



# Pacific Grove Local Water Project



## Final Supplemental Environmental Impact Report

SCH No. 2014021058

September 2015

Brezack & Associates Planning

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## Acronyms and Abbreviations

AFY	Acre Feet Per Year
ASBS	Area Of Special Biological Significance
Cal-Am	California American Water Company
CCC	California Coastal Commission
CDFW	California Department of Fish and Wildlife
CDO	Cease and Desist Order
CEQA	California Environmental Quality Act
City	The City of Pacific Grove
City	Pacific Grove Water Entitlement
Entitlement	California Water Code
CWC Division	SWRCB Division of Financial Assistance
EIR	Environmental Impact Report
Final SEIR In-	Final Supplemental Environmental Impact Report
Lieu Pool	Saved Potable Water
MPWMD	Monterey Peninsula Water Management District
MPWSP	Monterey Peninsula Water Supply Project
MRWPCA	Monterey Regional Water Pollution Control Agency
NOD	Notice of Determination
NOP	Notice of Preparation
OPR	Office of Planning & Research
PGLWP	Pacific Grove Local Water Project
SCH	State Clearinghouse
SEIR	Supplemental Environmental Impact Report
SGWB	Seaside Groundwater Basin
SRWTP	Satellite Recycled Water Treatment Plant
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
USFWS	United States Fish and Wildlife Service
USGS	United States Geological Survey

## **SECTION 1.0 INTRODUCTION AND BACKGROUND**

### **1.1 INTRODUCTION**

The City of Pacific Grove (City), as the California Environmental Quality Act (CEQA) Lead Agency, has prepared this Final Supplemental Environmental Impact Report (Final SEIR) for the Pacific Grove Local Water Project modification (PGLWP modification) in compliance with CEQA. The PGLWP was previously addressed in an Environmental Impact Report (EIR) that was certified on November 24, 2014 (State Clearinghouse No. 2014021058) (2014 Certified EIR). The SEIR is a public document for use by the City, other governmental agencies, and the public in identifying and evaluating the potential environmental consequences of the PGLWP modification, identifying measures to avoid or reduce adverse impacts, providing mitigation if necessary, and examining feasible alternatives to the PGLWP modification.

The PGLWP Supplemental Draft Environmental Impact Report (Draft SEIR), published on July 7, 2015, assessed the potential impacts of the PGLWP modification and alternatives. The 30-day review period of the Draft SEIR began on July 7, 2015, and ended on August 6, 2015. Comments on environmental issues evaluated in the Draft SEIR were received from the public and state and local agencies during the review period.

This section summarizes the project background, need, and objectives of the proposed modification. It summarizes the current status of the PGLWP, and describes the proposed PGLWP modification that has been proposed since adoption of the 2014 Certified EIR.

### **1.2 PROJECT BACKGROUND**

The City irrigates its Municipal Golf Course, El Carmelo Cemetery, and other public landscaped areas with potable water purchased from California American Water (Cal-Am). The 2014 Certified EIR identified irrigation of the Pacific Grove Municipal Golf Links, El Carmelo Cemetery, and other uses of recycled water that would substitute for potable water. This new supply of recycled water to be produced by the PGLWP would therefore free up an equivalent volume of potable water for alternate uses.

The City is seeking a water entitlement from the Monterey Peninsula Water Management District (MPWMD) for up to 90 Acre-Feet per Year (AFY) of the saved potable water (In-Lieu Pool) created by the PGLWP consistent with state requirements and MPWMD ordinances. The 90 AFY includes a dedication by the City of up to 30 AFY to the environment that would assist Cal-Am in meeting its obligations until it secures a replacement water supply to offset its use of water from the Carmel River without legal right, and would reduce pumping in the Seaside Groundwater Basin (SGWB). This environmental dedication of potable water would directly reduce the amount of water Cal-Am extracts from the Carmel River. Pursuant to the provisions of State Water Resources Control Board (SWRCB Board Order 95-10), this volume of Carmel River replacement water would revert to the City upon completion of the Monterey Peninsula Water Supply Project (MPWSP) by Cal-Am. Up to 35 AFY of potable water would be retained for use by the MPWMD in a manner to be determined by the MPWMD. This Final SEIR therefore evaluates potential environmental effects of the City obtaining water entitlements from

the MPWMD and use of water dedicated to the environment. Analysis of the 35 AFY water retained by MPWMD is not included in this analysis as it is not a part of the City Entitlement.

The MPWMD has collaborated with the City and the City has decided to prepare this Final SEIR to evaluate potable water entitlements related to the In-Lieu Pool (potable water supply) created by the PGLWP.

### 1.3 PROJECT NEEDS AND OBJECTIVES

As stated in the 2014 Certified EIR, the purpose of the PGLWP is to produce and distribute high quality recycled water to replace potable water used for non-potable water demands such as landscape irrigation.

The PGLWP would create a new potable water supply offset, the In-Lieu Pool. Recycled water produced by the PGLWP would be used in-lieu of up to 125 AFY (average annual demand) of potable water. The PGLWP would also reduce the operational production of Cal-Am's proposed MPWSP by decreasing the operational requirements of the proposed seawater desalination plant by this same amount, 125 AFY.

