hydrological Impacts

108. During the comment period for the DEIR, the Petitioners, together with other entities, including the National Park Service, explained in detail period that the hydrologic studies relied on by SMWD are defective, in error, and significantly overestimate the amount of recharge. The EIR inadequately assesses impacts to water recharge and evaporation for the project. The EIR fails to adequately justify its conclusions when multiple previous studies of the Project and its environment, including those by the USGS, the nation's preeminent natural science agency, estimated water recharge at a small fraction of the rate estimated by Cadiz's consultants. In fact, the EIR and supporting studies estimate recharge at a rate three to sixteen times that provided by government and independent studies. The EIR and supporting studies

appear to improperly use and rely upon computer models without adequate supporting field data to support its conclusions, and improperly use groundwater flow models to estimate a change in evaporation. The findings regarding recharge and evaporation are arbitrary, capricious and unsupported by the evidence, and are directly contradicted by numerous studies cited by multiple commenters.

- 109. The EIR fails to demonstrate that aquifer drawdown or overdraft (as defined by common use, and not by the MOU) will not occur. The EIR fails to adequately substantiate its claim that there would be no adverse impacts and no overdraft of the aquifer, and fail to refute claims that the Project will cause a long-term depression in the aquifer, despite the fact that for 50 years or more the Project will deplete between 18,000 (according to SMWD's own experts) and 43,000 acre-feet per year of groundwater more than is recharged—and that assumes the Project only pumps 50,000 acre-feet per year, when it is able to pump much more.
- 110. The EIR fails to adequately support its conclusion that export of the water will eliminate or sharply curtail evaporation. The EIR proceeds from the assumption that extraction of water below the dry lake beds will eliminate evaporation, but this conclusion is not supported by the weight of the evidence. The EIR also does not adequately address whether the evaporation rates will change if and when the aquifer is recharged with stored water. The finding that exporting Project water will eliminate evaporation is arbitrary, capricious and unsupported by the evidence.
- 111. The EIR assumes that evaporated water constitutes "waste" that is being "conserved" by exporting Project water. However, water evaporating through the ground into the natural environment is not wasted because it benefits soil structure, native plants, insects and wildlife, and prevents soil erosion and negative air impacts. The presumption that evaporated water in areas affected by the Project is "waste" is arbitrary and capricious and not in accordance with law.
- 112. The EIR fails to adequately support its conclusion that the aquifer will be sustainable or eventually recover from long-term Project water extraction operations. The EIR's analysis of depletion and recovery in the aquifer is arbitrary, capricious and not

supported by the weight of the evidence.

- 113. The EIR fails to adequately support its conclusion that the Project will not affect area springs. The finding that springs will not be impacted is based on a conclusion that the target aquifer is not hydrologically connected to the springs. However, at least some springs within the Mojave National Preserve do appear to be hydrologically connected. Without detailed studies of the springs' hydrologic connection, the EIR's assumption of no harm to springs is arbitrary, capricious and unsupported by the evidence.
- 114. Despite public requests for the information, SWMD and the EIR failed to provide to the public all data and necessary information to assess and verify the models that Cadiz's experts used. As a result, members of the public and decision-makers were unable to fully assess the validity of expert's conclusions and thus the EIR's conclusions, rendering effective review of the EIR impossible. This failure to provide sufficient information to judge the expert's conclusions is a violation of CEQA's public informational requirements.

Water Impacts: Mitigation and Monitoring

- substantially lessen or avoid the otherwise significant adverse environmental impacts of proposed projects. (Cal. Pub. Resources Code § 21002.) SMWD is required pursuant to CEQA to consider mitigation measures and alternatives to the Project, to adopt all feasible mitigation measures and/or alternatives, to determine that proposed mitigation measures will or will not be effective in avoiding or substantially lessening the Project's significant environmental impacts, and to make an adequate statement of overriding considerations for those significant environmental impacts deemed unavoidable. (Cal. Pub. Resources Code §§ 21002(b) and 21081.)
- 116. The EIR fails to properly consider reasonable mitigation measures for the proposed project, including but not limited to: mitigation measures to prevent overdraft; mitigation measures included for the prior Cadiz project(s), including a guarantee of replacing all exported water; establishment and adequate monitoring of enough "early warning" wells

(particularly when a limited number of such wells, though without adequate monitoring, have been added to the GMMMP); an adequate monitoring program; an adequate enforcement process; and mitigation measures that would reduce growth-inducing impacts to the Project recipients.

