

EXHIBIT 36

**NOTICE OF PREPARATION OF AN
ENVIRONMENTAL IMPACT REPORT FOR THE
ANTELOPE VALLEY–EAST KERN WATER AGENCY
EMERGENCY WATER SUPPLY PROJECT**

TO: Responsible Agencies and Interested Parties

Antelope Valley – East Kern Water Agency (AVEK) is proposing the Emergency Water Supply Project to address potential emergency water shortages due to droughts, earthquakes, floods, regulatory actions, and other potential emergency conditions. The project would enable AVEK to extract previously stored groundwater in its service area using existing wells to deliver supply to customers during emergency water shortages. The California Environmental Quality Act (CEQA) specifies that a public agency must prepare an Environmental Impact Report (EIR) for any project that it proposes to carry out or approve that may have a significant direct or indirect impact on the environment (Public Resources Code Section 21100[a]). AVEK, acting as the lead agency for CEQA compliance, has determined that the proposed project may have significant impacts on the environment and intends to prepare an EIR. Additional information on the proposed project is attached.

AVEK is seeking input on environmental issues, potential impacts, and other concerns to be addressed in the EIR.

SCOPING MEETING: A scoping meeting will be held on **June 23, 2009**, 6:00 to 7:00 PM, AVEK Board Room, 6500 West Avenue N, Palmdale, California. If special assistance is required, please contact Russell Fuller, General Manager, using the contact information below.

WRITTEN COMMENTS: Please submit your comments to AVEK at the earliest possible date, but no later than 5:00 PM on **July XX, 2009**. Please send all written comments to:

Russell Fuller, General Manager
6500 West Avenue N
Palmdale, CA 93551-2865
Telephone: 661-943-3201
Fax: 661-943-3204
Email: avekwa@aol.com

Russell Fuller
General Manager

Date

INTRODUCTION

CEQA specifies that a public agency must prepare an EIR on any project that it proposes to carry out or approve that may have a significant direct or indirect impact on the environment (Public Resources Code Section 21000[a]). AVEK, acting as the lead agency for CEQA compliance, has determined that the proposed project may have significant impacts on the environment and intends to prepare an EIR on the proposed project. This Notice of Preparation (NOP) was prepared pursuant to Section 15082 of the State CEQA Guidelines. A 30-day public comment period has been established as required by CEQA.

The purpose of the scoping process is to solicit early input from the public and from responsible, cooperating, and trustee agencies regarding potential environmental impacts and the development of reasonable alternatives to be addressed in the EIR for the project.

BACKGROUND INFORMATION

AVEK is a regional water agency providing State Water Supply (SWP) water to customers within Antelope Valley (Figures 1 and 2). With a SWP contract supply of 141,400 acre-feet per year, AVEK has the third largest allotment of 29 SWP contractors in California, following the Metropolitan Water District of Southern California and the Kern County Water Agency. AVEK operates to meet the needs of its customers via its Domestic-Agricultural Water Network (DAWN), which consists of four treatment plants, more than 100 miles of pipelines, and five water storage reservoirs with a combined capacity of 35 million gallons. The network also provides delivery of untreated water from the California Aqueduct to local farmers and ranchers. In 2006, AVEK's treated water deliveries totaled nearly 68 thousand acre-feet (TAF) and raw water deliveries were just over 14 TAF.

AVEK's SWP supplies are vulnerable to reduction or interruption due to several different types of emergency conditions:

- Drought
- Damage or loss of power to the California Aqueduct
- Failure of the Sacramento-San Joaquin Delta levee system
- Regulatory Actions in the Delta
- AVEK Facility Outages

AVEK is currently undertaking a groundwater recharge project to help stabilize the water supply and address the increasing uncertainty in the supply reliability of the SWP. The groundwater recharge project is scheduled to be operational in 2011 and will help address the emergency water supply as well as long-term water supply reliability. AVEK also has a water shortage contingency plan, which describes how water will be allocated among AVEK contractors when demands exceed SWP deliveries in a given year. However, AVEK has an immediate and urgent need for additional water supplies to deliver during supply interruptions and shortages due to emergency conditions. Curtailments in deliveries could result in loss of permanent crops, cost and business impacts to industrial users, and rationing and increased costs for municipal users.

PROJECT OBJECTIVES

AVEK has set the following objectives for this project:

- Establish a framework for augmenting water supplies for AVEKs customers during times of SWP delivery shortfalls during emergency conditions
- Provide for availability and use of groundwater originating from historic AVEK water deliveries during emergency conditions.
- Use existing AVEK groundwater production and distribution infrastructure to deliver emergency water supplies to AVEK customers.