The project goals listed in the 2014 Certified EIR for the proposed Project were as follows:

- To preserve available potable water supplies for domestic uses and to maximize the recycling and reuse of non-potable recycled municipal wastewater in a cost-effective manner.
- To substitute the City's use of Cal-Am potable water with recycled water for non-potable water demands.
- To reduce discharges to Monterey Bay and the Pacific Grove Area of Special Biological Significance (ASBS).
- To maximize the use of existing wastewater collection, treatment, recycling and recycled water distribution infrastructure for the development of irrigation water and other non-potable demands.

The PGLWP and proposed modification are integral to helping the City comply with several key policies of the Public Facilities Element of the City's General Plan. This includes meeting the following policies related to Goal 1.0 Maintain an adequate level of service in the City's water system to meet the needs of existing and future development:

- Policy #1: Endeavor to ensure an adequate water supply for the City's future needs.
- Policy #2: Prioritize available water allocation to best serve the City's needs, and to accommodate coastal priority uses designated in the Local Coastal Program Land Use Plan.
- Policy #8: Promote the reclamation of waste water for irrigation purposes (specifically the golf course and cemetery).

### 1.4 DOCUMENTS INCORPORATED BY REFERENCE

CEQA Guideline Section 15150 encourages incorporation by reference of previously analyzed and publicly circulated information. Incorporation by reference involves a brief summary or

description of the referenced document. Documents incorporated by reference must be made available to the public for inspection.

This Final SEIR incorporates by reference the documents listed below.

- Pacific Grove Local Water Project Draft Environmental Impact Report, Volumes 1 & 2, September 16, 2014, SCH 2014021058.
- Pacific Grove Local Water Project Final Environmental Impact Report, November 2014, SCH 2014021058.
- Pacific Grove Local Water Project Draft Supplemental Environmental Impact Report, July 2015, SCH 2014021058.
- City of Pacific Grove Local Water Project Facility Plan Report WRF No. 3316-010, June 23, 2014
- California State Water Resources Control Board Eastwood/Odello Water Right Change Petition Draft Environmental Impact Report, October 2014.

Printed copies of these documents are available for public inspection at the City of Pacific Grove, Public Works Division, 2100 Sunset Drive, Pacific Grove, CA 93950, during normal business hours and they are also available on the City's web site at: <http://www.ci.pg.ca.us/index.aspx?page=534> and at the website of other CEQA Lead Agencies.

## **1.5 ORGANIZATION OF THE FINAL SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT**

This Final SEIR contains:

- Copies of all comments and recommendations received by the lead agency during the Draft SEIR public comment period (Section 2.0 of this Final SEIR);
- A list of persons, organizations, or individuals commenting on the Draft SEIR (Section 2.0 of this Final SEIR);
- Responses of the lead agency to "all significant environmental points" identified during the review process (Section 2.0 of this Final SEIR); and
- Any changes to the project description, environmental setting, impact analysis, mitigation measures and monitoring program presented in the Draft SEIR (Section 3.0 of this Final SEIR).

## **1.6 SUMMARY OF PUBLIC REVIEW**

California Code Section 21091 allows for shortened review periods for EIRs under certain circumstances. The City requested from the SCH a shortened review from 45 to 30 days pursuant to (CEQA, Section 15205(d)). This SDEIR meets "exceptional circumstances" Criteria 3 as presented in Appendix K of CEQA Guidelines; the document is a supplement to an existing 2014 Certified EIR (SCH 2014021058), November 2014.

The public review period for the Draft SEIR was for 30 days between July 7, 2015, and August 6, 2015. The Draft SEIR and appendices were available for public review during that time. A Notice of Completion (NOC) and copies of the Draft SEIR were sent to the State Clearinghouse and the City published the Notice of Availability (NOA) of the Draft SEIR. Copies of the Draft

SEIR were made available to the public at the City of Pacific Grove Community Development Department, 300 Forest Avenue and at the Pacific Grove Public Library, 550 Central Avenue and posted on the City's website:

<http://www.cityofpacificgrove.org/index.aspx?page=534>.

## 1.7 SUBSEQUENT STEPS IN CEQA REVIEW

### 1.7.1 Certification of the Final Supplemental EIR

Upon completion of the Final SEIR and prior to approving a project the lead agency shall certify that:

1. The Final SEIR has been completed in compliance with CEQA;
2. The Final SEIR was presented to the decision-making body of the lead agency, and that the decision-making body reviewed and considered the information contained in the Final SEIR prior to approving the project; and
3. The Final SEIR reflects the lead agency's independent judgment and analysis.

When an SEIR is certified by a non-elected decision-making body within a local lead agency, that certification may be appealed to the local lead agency's elected decision-making body, if one exists. For example, certification of an SEIR for a tentative subdivision map by a city's planning commission may be appealed to the city council. Each local lead agency shall provide for such appeals. The Pacific Grove City Council is an elected decision-making body; therefore, there is no appeal process related to the proposed project modification.

### 1.7.2 Findings

1. No public agency shall approve or carry out a project for which an SEIR has been certified if it identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding.