- 117. The proposed mitigation measures adopted for the Project are inadequate to address the potential significant impacts of the Project on water resources, including but not limited to long-term aquifer drawdown. There is no substantial evidence the proposed mitigation measures are adequate to prevent long-term harm to the affected aquifers.
- 118. The EIR improperly deferred formulation of specific mitigation strategies and thresholds for action until after Project approval.
- Management, Monitoring and Mitigation Plan (GMMMP) for mitigation and monitoring of the Project. The GMMMP is not approved by the County and does not contain many important details contained in the MOU, and yet the EIR defers proper analysis of the mitigation and monitoring to this inadequate GMMMP. The County must still supply key variables for the Project that are missing from the GMMMP and EIR, including the identification of a "floor" groundwater level. Without determining the "floor" there can be no finding regarding overdraft or safe yield. The missing variables from the EIR and GMMMP render effective monitoring of the project virtually impossible.
- 120. The GMMMP was updated between the DEIR and FEIR and received new and revised measures, which SMWD claims improves upon those included in the DEIR and draft GMMMP. Petitioners strongly dispute the efficacy of these additions towards effective mitigation and monitoring of the Project. In addition, these revisions would not change the terms of the May, 2012 MOU signed by SMWD, the County and Cadiz regarding project approval, monitoring and oversight.
- 121. In the FEIR, SMWD claimed it made major changes to the GMMMP. If true, these changes merited detailed review by responsible agencies and the public. However, SMWD gave the public only a few weeks to review the changes before approving the Project,

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not enough time for any concerned government agency or member of the public, including Petitioners, to digest and suggest appropriate changes to the revised GMMMP. These agencies include the County of San Bernardino, National Parks Service and MWDSC, whose interests will be particularly impacted by the Project. The changes from the GMMMP in the DEIR to the FEIR merited public re-circulation and the failure to do so violated CEQA's requirement to re-notice and re-circulate and EIR with substantial new information, and violates CEQA's public review provisions by attempting to pass substantial new measures without adequate public review.

- 122. The EIR, GMMMP and MOU employ the concept of "temporary surplus" to justify Project pumping beyond the amount where recharge is greater than extraction, which is called "overdraft." However, the Project re-defines "overdraft" to exist only when there is no "temporary surplus." "Temporary surplus" continues to shift meanings for the Project; before it was justified to create space to import water from the Colorado River aqueduct or another source, creating a "surplus" of water that must be exported in order to make way for the imported water. In the current Project, the EIR claims that a "temporary surplus" is created by the need to reverse the gradient or flow. However, the EIR and GMMMP state that the storage portion of the project is now speculative, and the EIR and GMMMP does not adequately estimate how much water would be required to be removed to reverse the gradient or flow. Thus the determination of what constitutes "temporary surplus" seems to be at the whim of the Project operator and a *carte blanche* to create harmful overdraft conditions. The EIR may not justify a "temporary surplus" based on the expectation of water importation that is speculative at best. The use of "temporary surplus" to drain the aquifer is arbitrary, capricious and unsupported by the evidence.
- 123. The GMMMP and MOU re-define "overdraft" as a ten-year average of extraction, so that one must wait an entire decade before determining Project impacts on water level. The ten-year wait for monitoring renders this aspect of the project ineffective and threatens the health of the aquifer, failing CEQA's mitigation requirement. The ten year delay undermines the ability to monitor for "overdraft" conditions and is inadequately reviewed in

the EIR.