PROPOSED PROJECT

AVEK proposes to use their existing groundwater production wells and distribution system to extract and deliver up to 15,000 acre-feet per year of groundwater to the AVEK service area during emergency conditions. The groundwater would be extracted from areas within the AVEK service area that have historically been recharged by SWP return flows or are currently pumped for irrigated agriculture. Extraction would only occur during AVEK Board-declared emergency conditions.

AVEK may utilize two categories of groundwater as part of the project: previously stored in-lieu groundwater and the consumptive use component of irrigation water.

Previously Stored In-Lieu Groundwater

In addition to providing supplemental water, AVEK has delivered SWP water for agricultural uses in-lieu of use from groundwater well sources. Since 1976, these in-lieu surface water deliveries have amounted to over 600,000 acre/feet (ac/ft). Estimated return flow to the groundwater basin as a result of these SWP deliveries is approximately 23 percent or 138,000 ac/ft. This means that 138,000 ac/ft of SWP water that has been purchased by AVEK's tax and ratepayers has been discharged to the Antelope Valley groundwater basin. This water could be extracted and delivered to AVEK customers through the AVEK transmission, treatment, and delivery system in times of emergency shortages.

Pumping of Consumptive Use Component of Irrigation Water

AVEK is the owner of two properties that are partially irrigated using groundwater by lessees for agricultural purposes. Each property is approximately 1,500 acres and is about 35 percent irrigated, for a total irrigated area of 1,050 acres. When water is applied to crops for irrigation, a portion returns to the groundwater as return flow and a portion is lost through processes such as evaporation, transpiration, and to the crop itself. Consumptive use refers to the portion of irrigation water applied to crops that does not return to underlying groundwater. Under this alternative, during emergency conditions AVEK would fallow all or a portion of the irrigated AVEK properties and pump a volume of groundwater equivalent to the consumptive use that would have occurred if the properties were irrigated. This water would be delivered to AVEK's distribution system. By pumping an amount equivalent to the consumptive use component of irrigation water, rather than the full amount of groundwater that would have been pumped for irrigation, the net change in aquifer volume is the same as it would have been if the fields were irrigated.

POTENTIAL ENVIRONMENTAL EFFECTS

The EIR will evaluate the potential effects of the proposed project. Direct, indirect, and cumulative effects of the proposed project will be analyzed. It is currently anticipated that the EIR will focus on the following resource areas:

Air Quality

The proposed project could affect agricultural practices, including potential fallowing of agricultural fields. The EIR will evaluate the potential air quality impacts associated with changes in agricultural practices due to the proposed project.

Water Resources

The proposed project would include extraction of groundwater under AVEK Board-declared emergency conditions. The potential effects of the proposed project on the groundwater basin will be evaluated. Water rights and water uses will also be considered as part of the analysis.

Other Resource Areas

Other resource areas to be addressed in the EIR include, but are not limited to:

- Soils, Geology, and Seismicity
- Drainage
- Terrestrial Habitat
- Cultural Resources
- Paleontological Resources
- Land Use
- Population and Housing
- Recreation
- Noise
- Transportation, Circulation, and Navigation
- Visual Resources
- Public Services and Utilities
- Hazards and Hazardous Materials
- Climate Change

Comments on the NOP, comments from the public and agency scoping meetings, and further analyses may identify additional environmental resources to be evaluated.

OPPORTUNITIES FOR PUBLIC PARTICIPATION

This NOP is being made available to obtain suggestions and information from agencies and the public on the scope of issues and alternatives to be addressed in the EIR. AVEK will seek public

input on concerns, and issues to be addressed in the EIR through a scoping meeting and a request for written comments. Interested parties are encouraged to provide comments on the NOP at the scoping meeting described below or to provide AVEK with written comments.

Scoping Meeting

A scoping meeting will be held on **June 23, 2009**, 6:00 to 7:00 PM, AVEK Board Room, 6500 West Avenue N, Palmdale, California. If special assistance is required, please contact the General Manager (phone: 661-943-3201; email: avekwa@aol.com).

Written Comments

Written comments are invited from interested parties to ensure that the full range of issues related to the proposed project are addressed. All comments received, including the names and addresses, will become part of the official administrative record and made available to the public.

In accordance with State CEQA Guidelines Section 15082, responsible and trustee agencies should indicate their respective level of responsibility for the project to the lead agency. The State CEQA Guidelines further provide that within 30 days after receiving the NOP, each responsible and trustee agency shall provide the lead agency with specific details about the scope, potentially significant environmental issues, reasonable alternatives, and mitigation measures related to the responsible or trustee agency's area of statutory responsibility that will need to be explored in the EIR (State CEQA Guidelines Section 15082[b][1][A]).