The possible findings are:

- a) Changes or alterations have been required in, or incorporated into the project that avoid or substantially lessen the significant environmental effect as identified in the Final SEIR.
  - b) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
  - c) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the Final SEIR.
2. The findings required by the subdivision (1) above shall be supported by substantial evidence in the record.
  3. The finding in subdivision (1)(b) shall not be made if the agency making the finding has concurrent jurisdiction with another agency to deal with identified feasible mitigation measures or alternatives. The finding in subdivision (1)(c) shall describe the specific reasons for rejecting identified mitigation measures and project alternatives.

4. When making the findings required in subdivision (1)(a), the agency shall also adopt a program for reporting on or monitoring the changes that it has either required in the project or made a condition of approval to avoid or substantially lessen significant environmental effects. These measures must be fully enforceable through permit conditions, agreements, or other measures.
5. The public agency shall specify the location and custodian of the documents or other material that constitute the record of the proceedings upon which its decision is based.
6. A statement made pursuant to CEQA Guidelines Section 15093 does not substitute for the findings required by this section.

### 1.7.3 Approval

1. After considering the Final SEIR and in conjunction with making findings under CEQA Guidelines Section 15091 (above), the lead agency may decide whether or how to approve or carry out the project.
2. A public agency shall not decide to approve or carry out a project for which an SEIR was prepared unless either:
  - a) The project as approved will not have a significant effect on the environment, or
  - b) The agency has:
    - i) Eliminated or substantially lessened all significant effects on the environment where feasible as shown in findings under CEQA Guidelines Section 15091, and
    - ii) Determined that any remaining significant effects on the environment found to be unavoidable under CEQA Guidelines Section 15091 are acceptable due to overriding concerns as described in CEQA Guidelines Section 15093.

### 1.7.4 Notice of Determination

1. The lead agency shall file a notice of determination (NOD) within five working days after deciding to carry out or approve the project.
2. The NOD shall include:
  - a) An identification of the project including the project title as identified in the Draft SEIR, and the location of the project (either by street address and cross street for a project in an urbanized area or by attaching a specific map, preferably a copy of a United States Geological Survey (USGS) 15 or 7.5-minute topographical map identified by quadrangle name) (If the NOD is filed with the State Clearinghouse, the State Clearinghouse identification number for the Draft SEIR shall be provided.)
  - b) A brief description of the project
  - c) The lead agency's name and the date on which the agency approved the project (If a responsible agency files the NOD pursuant to CEQA Guidelines Section 15096(i), the responsible agency's name and date of approval shall also be identified.)
  - d) The determination of the agency whether the project in its approved form will have a significant effect on the environment
  - e) A statement that an SEIR was prepared and certified pursuant to the provisions of CEQA
  - f) Whether mitigation measures were made a condition of the approval of the project, and whether a mitigation monitoring plan/program was adopted
  - g) Whether findings were made pursuant to CEQA Guidelines Section 15091

- h) Whether a statement of overriding considerations was adopted for the project
  - i) The address where a copy of the Final SEIR and the record of project approval may be examined
3. If the lead agency is a state agency, the lead agency shall file the NOD with the Office of Planning and Research (OPR) within five working days after approval of the project by the lead agency.
  4. If the lead agency is a local agency, the local lead agency shall file the NOD with the county clerk of the county or counties in which the project will be located, within five working days after approval of the project by the lead agency. If the project requires discretionary approval from any state agency, the local lead agency shall also, within five working days of this approval, file a copy of the NOD with the OPR.
  5. An NOD filed with the county clerk shall be available for public inspection and shall be posted within 24 hours of receipt for a period of at least 30 days. Thereafter, the clerk shall return the notice to the local lead agency with a notification of the period during which it was posted. The local lead agency shall retain the notice for not less than 12 months.
  6. An NOD filed with the OPR shall be available for public inspection and shall be posted for a period of at least 30 days. The OPR shall retain each notice for not less than 12 months.
  7. The filing of the NOD pursuant to subdivision (3) above for state agencies and the filing and posting of the NOD pursuant to subdivisions (4) and (5) above for local agencies, start a 30-day statute of limitations on court challenges to the approval under CEQA.
  8. A sample NOD is provided in Appendix D of the CEQA Guidelines. Each public agency may devise its own form, but any such form shall include, at a minimum, the information required by subdivision (2). Public agencies are encouraged to make copies of all notices filed pursuant to this section available in electronic format on the internet. Such electronic notices are in addition to the posting requirements of the CEQA Guidelines and the Public Resources Code.

### 1.7.5 Disposition of the Final SEIR

Upon certifying the Final SEIR, the lead agency shall:

1. File a copy of the Final SEIR with the appropriate planning agency of any city, county, or city and county where significant effects on the environment may occur.
2. Include the Final SEIR as part of the regular project report that is used in the existing project review and budgetary process if such a report is used.
3. Retain one or more copies of the Final SEIR as public records for a reasonable period of time.
4. Require the applicant to provide a copy of the certified Final SEIR to each responsible agency.