- 124. The GMMMP and MOU re-define "safe yield" to mean not causing "overdraft" or endangering "aquifer health." Because of the way these different terms are defined, a "safe yield" would be found even with a precipitous drop in aquifer levels, as such a drop would not be considered "overdraft" when there is a finding of "temporary surplus," and "aquifer health" is not defined to include drawdown of the aquifer. It is further impossible to find whether there is a "safe yield" from the Project when the County has supplied neither the groundwater "floor" level nor the acceptable "rate of decline." The convoluted definitions of "safe yield" and associated terms and lack of key variables renders a "safe yield" determination in the GMMMP and thus in the EIR arbitrary, capricious and unsupported by the evidence.
- 125. The GMMMP and MOU define "aquifer health" but exclude the water level from the definition. Aquifer health is necessarily based on water level, among other factors. Failure to include the water level in the "aquifer health" means that monitoring for "aquifer health" does not return a negative finding when aquifer drawdown occurs, making the monitoring ineffective.
- 126. The MOU defines "undesirable results" to include decline below a "floor" and "rate of decline" to be set by the County. However, the County has not set this floor or rate of decline in the EIR or GMMMP. Without first establishing the "floor" or "rate of decline" the finding of "undesirable results" cannot occur, making it impossible for the lowering of the water level to trigger "undesirable results."
- 127. The relationship between the MOU and GMMMP's definitions of "aquifer health," "safe yield," "overdraft" and "undesirable results" is poorly described in the EIR, making the document prejudicially defective in describing and analyzing the Project's monitoring program.
- 128. The MOU requires monitoring and reporting to go through numerous stages of intermediate interpretation and multiple decision levels, which delay reporting and make monitoring ineffective. Through the process defined in the MOU, the monitoring review process is excessively controlled by Project participants and Cadiz, depriving adequate

monitoring, review and enforcement opportunities to the County and concerned individuals.

- 129. The MOU requires disputes over aquifer health or other project aspects to be subjected to binding arbitration. This provision deprives the County or other interested member of the public an effective means of challenging aquifer drawdown or other impacts, as a full review by an Article III court is precluded by the MOU. Arbitration is further limited by first requiring findings of "overdraft" or "undesirable results," which are either ambiguous or re-defined by the MOU to inaccurately reflect the level of the aquifer. This makes it still more difficult to seek a judicial remedy to aquifer drawdown, and also makes monitoring of the project unenforceable. Requiring arbitration subject to the convoluted definitions of the MOU, is both contrary to CEQA's mitigation requirements and is inadequately described in the EIR.
- 130. The use of the above terms as defined in the MOU renders the monitoring and mitigation of the Project ineffective and in violation of CEQA's requirements to mitigate to a less than significant extent and to effectively monitor for harm to the environment.

Water Impacts: Water Quality

- 131. The EIR fails to adequately discuss, analyze and the impact related having to treat Project water extracted from the aquifer to reduce the levels of hexavalent chromium 6. Data supporting the EIR and comments from MWDSC indicate that the levels of hexavalent chromium 6 in Project water are substantially higher than current standards, as signaled by the adoption of Public Health Goal of 0.02 ppb—the level of the element that does not pose a significant health risk in drinking water. It is reasonably foreseeable that SMWD will be required to treat Project water to significantly reduce the levels of hexavalent chromium 6 before Project water can be introduced into the CRA and the MWDSC system. The EIR fails to analyze the environmental impacts associated with the need to build treatment facilities and the removal of hexavalent chromium 6, instead deferring such analyses until some later date.
- 132. The EIR fails to adequately assess the impacts to water quality from storing imported water from the Colorado River or other source in the Project aquifers. As a result of improper segmentation of the Project, the EIR fails to assess the environmental impacts to water quality, even though the storage component is included in the Project's title and

description. The EIR fails to adequately assess or attempt to mitigate the degradation of water quality and potential violation of the state antidegradation policy. The failure to address water quality impacts to the aquifer is arbitrary, capricious and not in accordance with law.

133. The EIR project fails to adequately assess impacts to water quality on the water that would be transported through common infrastructure with Project water. Infrastructure including the State Water Project and MWDSC pipelines will be required to deliver Project water, but the EIR fails to adequately assess the addition of Project water to those supplies will degrade the quality of the combined result. Failure to assess the impacts on water quality through commingling sources during transport is arbitrary, capricious and not in accordance with law.