Because of time limits mandated by State law, all written comments on the scope of the EIR must be received by AVEK by 5:00 PM on **July XX, 2009**. Please send all written comments to:

Russell Fuller, General Manager
Antelope Valley – East Kern Water Agency
6500 West Avenue N
Palmdale, CA 93551-2865
Telephone: 661-943-3201
Fax: 661-943-3204
Email: avekwa@aol.com



Source: SANGIS 2009

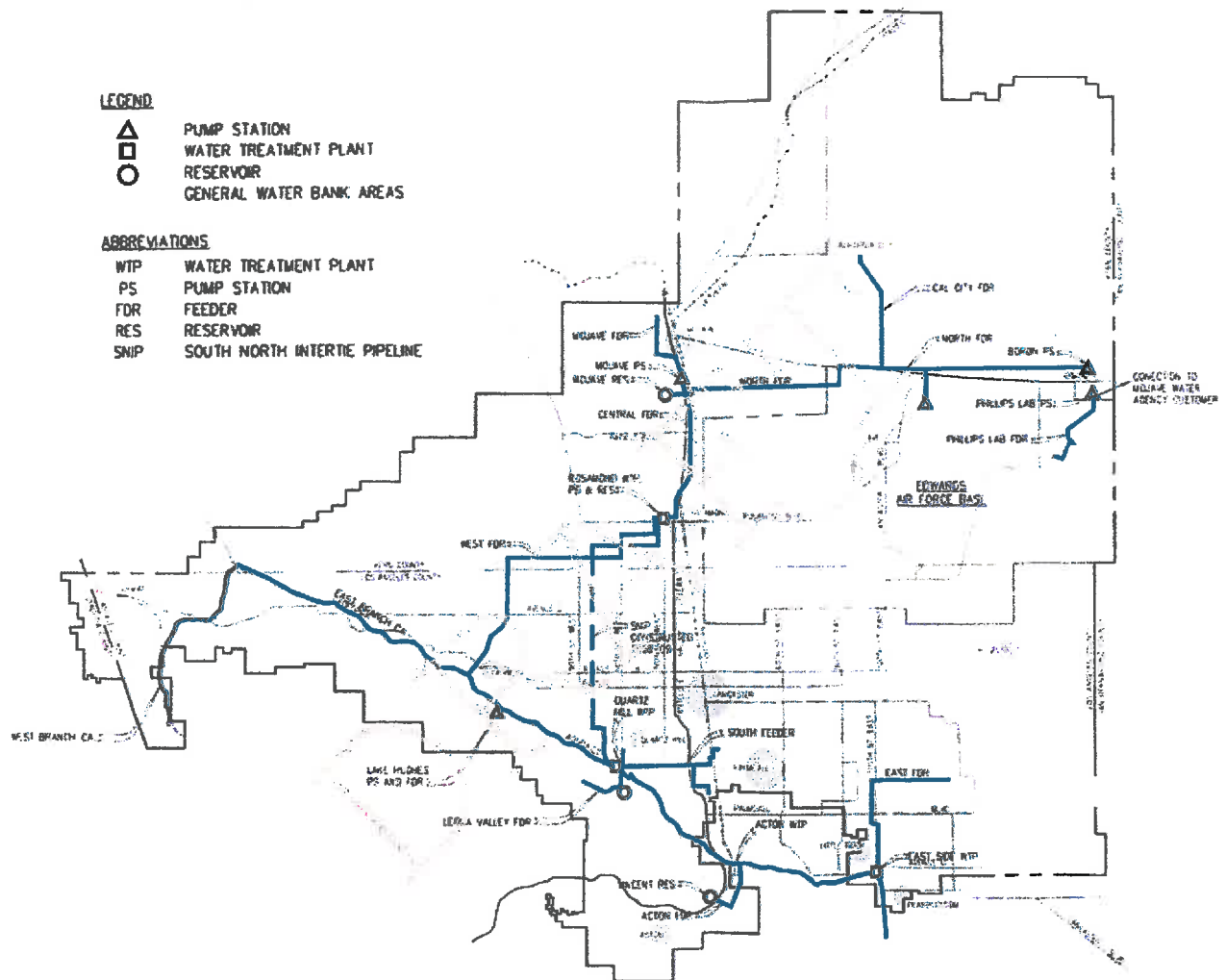


NO SCALE

Figure 1
Regional Map

AVEKWA EIR

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Source: Antelope Valley - East Kern Water Agency 2009



Figure 2
Vicinity Map

AVEKWA EIR

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