## SECTION 2.0      RESPONSES TO COMMENTS

### 2.1 INTRODUCTION

Seven comment letters were received during the public review period for the Draft SEIR. In addition, one Notice of Preparation (NOP) comment letter from the California Coastal Commission (CCC) was submitted after the close of the date by which comments were to be received. The City has provided responses to the NOP comments receive from the CCC in Section 2.2 below. The review period for the Draft SEIR ended on August 6, 2015. Following is a list of comments received during the public review period for the Draft SEIR. Each letter and comment has been assigned a letter/number designation for cross-referencing purposes. The comment letters and the responses to the substantive environmental issues raised in those letters are presented in Section 2.2.

Agency/Party	Date Received
A. California Environmental Law Project	July 24, 2015
B. LandWatch Monterey County	August 3, 2015
C. Surfrider Foundation	August 6, 2015
D. California Coastal Commission (NOP Comment Letter)	June 7, 2015
D1. California Coastal Commission	August 6, 2015
E. Luke Coletti, Citizen	August 6, 2015
F. Carmel River Steelhead Association	August 6, 2015
G. State Water Resources Control Board	August 6, 2015

### 2.2 COMMENT LETTERS AND RESPONSES

A copy of each original comment letter received on the Draft SEIR is presented in this section. Each comment letter is assigned an alphabetic identifier (i.e., A, B, C...); within that letter, individual comments are assigned a combined alphanumeric sequence (i.e., 1, 2, 3...) to correspond to the response to the comment. The alphanumeric identifier is annotated on the comment letter in its right-hand margin. Responses to each comment are provided immediately following each comment letter. Where comments raise an environmental issue that require additions or deletions to the text, tables, or figures in the Draft SEIR, a brief description of the change is given and the reader is directed to Section 3.0, Revisions to the Draft SEIR. Where the same or similar comments have been made more than once, a response may direct the reader to another numbered comment and response. Some comments received do not raise environmental issues or do not comment on the analysis in the Draft SEIR and, thus, do not require a response. These comments generally express an opinion on whether or not the project should be approved. CEQA does not require a substantive response to comments on an SEIR that do not specifically relate to environmental issues. Responses to these comments are generally “comment noted.” The following responses are based on detailed review conducted by the SEIR preparer.

Letter A

CALIFORNIA ENVIRONMENTAL LAW PROJECT

A Non-Profit Legal Corporation



Of Counsel

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P. O. Box 667  
Mill Valley, CA 94942  
Phone 415 515-5688  
Facsimile: 510 237-6598

July 24, 2015

VIA First Class U.S. Mail and e-mail  
(darrin.polhemus@waterboards.ca.gov)

Darrin Polhemus  
Deputy Director  
Division of Financial Assistance  
State Water Resources Control Board  
1001 I Street  
Sacramento, CA 95814

Re: Division of Financial Assistance Staff Review of Supplemental Draft  
EIR for Pacific Grove Local Water Project Modification (July 15, 2015)

Dear Mr. Polhemus:

Sierra Club and Carmel River Steelhead Association are concerned that staff of the Division of Financial Assistance may have made a faulty determination that the Supplemental DEIR for the Pacific Grove Local Water Project, which proposes a major modification of its Local Water Project that is intended to considerably reduce the amount of water that would be dedicated to the Carmel River and increase water available for growth, satisfies SWRCB CEQA Plus Guidelines, and that therefore the Pacific Grove Local Water Project, as proposed to be modified, remains eligible for State Revolving Funds. Sierra Club and CRSA emphatically disagree with any such determination and believe that the project, as modified to provide only up to 30 AFY for Carmel River instream uses (rather than 125 afy as originally approved), does not satisfy the CEQA Plus Guidelines, and is moreover in conflict with SWRCB policy set forth in the Board's 1999 Cease and Desist Order. (WRO 2009-0060).

A-1

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CRSA's and Sierra Club's concerns arise from a statement at page 1-1 of the Supplemental Draft EIR for the Pacific Grove Local Water Project Modification (July 15, 2015), that: "The proposed [Project] modification does not seek State Revolving Fund funding and the SWRCB has determined that CEQA Plus compliance is not required for the SDEIR (personal communications with Ahmad Kashkoll, SWRCB Division of Financial Assistance on June 18, 2015)." If in fact any such determination was made by means of a "personal communication" with staff, it must be revisited as soon as possible, since the modified project will, if approved by the City in the next few months, receive State Revolving Fund moneys, even though the project, as modified, and its supporting environmental document (the draft Supplemental EIR) do not comport with the SWRCB CEQA Plus Guidelines, or with SWRCB Board policy. The statement in the Supplemental DEIR that "the proposed modification does not seek State Revolving Fund funding" is quite misleading. The proposed modification materially changes the Project as initially approved for the State Revolving Funds, and must also be evaluated under the CEQA Plus Guidelines.