Air Impacts

- 134. The EIR improperly assumes that dust and airborne soil will not increase due to loss of soil moisture. However, if the soil is dried out by the Project though eliminating evaporation, this will cause air impacts from increases in dust and airborne soil.
- 135. The EIR failed to provide substantial evidence that the amount of extraction beyond recharge rates will not result in the creation of significant dust and related air quality issues.
- 136. The EIR and GMMMP likewise failed to establish appropriate mitigation measures and thresholds for action for air impacts.
- 137. The failure to adequately address the impacts to air quality is arbitrary, capricious and unsupported by the evidence.

Biological Impacts

138. The EIR impermissibly underestimates the impacts of the Cadiz project on plants and wildlife and their respective habitats, including but not limited to rare plants including desert phreatophytes, the Desert Tortoise, the Mojave Fringe-Toed Lizard, the Desert Kit Fox, Badger, Burrowing Owl, Golden Eagle, Desert Bighorn Sheep, and cryptobiotic soils and desert pavements. The EIR lacks adequate study of these populations and their dependence on the current state of habitat surrounding the Project.

- 139. The EIR fails to adequately analyze the impacts to sensitive wildlife from potential loss of springs and loss of soil moisture due to (purportedly) lower evaporation rates.
- 140. The EIR fails to adequately assess the Project's impacts on wildlife connectivity, wildlife corridors and linkages.
- 141. The EIR fails to adequately analyze impacts to water, scenic resources and biological resources within the Mojave National Preserve.
- 142. The EIR fails to include appropriate mitigation and monitoring plans for affected plants and wildlife, and impermissibly defers preparation and analysis of such plans until an undetermined future date. The EIR also fails to include appropriate translocation plans for the Mojave Fringe-Toed lizard, an avian and bat protection plan, desert kit fox and badger "passive relocation" plans, burrowing owl relocation and monitoring plan, and raven reduction plan.
- 143. The EIR's failure to adequately address and mitigate impacts to plants and wildlife, and to include the appropriate mitigation, monitoring and translocation plans, renders the Project EIR's evaluation of wildlife and biological resources arbitrary, capricious and unsupported by the evidence.

Climate Change

- 144. CEQA requires consideration of increases or decreases of greenhouse gases and inducement of man-made changes to the earth's atmosphere ("climate change") due to implementation of a proposed project. (CEQA Guidelines § 15064.4).
- 145. The Project fails to adequately account for climate change impacts, including climate change-induced changes to rates of evaporation and recharge to the aquifer, and impacts to the desert environment from a combination of climate change and the impacts of the proposed project.

Growth-Inducing Impacts

146. CEQA requires that an EIR provide full analysis of ways in which a proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. (Pub. Resources Code § 21100(b)(5) and CEQA Guidelines §§ 15126 and 15126.2.) Physical changes to the

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environment caused by economic and social impacts should also be considered as a significant effect on the environment. (CEQA Guidelines 15164(e).)

- 147. The EIR fails to adequately assess the growth-inducing impacts caused by enactment of the Project. The EIR mischaracterizes and underestimates the Project's growthinducing impacts through providing a flawed analysis of the water use, assuming that because the Project water may substitute for another supply that the water will not be growth-inducing, even though the net amount of water available region-wide will increase by the amount of the Project supply.
- 148. The EIR impermissibly defers full assessment of the Project's growth consequences to future assessments of local decision-makers.
- 149. The EIR fails to fully assess the growth-related impacts of the Project as required by CEQA.

Cumulative and Indirect Impacts

- 150. CEQA requires that an EIR for a proposed project consider reasonably foreseeable cumulative impacts from a project. (Pub. Resources Code §§ 21100 and CEQA Guidelines § 15130.) The EIR fails to provide an adequate cumulative impacts assessment for the Cadiz project.
- 151. The EIR does not adequately assess the cumulative impacts on the local area of the pumping from the project.
- 152. The EIR does not adequately assess the regional impacts of delivering Project water to the respective recipients of the water,
- 153. The EIR does not assess the reasonably foreseeable cumulative impacts associated with combining Phase I impacts with storage of imported water (Phase 2 of the Project), deferring unlawfully analysis to the future.

