EXHIBIT "A"

TEMPORARY OCEAN WATER DESALINATION DEMONSTRATION PROJECT SCH# 2008011079

STATEMENT OF FACTS AND FINDINGS

1.0 INTRODUCTION

The California Environmental Quality Act ("CEQA") in Public Resources Code Section 21081 provides in part that:

"[N]o public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

(a) The public agency makes one or more of the following findings with respect to each significant effect:

(1) Changes or alterations have been required in, or incorporated into, the project which mitigate or avoid the significant effects on the environment.
(2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
(3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.

(b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment."

West Basin Municipal Water District circulated a Notice of Preparation (NOP) for a 30-day public review period commencing January 22, 2008 to February 20, 2008, and held three public scoping meetings. The District prepared a Draft EIR (State Clearinghouse No. 2008011079) to address "the project". The Draft EIR identified that the project will cause less than significant impacts, with the exception to potential liquefaction due to a seismic event. The Draft EIR was circulated for public review and comment for a 45-day period (October 22, 2008 through December 5, 2008) as specified in the State CEQA Guidelines. The District held two public meetings during the 45-day review period, on November 10, 2008. Public comments were received by West Basin Municipal Water District (District) and have been responded to by the District in accordance with CEQA requirements.

The District determines that the Final EIR, comprised of the Draft EIR, comments received from the public and interested agencies, the Responses to Comments prepared by the District, Errata, and all attachments and documents incorporated by reference is complete and adequate, and has been prepared in accordance with CEQA, the State CEQA Guidelines, and the District's Local CEQA Guidelines.

Section 15126.2(b) of the CEQA Guidelines requires an EIR to "Describe any significant impacts, including those which can be mitigated but not reduced to a level of insignificance." Chapter 5.0, *Detailed Environmental Analysis*, of the Draft EIR analyzes the potential environmental impacts of the proposed project. The Draft EIR identified one significant and unavoidable impact with respect to onsite liquefaction. As the EIR concludes that implementation of the Project, as amended (and the Project alternatives) would result in adverse impacts, it is required under the State CEQA Guidelines to make certain findings with respect to these impacts (CEQA Guidelines Section 15091).

2.0 DESCRIPTION OF PROJECT PROPOSED FOR APPROVAL

The Temporary Ocean Water Desalination Demonstration Project ("Temporary Facility") is proposed by the West Basin Municipal Water District (District) as a temporary ocean water desalination demonstration project. The proposed Project consists of a temporary desalination demonstration facility utilizing approximately 580,000 gallons per day (GPD) of open ocean water (via an existing AES intake tunnel), in order to evaluate various alternative technologies and processes, sustainable operation, water quality monitoring and to study the impacts of desalination on the environment.

The Project is proposed to be located at the SEALab property. The Project includes improvement of the abandoned AES pumphouse, and using an adjacent 40' x 100' area (the "South Yard") for desalination equipment, and other minor improvements (refer to Exhibit 3-2, *Site Vicinity Map)*. The Project will also utilize portions of the AES parking lot across North Harbor Drive, for construction parking and staging, and for employee/visitor parking when the Temporary Facility is operational.

3.0 FINDINGS CONCERNING IMPACTS FOUND NOT SIGNIFICANT

In evaluating the potential impacts associated with the Project, the Final EIR identified potential impacts that would be not significant. This Section of the Statement of Facts and Findings identifies those impacts that may occur with project implementation but were found to be below the threshold of significance. CEQA does not require findings for impacts that are found to be less than significant, and therefore do not require mitigation. Nevertheless, the following information is provided in order to summarize the basis for determinations of non-significance for the potential impacts as presented in the Section 5.0, *Detailed Environmental Analysis,* in the Final EIR.

AIR QUALITY

Finding

Short-term air quality impacts would not be significant during site preparation and Project construction. Nontheless, the District has proposed "mitigation" to further reduce air quality effects (AIR-1).

Fact in Supporting Finding

The proposed Project is approximately less than one acre and is located in Source Receptor Area 3, which is classified as Southwest Coastal Los Angeles County. The daily maximum emissions provided within the construction analysis using the URBEMIS 2007 model were utilized in the localized significant thresholds analysis. Based on the emission calculations conducted in the URBEMIS 2007 model, the proposed Project would not result in an

exceedance of the localized significant thresholds. Therefore, impacts associated with localized emissions would be less than significant.

Serpentinite and/or ultramafic rock are known to be present in 44 of California's 58 counties. Sedimentary rocks underlie most of the City of Redondo Beach. Serpentinite and ultramafic rocks are not known to occur within the Project area, and thus the potential for Natural Occurring Asbestos does not exist. As the potential for Naturally Occurring Asbestos does not exist in the vicinity of the Project, a less than significant impact would occur in this regard.

Finding
The Project would not result in an overall increase in the local and regional pollutant load due to direct impacts from vehicle emissions and indirect impacts from electricity and natural gas consumption.

Fact in Supporting Finding
Based on the operational analysis conducted in Section 5.2 of the Draft EIR, combined operational emissions (consumption and mobile sources) for each criteria pollutant would fall well below the SCAQMD thresholds outlined in Table 5.2-4, in Section 5.2 of the Draft EIR. Therefore, the long-term air quality impacts from implementing the proposed Temporary Facility would be less than significant.

Finding
The Project would not conflict with the SCAQMD's 2007 Air Quality Management Plan.