A-2

The Supplemental DEIR presents a project description and goals quite different from the Project approved in 2014:

- a. Recognition and use of portions of the saved potable water that will be freed for use by reason of the replacement of the non-potable water supply produced by the PGLWP Water. Entitlements to facilitate the water freed for use may be created and administered by the Monterey Peninsula Water Management District (MPWMD).
- b. Adoption of a new rule by the MPWMD similar to District Rule 23.6 and would allow the City to issue use permits to property owners within the parts of Cal-Am's service area within the City that have entered into subscription agreements with the City. (Supp. DEIR at 1-1). (emphasis added).

A-3

The Draft Supplemental EIR for the modified City project announces a significantly different project goal, stressing its intent to utilize the potable water saved for new uses leading to growth within the service area of the City's Project:

The primary goal of the PGLWP is to create and maximize use of a new supply of high quality non-potable water to irrigate the City's Golf Links and El Carmelo Cemetery, and to create new uses of recycled water within the service area of the proposed PGLWP as permitted in the State of California. The PGLWP objective is to substitute recycled water where potable water is currently being used for irrigation of the Golf Links and El Carmelo Cemetery.....

A-4

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The City is seeking a water entitlement from MPWMD for 90 AFY of the In-Lieu pool created by the PGLWP. The City would use the entitlement to serve potable water, through Cal-Am, to existing lots of record within the City, consistent with MPWMD regulations. Other portions of the In-Lieu pool [up to 30afy] would be conserved in the Carmel River and the Carmel River Watershed and would therefore assist Cal-Am in meeting its obligations to find a replacement to its use of water from the Carmel River and to reduce pumping in the SGWB. (Supp. DEIR at 1-4, emphasis added).

A-4 cont.

The Supplemental Draft EIR makes it clear that the project has been revised to provide only 30 AF of the In-Lieu pool for instream uses in the Carmel River to assist Cal-Am in meeting its obligations to find a replacement to its illegal use of water from the Carmel River and minimize take of SCCC DPS steelhead, a federally listed threatened species, as required under the CDO.

The Supplemental DEIR further states:

The 90 AFY includes dedication by the City of up to 30 AFY to the environment to assist Cal-Am in meeting its obligations until it secures a replacement water supply to offset its use of water from the Carmel River without legal right, and to reduce pumping in the Seaside Groundwater Basin (SGWB). This environmental dedication of potable water would directly reduce the amount of water Cal-Am extracts from the Carmel River. Pursuant to the provisions of State Water Resources Control Board (SWRCB Board Order 95-10), this volume of Carmel River Replacement Water would revert to the City upon completion of the Monterey Peninsula Water Supply Project (MPWSP) by Cal-Am. Finally, up to 35 AFY of potable water would be retained for use by the MPWMD in a manner to be determined by the MPWMD. (Supp. Draft EIR at S-1)

A-5

The DEIR (September 16, 2014) for the Pacific Grove Local Water Project described the original Project as intended to provide approximately 125 afy of recycled water “primarily to the City of Pacific Grove Golf Links and El Carmel Cemetery.” The predominant use of recycled water would be for landscape irrigation. The 2014 DEIR had as a primary project goal “to preserve available potable water supplies for domestic uses and to maximize the recycling and re-use of non-potable recycled municipal waste-water in a cost effective manner [and] to substitute the City’s use of CAW potable water with recycled water for non-potable water demands.” (2014 DEIR 1-2). Thus the Project, as approved in 2014 by the City, and as presented then to Agency staff for approval for funding under the State’s Revolving Funds, is fundamentally different, insofar as it had previously dedicated all of the potable water saved to the Carmel River for instream uses that would reduce

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take of steelhead when the lower reaches of the River dry up.

A-6 cont.

The 2014 DEIR makes it clear that the potable water demand that would be reduced as a result of the recycling would make it possible “to prevent [sic] illegal diversions from the Carmel River” because it would be the first of four primary projects designed “to prevent illegal diversions from the Carmel River and excessive pumping from the Seaside Aquifer to come on-line.... As such, it would reduce illegal diversions and create significant environmental benefits in advance of the ability of any of the other projects to do so.” (2014 DEIR at S-2 ).

A-7

Thus, a primary goal of the project has been changed, and instead of dedicating up to 125 afy of water for conservation purposes (by allowing California-American to reduce its illegal diversions by up to 125 afy), instead now, in the revised project, only up to 30 afy will be dedicated to instream uses, and up to 90 afy will be allocated to “growth” both in the City of Pacific Grove and in the MPWMD jurisdictional boundaries. Under the revised plan, up to 35 afy is “allocated” to MPWMD, which could also be reallocated to the Peninsula cities for growth. Moreover, under the revised project, Cal-Am would be the purveyor (through its existing distribution system) of the 90 afy for growth in the Peninsula, and would be approving service for new hook ups and/or expansion of existing uses.

A-8

Sierra Club and CRSA believe that the project as revised is not consistent with paragraph 19.2 of the CDO , which provides that:

“Any Monterey Peninsula Community that Wishes to Develop Water from a New Source for Growth Must First Apply Water from the New Source to Reduce Its Share of the Water Being Illegally Diverted by Cal-Am; Only After its Share of Illegal Diversions from the River is Ended May Water from the New Source Be Used for Growth...”