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Feasible Alternatives

Alternatives

- 154. CEQA requires an EIR to examine a range of reasonable alternatives that would feasibly obtain most of the project objectives, but avoid or substantially lessen any significant adverse effects of the project. (CEQA Guidelines § 15126.6.)
- a stated primary purpose of the project is to conserve water, alternatives to the proposed Project would conserve water more efficiently, and with far fewer environmental impacts than the approved alternative were rejected as infeasible. The EIR fails to adequately explain why the chosen alternative is superior for meeting the conservation purpose of the Project. In addition, the EIR provides no substantial evidence to support its exclusion of feasible alternatives.
- 156. The EIR failed to provide an alternative to the Project to provide users with a reliable alternative source of water. There are many other alternatives to pumping at least 50,000 acre-feet per year from the aquifer for a purported "conservation" of wasted water.
- 157. Among several reasons that SMWD gave for rejecting reasonable alternatives as infeasible was that the alternative would require an easement from the BLM. Contrary to SMWD's assertions, the chosen Project also requires approval from the BLM to utilize the Railroad Right of Way. SMWD's rationale for rejecting such alternatives requiring BLM approval is arbitrary, and the inference that the approved project is not subject to BLM approval is contrary to law.

Reasonable Range of Alternatives

- 158. CEQA requires that an EIR include a reasonable range of alternatives for a proposed project that will foster informed decision-making and public participation. (CEQA Guidelines § 15126.6.)
- 159. The EIR does not adequately consider Project alternatives that would achieve conservation of groundwater at the same or greater degree than the chosen alternative.
- 160. The EIR does not sufficiently justify choosing the Project alternative through its statement of overriding considerations.

- 161. The EIR provides a limited and incomplete range of feasible alternatives to the proposed project, including at least one alternative that inappropriately includes significant portions of the proposed project.
- 162. The EIR improperly concludes that the alternatives described in the EIR have similar impacts and outcomes as the proposed project, and does not provide alternatives that are clearly distinguishable from the "no project" alternative and the proposed project.
- 163. The EIR's project alternatives were impermissibly narrowed, so that only the Project could qualify as a legitimate alternative. By making "saving" or "conserving" water that the EIR incorrectly characterizes as being "wasted" a fundamental objective of the Project, SMWD unlawfully limited the scope of the project and the reasonable alternatives that could otherwise meet most of the Project's key objectives. The failure of the EIR to analyze reasonable alternatives is an error of law.
- 164. The EIR fails to analyze an alternative that avoids impacts to the region's springs and biological resources.

Inadequate Response to Comments

(Against SMWD)

- 165. SMWD failed to respond adequately to comments submitted by Petitioners, other members of the public, and other agencies. Instead, the responses given to numerous comments are conclusory, evasive, confusing, or otherwise non-responsive, contrary to the requirements of CEQA. In particular, the EIR failed to adequately address comments that the models used by Cadiz' experts were likely to be overestimating recharge and evaporation rates for the Project.
- 166. In addition, SMWD failed to provide an adequate rationale for rejecting alternatives to the Project proposed by Petitioners and other commenting agencies and persons. By failing to provide adequate responses to public comments and proposed alternatives, Respondents failed to proceed in the manner required by law.

Failure to Include Terms of MOU in EIR and to Recirculate EIR

(Against SMWD)

- 167. CEQA requires that an EIR must be re-circulated for additional public and agency comment when significant new information is added after the EIR's initial circulation.
- 168. SMWD failed to re-circulate the EIR despite the availability of significant new information contained in the Memorandum of Understanding (MOU) entered into between Cadiz, SMWD and the County after the DEIR was circulated and prior to certification regarding the Project's environmental consequences.
- 169. The failure to analyze the terms included in the MOU constitute a failure to adequately review the Project, and to re-circulate a new EIR as required by CEQA.