Fact in Supporting Finding
As indicated in the operational analysis in Section 5.2 of the DEIR, the proposed Project would not exceed the SCAQMD's thresholds of significance. Therefore, the Project is consistent with the *2007 Air Quality Management Plan* and impacts are considered to be less than significant.

BIOLOGICAL RESOURCES

Finding
The Project would not result in any salinity-related impacts to marine resources as the concentrate will be recombined prior to discharge and will not result in any temperature-related impacts to marine resources, as the existing SEALab discharge is not heated.

Facts in Support of Finding
Through the combination of the reverse osmosis permeate and microfiltration/ultrafiltration washwater with the reverse osmosis ocean water concentrate, the combined discharge from the Temporary Facility will have essentially the same bacteriological water quality, turbidity, and suspended solids as the source water. Detailed receiving water modeling was conducted which indicates that the nominal "additional" salts added through chemical neutralization will result in a negligible increased salinity. The Project's discharge will be temporary and would not occur in immediate proximity to sensitive marine habitat. There will be no temperature-related impacts because the existing discharge is not heated and future operational discharge will not be heated. Therefore, the Temporary Facility will result in less than significant impacts with respect to salinity and temperature effects.

Finding
The Project would not interfere with wildlife movement/migration corridors that may diminish the chances for long-term survival of a species.

Facts in Support of Finding
No known terrestrial wildlife or aquatic species migration corridors are present in the proposed Project area. Due to the small construction area, the Project would not block or interfere with migration or movement of any water-related species because the birds could easily avoid the work site. Operation of the proposed Project would not interfere with wildlife movement/migration corridors. Therefore, interference with wildlife movement/migration corridors that may diminish the chances for long-term survival of a species is found to be less than significant.

Finding
The Project would not require various pretreatment and post-treatment chemical additives that may adversely impact marine biological resources in the vicinity of the outfall.

Facts in Support of Finding
Considering the small volume of discharge, that the Project's discharge volume has been reduced, RO concentrate volumes have been reduced, the temporary nature of the discharge, the relative absence of sensitive marine habitat in the immediate vicinity of the intake and discharge, and the Project's research value in studying effective ocean intake technologies, the Project will not have any significant impact upon marine resources.

GEOLOGY, SOILS, AND SEISMECITY

Finding
Project construction and implementation would not potentially expose structures and people to potential impacts involving fault rupture.

Facts in Support of Finding
The proposed Project area is not currently known to be located within an Alzuist-Priolo Fault Rupture Hazard Zone. Therefore, impacts involving fault rupture is found to be less than significant.

Finding
Project construction and implementation would not potentially expose people and/or structures to impacts involving landslides or mudflows.

Facts in Support of Finding
No landslides are known to exist either within or adjacent to the demonstration facility site. Landslide hazards associated with the construction and operation of the Temporary Facility are considered minimal due to the flat nature of the proposed site. Therefore, impacts involving landslides or mudflows are found to be less than significant.

Finding
Project construction and implementation would not potentially expose people and/or structures to potential impacts associated with expansive soils.

Facts in Support of Finding
Based on the overall loose to medium dense nature of the deposits at the site, expansive soils associated with these deposits are not likely to be encountered within the proposed site. As noted in Section 5.4 of the DEIR, the proposed South Yard Equipment Area and pumphouse will be improved to provide an adequate foundation to support proposed uses. In consideration of

Project Design Features and mitigation noted in Section 5.4 of the DEIR (compliance with the February 2008 geotechnical reports contained in Appendix D, as amended, UBC requirements, and Special Publication 117), no significant impacts are anticipated, therefore impacts associated with expansive soils are found to be less than significant.

Finding
Project construction and implementation would not result in potential impacts involving the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State.

Facts in Support of Finding
There are no economic metallic ore deposits within or directly adjacent to the Project areas; and the potential for oil and/or gas deposits beneath the Project areas is remote. Due to the nature of the proposed Project, impacts associated with mineral resources are not expected. Therefore, impacts involving the loss of availability of a known mineral resource that would be of future value to the region and the residents of the State are found to be less than significant.

LAND USE AND RELEVANT PLANNING

Finding
The Temporary Facility would not divide any established communities.

Facts in Support of Finding
The project is located entirely within the yard of the existing SEALab site (other than secondary elements at the ocean intake, and at the AES Parking/Staging area, neither of which would "divide an established community"). The project is not located in an existing housing community or in an area zoned as residential, and is not directly adjacent to residentially-zoned districts. As such, the project would not result in the division of an established community. Therefore, the Project is considered to have no impacts that would divide any established communities.

Finding
The Temporary Facility would be consistent with relevant State and local land use plans and policies.

Facts in Support of Finding
The proposed Temporary Facility is consistent with the Coastal Act and City of Redondo Beach LCP, General Plan, and Zoning. The EIR evaluates other Coastal Act related policies in the applicable DEIR sections (including Sections 5.1, *Aesthetics/Light & Glare*, 5.2, *Air Quality*, 5.3, *Biological Resources*, 5.8, *Traffic and Circulation*, 5.9, *Water Quality*, 6.2, *Growth-inducing Impacts*, and Section 7, *Alternatives*). Therefore, there are no impacts concerning consistency issues with relevant local use plans and policies.

Finding
The proposed Temporary Facility would be consistent with existing land uses.

Facts in Support of Finding
Based on the current uses of the SEALab facility, urban nature of the surrounding area (which includes a mix use of restaurants, retail, residential, commercial and industrial uses), Project Design Features, and recommended mitigation measures, the Temporary Facility is expected to be consistent with the existing mixed-use nature of the project area and is not otherwise