A-9

Sierra Club and CRSA request that you order that any such determination that the revised project is consistent with the CEQA Plus Guidelines be revisited. In addition to the inconsistency between the revised project and paragraph 19.2 of the CDO, it appears that staff did not determine whether the supplemental 2015 DEIR is consistent with the “CEQA Plus” Guidelines applicable to State Revolving Fund federally financed projects.

The SRF CEQA-Plus Guidelines provide that:

A-10

To ensure compliance with the federal Endangered Species Act, the Division has been designated as the non federal representative under the federal Endangered Species Act for all wastewater and water reclamation projects in California that involve an SRF loan...If there are federally listed species that may be affected by a project, either

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directly or indirectly, the ES staff will evaluate the extent of any impacts as part of the environmental review process and submit its findings to the FWS/ NMFS. If the ES staff, in consultation with the FWS/NMFS, determines that the project will adversely affect any federally listed species, it will notify the EPA of the need to request formal consultation.

No such consultation has occurred with respect to the project of the City as proposed to be modified, even though the Board has found that any reduction of water dedicated to the Carmel River will likely adversely affect the SCCC steelhead DPS, a threatened species. Board Order 95-10. In fact, the City failed to send any notification of the NOP for the supplemental draft EIR for its project to the National Marine Fisheries office that since 1997, when the steelhead species was first listed, has been involved with SCCC steelhead recovery and protection. It is thus apparent that NMFS has had no opportunity to review the impact of the modified project on SCCC steelhead, nor has SWRCB staff. Rather the draft Supplemental EIR states conclusively, without a scintilla of evidence, that the modified project will have no "direct" adverse impacts on "any special status species." Draft Supp. EIR at 1-6. The draft Supplemental EIR focuses on construction impacts, rather than on "indirect impacts" on steelhead resulting from project modification.

CRSA and Sierra Club request you to review this matter and to direct staff to revisit any determination made by staff that the revised Pacific Grove project is consistent with the SWRCB's CEQA Plus Guidelines. Both CRSA and Sierra Club strongly support water recycling and reclamation. However, both believe that given the water supply emergency of the Peninsula and the moratorium on new connections imposed under the SWRCB's Cease and Desist Order, that recycling should not be used as a vehicle to obtain water for growth at the expense of the SCCC steelhead, so long as Cal-Am is continuing its illegal diversions from the River and is engaging in unlawful "take" of a threatened species by means of its diversions. This Board determined in Order 95-10 that "dry season surface flows below the narrows at RM 10 have been depleted in most years as a result of heavy ground water pumping. This results in the stranding and death of many juvenile fish as surface flow recedes." Order 95 -10 at 27-28. In WRO 2010-0001 the Board found that Cal-Am's "illegal diversions cause harm, and the more water diverted the greater harm." Order at 7.

The Board also found in the CDO (WRO 2009-0060) that:

[Since].....peninsula cities have had water both for existing uses and for growth, their residents have had little incentive to support or pay for a project or projects to obtain a legal supply of water that can be substituted for the illegal diversions from the River. In addition, diverting water from the River for growth is unacceptable when (a) Cal-Am has no legal right to divert the water,

A-10 cont.

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 July 24, 2015  
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(b) the steelhead in the River have been declared a threatened species, (c) the river has been designated critical habitat for the steelhead and (d) miles of the river bed are dry for five to six months a year. Accordingly, we conclude that water should not be diverted from the River for growth and that the quantity of water that is illegally diverted by Cal-Am should be reduced over a period of years until illegal diversion from the river is ended. CDO at 49.

A-10 cont.

In light of the Board's findings quoted above, it is necessary that staff revisit any determination it has made that the Pacific Grove Project, as revised, is consistent with the CEQA Plus Guidelines, and therefore qualifies for State Revolving Funds. The Supplemental DEIR is manifestly in error when it claims the Project modification has no adverse effects on the public trust resources of the Carmel River.

Sierra Club and CRSA request as well, in light of the above, that staff determine that the Project, as revised, is not eligible for any Revolving Funds from the State. Under the modified Pacific Grove Project, the 90 afy water for growth would be delivered by Cal-Am to users in Pacific Grove. Pursuant to the terms of the CDO, and pursuant as well to CPUC orders implementing the moratorium, Cal-Am would be violating the moratorium on new or expanded connections in its service area if it delivered the water for uses on undeveloped lots or for expanded uses on existing lots in its service area.

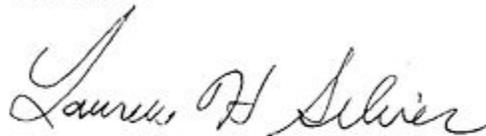
A-11

Both Sierra Club and CRSA believe that since the draft Supplemental EIR is currently released for public comment due August 7, that Board staff, should express their concerns to the City, through comments on the draft Supplemental EIR, or by other means.

A-12

Sincerely,

CALIFORNIA ENVIRONMENTAL LAW  
 PROJECT



Laurens H. Silver  
 Counsel for Sierra Club and Carmel River  
 Steelhead Association

Darrin Polhemus  
July 24, 2015  
Page 7 of 7

cc: Board Members Marcus and Doduc; Daniel Gho, Public Works, City of Pacific Grove; David Laredo; David Stoldt, MPWMD; Andrew Homer, Cal-Am; Joyce Ambrosius, National Marine Fisheries Service.