CEQA Findings Not Supported By Substantial Evidence (Against SMWD)

- 170. CEQA requires that an agency's findings for approval of a project be supported by substantial evidence in the administrative record and requires that an agency provide an explanation of how the record evidence supports the conclusions that it has reached. (CEQA Guidelines § 15091)
- 171. SWMD violated CEQA and failed to proceed in the manner required by law by adopting findings that are inadequate as a matter of law in that they are not supported by substantial evidence in the record, including, but not limited to:
- 172. The determination that alternatives to the Project that would avoid or lessen the significant impacts are infeasible or otherwise not reasonable;
- 173. The determination that various mitigation measures that would avoid or lessen the significant impacts of the Project are infeasible;
- 174. No substantial evidence supports SMWD's findings adopted pursuant to CEQA, including the findings that the project will produce less than significant environmental impacts, even with the GMMMP implemented, and that water supply, water quality, climate change, air quality, and biological resources have been mitigated to less than significant levels.

Statement of Overriding Considerations Not Supported By Substantial Evidence (Against SMWD)

- 175. Where no feasible mitigation measures or alternatives are available to avoid or reduce a project's significant environmental effects, CEQA allows an agency approving a project to adopt a Statement of Overriding Considerations that describes how specific overriding economic, legal, social, technological, or other benefits outweigh the significant environmental effects.
- 176. In approving the Project and certifying the EIR, SMWD concluded that the Project would result in significant unavoidable impacts. SMWD adopted a Statement of Overriding Considerations, including findings that specific considerations make infeasible the mitigation measures or alternatives identified in the EIR for the Project's unavoidable significant impacts and that economic, social, and other factors justify approval of the Project despite these unavoidable significant impacts.
- 177. The Statement of Overriding Considerations inaccurately estimates impacts to water supply, water quality, air quality and biological impacts. SMWD's adoption of a Statement of Overriding Considerations that purportedly justifies the Project's significant adverse impacts on the environment is not supported by substantial evidence and represents a failure to proceed in the manner required by law. Similarly, the finding that no feasible alternatives or additional mitigation measures exist to eliminate or reduce the remaining significant effects is not supported by substantial evidence.
- 178. As a result of the foregoing defects, SMWD prejudicially abused its discretion by adopting findings that do not comply with CEQA's requirements and approving the Project in reliance thereon. Accordingly, both SMWD's certification of the EIR and SMWD's approval of the Project must be set aside.

PRAYER FOR RELIEF

WHEREFORE, the Petitioners pray for relief as follows:

- 1. For alternative and peremptory writs of mandate, commanding SMWD:
- (A) to vacate and set aside approvals of the Project;
- (B) to vacate and set aside certification of the Final EIR for the Project;
- (C) to suspend any and all activity pursuant to Respondents' approvals of the Project that could result in an adverse change or alteration to the physical environment until all requirements of CEQA and all other applicable state and local laws, policies, ordinances, and regulations are complied with, as directed by this Court pursuant to Cal. Public Resources Code section 21168.9;
- (D) For a stay, temporary restraining order, preliminary injunction, and permanent injunction prohibiting any actions by Respondents and Real Parties in Interest pursuant to SMWD' approval of the Project and certification of the EIR for the Project until full compliance is attained with all requirements of CEQA and all other applicable state and local laws, policies, ordinances, and regulations;
- (E) For a declaration that SMWD's actions certifying the EIR and approving the Project violated CEQA and the CEQA Guidelines, and that the certification and approvals are invalid and of no force or effect;
- (F) For a declaration that the County of San Bernardino is the proper lead agency for the Project under CEQA;
 - 5. For costs of the suit;
 - 6. For attorney's fees pursuant to the Cal. Code of Civil Procedure § 1021.5; and
 - 7. For such other and further relief as the Court deems just and proper.

DATED: August 30, 2012

Adam Keats

D. Adam Lazar

CENTER FOR BIOLOGICAL DIVERSITY

By:

D. Adam Lazar

Attorney for Petitioners

VERIFICATION

I have read the foregoing Petition for Writ of Mandate and know its contents.

I am the California Desert Field Representative for the National Parks Conservation Association, which is a party to this action, and am authorized to make this verification for and on its behalf, and I make this verification for that reason. I have read the foregoing document and know its contents. The matters stated in it are true of my own knowledge except as to those matters that are stated on information and belief, and as to those matters I believe them to be true.

Executed on Avgvst 29, 2012, at Joshua Tree, California.

