The District anticipates that its current groundwater production capacity will be inadequate to accommodate future population growth as predicted by the Kern County Association of Governments, nor can the District currently satisfy its 20% redundancy factor required to continue safely providing water service and fire protection to its customers in case of mechanical failure or water quality problem at a well(s). Additionally, the requirement to remove arsenic from four District wells leaves the District more vulnerable to production shortage. If a plant cannot be used for some reason, the District would lose production from two wells. Therefore, the District is proposing to augment its current production capacity through a Water Supply Improvement Project. The scope of the project is still being refined, but the current proposal is a phased implementation in which the first step is to increase the pumping capacity of some existing wells, and then construction of one new well when or if anticipated needs due to growth materialize.

In 2010, the District contracted with Layne Geosciences to conduct a hydrogeological evaluation of various alternatives for increasing production capacity. Layne's Technical Memorandum is currently being revised to accommodate refinements to the project scope and to include conservative estimates of local and regional impacts to groundwater levels. All feasible Project alternatives are being considered, including others not included in Layne's report. The "best" Project alternative with the least environmental impact and highest feasibility will then be selected.

It is important to mention that the District has proactively pursued, and will continue to pursue, a variety of methods to conserve the groundwater supply including treatment of brackish water, water importation, requirements for water efficient landscape for new construction, conservation incentive water rates, and an extensive public education and outreach program. It is also important to note that the District is responsible for only about thirty percent of the pumping in the valley. The gradual decline of the regional water table is a cumulative effect from all pumpers, private and public, and no one entity is totally responsible. So planning is important and public participation is encouraged.

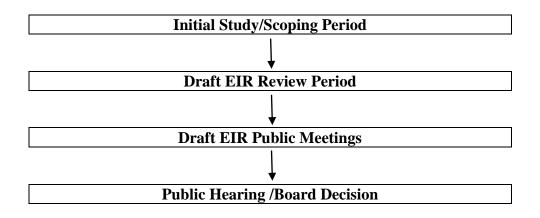
The California Environmental Quality Act (CEQA) is a state law and the District is a California government agency subject to it. The CEQA Guidelines list four basic purposes of CEQA:

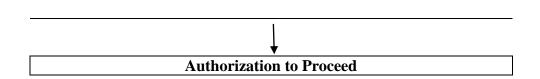
- Inform governmental decision makers and the public about the potential significant environmental effects of proposed activities;
- Identify the ways that environmental damage can be avoided or significantly reduced (mitigated);
- Prevent significant, unavoidable damage to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible; and

• Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved.

If a Project is not categorically exempt from CEQA, which is the case for the District's project, environmental review is commenced in an Initial Study, which examines a variety of environmental issues such as hydrology, cultural resources, biological resources, and others. During this initial environmental review, the District must determine whether the project is expected to have any significant environmental impacts. One of three things can happen after the Initial Study is prepared. 1) The Project can be determined to have no significant environmental impacts, in which case it receives a Negative Declaration. 2) The District can determine that a project is likely to have significant environmental impacts, but that the impacts can be mitigated to a level where they are no longer significant. In this case, the District issues a Mitigated Negative Declaration. 3) If the District determines that the Project is likely to have significant environmental impacts that may not be able to be eliminated through mitigation, the project moves on to the next step, preparing an Environmental Impact Report (EIR). The EIR process allows the District to thoroughly analyze the potential impacts of any given project.

An Initial Study was prepared which resulted in a determination that the project is expected to have significant environmental impacts and that an EIR is required. The scoping period was recently held between July 6 and August 4, which allowed the public and other regulatory agencies an initial review of the Proposed Project so that they may comment on what issues should be examined in the EIR. A Public Scoping Meeting, although not required, was advertised and held by the District on July 13, 2011. A Draft EIR is scheduled to be published in fall 2011, and there will be another 45-day review period so that the public and other agencies may comment on the environmental analysis of the Project. During that review period, the District plans to hold public meetings on the Draft EIR in both Invokern and Ridgecrest, and the responses to the comments received on the Draft EIR will be published in the Final EIR. Afterward, there will be a Public Hearing in Ridgecrest by the District Board of Directors who will consider the environmental impacts of the project, along with cost, engineering feasibility, and other factors when making a decision whether to certify the EIR and approve the project. Completing the EIR is a lengthy process, and it must be finished before the Board of Directors can authorize District staff to proceed with the first phase of the project, which is not expected to happen until District finances are in order.





If you have additional questions, you may call the District (760 3755086) or you may view draft CEQA documents as they become available by going to the District's website at <a href="https://www.iwvwd.com">www.iwvwd.com</a>. If you would like additional information about CEQA and the CEQA process you can visit the California Environmental Resources Evaluation System (CERES) website at: <a href="http://ceres.ca.gov/ceqa/">http://ceres.ca.gov/ceqa/</a>

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