## LETTER A: CALIFORNIA ENVIRONMENTAL LAW PROJECT

- A-1 Comment noted. However, the City disagrees with the characterization of both the State Water Resources Control Board's (SWRCB) Division of Financial Assistance (Division) determination and the commenter's assertion that the proposed modification is a "major modification of its Local Water Project." The proposed modification merely affirms the City shall ensure its ability to continue use of a portion of the saved water. Timing as to the date of re-use is not certain at this time. The Division has coordinated with the City for several years on the development and analysis of its Local Water Project and more recently on the proposed modification. The proposed modification does not "reduce the amount of water that would be dedicated to the Carmel River". In addition, the Local Water Project does not include any dedications of water to the River. As stated in the Draft EIR the primary goal of the proposed project is "To preserve available potable water for domestic uses and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner".

The California Water Code (CWC) is specific in its definition of the term "domestic use" of water as follows:

"Domestic water system means a system for the provision to the public of piped water for human consumption if such as system has at least 15 service connections or regularly supplies at least 25 individuals. Such a system includes any water supply, treatment, storage and distribution facilities under the control of the operator of such system (CWC sections 13857, 13815, 13895.5, 14004 and 13881).

- A-2 Comment noted. However, the commenter seems to disregard the purpose and value of determinations made by Division staff merely because they were communicated by telephone. The Division has coordinated with the City for several years on the development and analysis of its LWP and more recently on the proposed modification. Their Staff is therefore intimately familiar with the details and potentially significant impacts of the LWP and the project modification. Additionally, the Division Staff has determined that the LWP complies with all of the CEQA Plus requirements and that CEQA Plus requirements are not required for the proposed modification. The project modification does not seek to modify the LWP and is not seeking any funding from the SWRCB.

A-3 Comment noted. However, the City disagrees with the commenter that the Draft SEIR presents a project description and goals quite different from the project approved in 2014. The Goals of the 2014 Certified EIR are consistent with those of the Supplement EIR.

The Goals of the 2014 Certified EIR are:

- Preserve available potable water supplies for domestic uses and to maximize the recycling and reuse of non-potable recycled water in a cost-effective manner.
- To substitute the City's use of Cal-Am's potable water with recycled water for non-potable water demands.
- To reduce discharges to the Monterey Bay and the Pacific Grove ASBS.
- To maximize the use of existing wastewater collection, treatment recycling and recycled water distribution infrastructure for the development of irrigation water and other non-potable demands.

The Final SEIR seeks the recognition and use of portions of the saved potable water that will be freed for use by reason of the replacement of the non-potable In-Lieu water supply produced the PGLWP. This would allow the City to issue use permits to property owners within the parts of Cal-Am's service area within the City that have entered into subscription agreements with the City. The City believes that the goals of the two projects are completely consistent.

A-4 Comment noted. However, the City disagrees with the commenter that the Draft SEIR presents a project description and goals quite different from the project approved in 2014. The Goals of the 2014 Certified EIR are consistent with those of the Supplemental EIR. The primary goal of the 2014 Certified EIR is "To preserve available potable water **for domestic uses** and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner". See also response to comment A-1. While the City had not previously contemplated the development of entitlements for the In-Lieu Pool (saved potable water), it had always acknowledged that the PGLWP saved water results in the preservation of potable water for potable (domestic) uses. Further, the City is willing to dedicate a portion of the saved water for environment uses that may, depending on the operations of Cal-Am, result in additional instream flows to the Carmel River until such time as the Cease and Desist Order (CDO) is lifted.

A-5 Comment noted. The purpose of the SEIR is to support the City's application to the MPWMD for a water entitlement. The modification that constitutes the Supplemental project proposes to dedicate up to 30 AFY to the environment to assist Cal-Am in meeting its obligations until it secures a replacement water supply to offset its use of water from the Carmel River without legal right, and to reduce pumping in the SGWB.

A-6 Comment noted. However, the City disagrees with the commenter's characterization of the 2014 Certified EIR as having made a dedication of all of the potable water served to the Carmel River for instream uses. The 2014 Certified EIR made no such dedication, implied or otherwise, to the Carmel River for instream uses.

See also Response to Comments A-1 and A-4 above.

A-7 Comment noted. The City agrees with the benefit described.

A-8 Comment noted. However, the City disagrees with the commenter's assertion that a project benefit is in fact a goal of the 2014 Certified EIR. The commenter has misinterpreted and confused "Project Goal" and "Project Benefits". Cal-Am is currently and would remain the purveyor of potable water to the City. However, Cal-Am does not have approval jurisdiction for new water service hook-ups and or expansion of existing uses. The MPWMD and local land use jurisdictions retain their authority over approval of development projects.

In addition, the Draft SEIR evaluated the potential growth inducing impacts of the proposed modification. See Section 5.2 for an analysis of the potential Growth Inducing Impacts of the proposed modification.