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

National Parks Conservation Association

Exhibit A

Via overnight mail

August 28, 2012

Dan Ferons General Manager Santa Margarita Water District 26111 Antonio Parkway Rancho Santa Margarita, CA 92688

Re: Notice of Commencement of CEQA Action

Dear Mr. Ferons:

Please take notice pursuant to Pub. Res. Code § 21167.5, that on August 30, 2012, Petitioners Center for Biological Diversity, National Parks Conservation Association, San Bernardino Valley Audubon Society and Sierra Club, San Gorgonio Chapter, intend to commence an action for writ of mandate to review, overturn, set aside, void, and annul the July 31, 2012 decision by Santa Margarita Water District approving the Cadiz Valley Water Conservation, Recovery and Storage Project (the "Project") and certifying an Environmental Impact Report for the Project (SCH #2011031002). This action is based on Respondents' failure to comply with the California Environmental Quality Act (Public Resources Code §21000 *et seq.*) and San Bernardino County Desert Groundwater Management Ordinance (San Bernardino County Code, Article 5, § 33.06551 *et seq.*) in adopting the Environmental Impact Report and approving the Project.

This action will allege that Santa Margarita Water District failed to properly follow the procedures and requirements of CEQA and San Bernardino County law in ways including, but not limited to: improper lead agency; failure to adequately describe the project objectives, size and duration; failure to adequately include responsible agencies; illegal segmentation of project components; failure to provide notice and re-circulate the EIR with additional information; failure to adequately identify and analyze impacts to water supply, water quality, biological resources, climate impacts, and growth; failure to adequately provide mitigation and monitoring of the project; failure to adequately discuss and analyze alternatives; and inadequate statement of overriding concerns and findings.

Among other things, the Petition will seek: a declaration that San Bernardino County is proper lead agency for the project; to de-certify the EIR; to set aside findings that the project satisfies the requirements of CEQA; and to enjoin any further

implementation of the project until adequate CEQA review is conducted and lawful approvals are obtained.

If you need more information or have any questions please do not hesitate to contact me.

Sincerely,

Adam Lazar

Attorney for Petitioners

Via overnight mail

August 28, 2012

Laura H. Welch Clerk of the Board County of San Bernardino 385 North Arrowhead Avenue San Bernardino, CA 92415

Re: Notice of Commencement of CEQA Action

Dear Ms. Welch:

Please take notice pursuant to Pub. Res. Code § 21167.5, that on August 30, 2012, Petitioners Center for Biological Diversity, National Parks Conservation Association, San Bernardino Valley Audubon Society and Sierra Club, San Gorgonio Chapter, intend to commence an action for writ of mandate to review, overturn, set aside, void, and annul the July 31, 2012 decision by Santa Margarita Water District approving the Cadiz Valley Water Conservation, Recovery and Storage Project (the "Project") and certifying an Environmental Impact Report for the Project (SCH #2011031002). This action is based on Respondents' failure to comply with the California Environmental Quality Act (Public Resources Code §21000 *et seq.*) and San Bernardino County Desert Groundwater Management Ordinance (San Bernardino County Code, Article 5, § 33.06551 *et seq.*) in adopting the Environmental Impact Report and approving the Project.

This action will allege that the County of San Bernardino failed to act as lead agency for environmental review of the project under CEQA. The action will also allege that Santa Margarita Water District failed to properly follow the procedures and requirements of CEQA and San Bernardino County law in ways including, but not limited to: improper lead agency; failure to adequately describe the project objectives, size and duration; failure to adequately include responsible agencies; illegal segmentation of project components; failure to provide notice and re-circulate the EIR with additional information; failure to adequately identify and analyze impacts to water supply, water quality, biological resources, climate impacts, and growth; failure to adequately provide mitigation and monitoring of the project; failure to adequately discuss and analyze alternatives; and inadequate statement of overriding concerns and findings.

Among other things, the Petition will seek: a declaration that San Bernardino County is proper lead agency for the project; to de-certify the EIR; to set aside findings

that the project satisfies the requirements of CEQA; and to enjoin any further implementation of the project until adequate CEQA review is conducted and lawful approvals are obtained.

If you need more information or have any questions please do not hesitate to contact me.

Sincerely,

Adam Lazar

Attorney for Petitioners

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PROOF OF SERVICE

STATE OF CALIFORNIA, COUNTY OF SAN FRANCISCO

I am employed in the County of San Francisco, California as an active member of the Bar of that State. I am over the age of 18 and not a party to the foregoing action. My business address is 351 California St., Suite 600, San Francisco, CA. 94104.

On August 28, 2012 I served a true and correct copy of NOTICE OF COMMENCEMENT OF CEQA ACTION on the Respondents to this action by placing a true and correct copy thereof in a sealed envelope, addressed as shown below:

Santa Margarita Water District 26111 Antonio Parkway Rancho Santa Margarita, CA 92688 Attn: Dan Ferons, General Manager

San Bernardino County 385 North Arrowhead Avenue San Bernardino, CA 92415

Attn: Laura H. Welch, Clerk of the Board

[X] BY OVERNIGHT DELIVERY SERVICE via Federal Express to the offices of the addressee(s). In accordance with Code of Civil Procedure § 1013(c), I am readily familiar with my organization's practice of collection and processing correspondence for mailing with Express Mail. Under that practice the correspondence would be deposited at the Federal Express office on that same day in the ordinary course of business with postage thereon fully prepaid at San Francisco, California. Such envelope was sealed and delivered to the Federal Express office for collection and mailing following ordinary business practices addressed to the address above.

Executed on <u>August 28, 2012</u> in San Francisco, California.

I declare under penalty of perjury under the law of California that the foregoing is true and correct.

D Adam Lozar

Exhibit B

1 2 3 4	D. Adam Lazar (SBN 237485) Adam Keats (SBN 191157) CENTER FOR BIOLOGICAL DIVERSITY 351 California St., Suite 600 San Francisco, California 94104 Telephone: 415-436-9682	
5	Facsimile: 415-436-9683 akeats@biologicaldiversity.org alazar@biologicaldiversity.org	
7 8 9	Michael Robinson-Dorn (SBN 159507) U.C. IRVINE SCHOOL OF LAW 401 E. Peltason Dr., Suite 4500-B Irvine, California 92697 Telephone: 949-824-1043	
10 11	mrobinson-dorn@law.uci.edu Attorneys for Petitioners	
12 13	SUPERIOR COURT OF THE S COUNTY OF SAN I	
14 15 16	CENTER FOR BIOLOGICAL DIVERSITY, NATIONAL PARKS CONSERVATION ASSOCIATION, SAN BERNARDINO VALLEY AUDUBON SOCIETY AND SIERRA CLUB, SAN GORGONIO CHAPTER))
17	Petitioners / Plaintiffs, vs.	NOTICE OF ELECTION TO PREPARE ADMINISTRATIVE RECORD
18 19 20	COUNTY OF SAN BERNARDINO, BOARD OF SUPERVISORS OF COUNTY OF SAN BERNARDINO, SANTA MARGARITA WATER DISTRICT, AND SANTA MARGARITA WATER DISTRICT BOARD OF DIRECTORS,)
21 22	Respondents;	
23	CADIZ, INC., ARIZONA AND CALIFORNIA RAILWAY CO., CALIFORNIA WATER SERVICES COMPANY, FENNER VALLEY))
24	MUTUAL WATER COMPANY, GOLDEN STATE WATER COMPANY, JURUPA))
2526	COMMUNITY SERVICES DISTRICT, SUBURBAN WATER SYSTEMS, THREE VALLEYS MUNICIPAL WATER DISTRICT AND DOES 1-40.	
27 28	Real Parties in Interest.	

NOTICE OF ELECTION TO PREPARE RECORD

Petitioners Center for Biological Diversity, National Parks Conservation Association, San Bernardino Valley Audubon Society, and Sierra Club, San Gorgonio Chapter, elect to prepare the record of proceedings in the above-captioned matter, or alternatively, to pursue an alternative method of record preparation pursuant to Public Resources Code Section 21167.6(b)(2).

DATED: August 30, 2012

By:

D. Adam Lazar

Center for Biological Diversity

Attorney for Petitioners