A-9 The commenter refers to Chapter 19.2 of the CDO. Chapter 19.2 is inconsistent with the text of the Order itself, which does not limit any proposed entitlement in the manner suggested by the comment. The discussion presented in Chapter 19.2 of the CDO provides background and context, but is not itself enforceable.

The CDO applies only to Cal-Am, and not to other entities. The relevant provision of the Order, states that "Cal-Am shall cease and desist from the unauthorized diversion of water from the Carmel River in accordance with the following schedule and conditions." In particular, Paragraph 2 provides, "Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am's water system prior to that date."

A-10 Comment noted. However, Division Staff has determined that the LWP complies with all of the CEQA Plus requirements and that CEQA Plus

requirements are not required for the proposed modification. It should also be noted that the US Army Corps of Engineers, the US Fish and Wildlife Service (USFWS), and the California Department of Fish and Wildlife (CDFW) were provided with copies of the NOP and project description.

In addition, the proposed modification is limited to recognition and use of water entitlements for portions of the saved potable water that will be freed for use by reason of the replacement of non-potable water supply produced by the PGLWP. The source of water provided by Cal-Am would not change; only the location of where the water is used would change. In addition, the proposed modification will result in reduced diversions from the Carmel River in compliance with the CDO. Any potential impacts to the Carmel River and the related Biological Resources would be beneficial and need not be analyzed in the SEIR.

The City disagrees with the comment that the Supplemental Project is “manifestly in error when it claims that the Project modification has no adverse effect on the public trust resources of the Carmel River”. The effort to identify and preserve the ability, at some uncertain future date, to re-use of a portion of water previously used for irrigation does not, by itself, affect the River. This comment expresses an opinion about the potential for a project related adverse impact on the Carmel River.

- A-11 Comment noted. This comment expresses an opinion concerning the project’s eligibility for any State Revolving Loan and does not raise an environmental issue warranting a response. CEQA Guideline Sec. 15088 requires that the lead agency evaluate comments on environmental issues received from persons who reviewed the Draft EIR and provide responses to those comments.
- A-12 Comment noted. See Comment Letter G from the SWRCB.

Letter B

Founded in 1997  
**LandWatch**  
monterey county  
Post Office Box 1876  
Salinas, CA 93902-1876  
831-759-2824  
Website: [www.landwatch.org](http://www.landwatch.org)  
Email: [landwatch@mcclw.org](mailto:landwatch@mcclw.org)  
Fax: 831-759-2825



August 3, 2015

Daniel Gho  
Superintendent of Public Works  
City of Pacific Grove  
2100 Sunset Drive  
Pacific Grove, CA 93950

SUBJECT: SEIR FOR PACIFIC GROVE LOCAL WATER PROJECT MODIFICATION

Dear Mr. Gho:

LandWatch Monterey County reviewed the referenced document which would free up 60 acre feet of potable water, resulting from the local water project, to accommodate buildout on legal lots of record or facilitate commercial development. It is estimated that this amount of water could provide for approximately 250 - 500 residential units or an unspecified amount of commercial development (p. 5-3). Our comments follow:

1. The State Water Resources Control Board Order WR 2009-0060 requires that any community wishing to develop its own water supply must first eliminate its share of illegal diversions from the Carmel River before using the water to support additional growth. Has the City of Pacific Grove eliminated its share of illegal diversions from the Carmel River? B-1
  
2. Cumulative Impacts (p. 5-9). The SEIR finds the project would not have any indirect cumulative impacts. Assuming a worst case scenario of 250 to 500 new residential units, increased cumulative traffic would range between 2,500 and 5,000 trips per day (10 trips/day/unit). Please address the impact of cumulative car trips on the local and regional highway system. At a minimum, cumulative traffic impacts on the Holman Highway and Lighthouse Avenue should be addressed. B-2

Thank you for the opportunity to review the document.

Sincerely,

Amy L. White  
Executive Director

LETTER B: LANDWATCH MONTEREY COUNTY

B-1 See Response to Comment A-9.

It should also be noted that the City has achieved significant water demand reductions over the past several years. The City has been actively implementing conservation practices and limiting water use to the greatest extent feasible, irrigating far less than the local evapotranspiration rates required for proper turf management. For example, the Pacific Grove Municipal Golf Links and El Carmelo Cemetery have significantly reduced irrigation over past 10 years. Between 2008 and 2011, the Golf Links achieved a 28% reduction of water use (CPUC, 2012). To achieve this reduction, the Golf Links had to significantly reduce its irrigable areas resulting in localized dry spots and significant turf stress. Although operable, the Municipal Golf Links and Cemetery irrigation has been significantly below the standard requirements for turf management.

B-2 Comment noted. However, the proposed modification would not result in any direct environmental impacts. As defined in Section 15355, a cumulative impact consists of an impact that is created as a result of the combination of the project evaluated in the EIR together with other projects causing related impacts. An EIR should not discuss impacts that do not result in part from the project evaluated in the EIR. Therefore, increased development and related traffic is a growth inducing impact not a cumulative impact. Growth inducing impacts are addressed in Section 5.2, Growth Inducing Impacts of the Draft SEIR.



August 6, 2015

Daniel Gho, Superintendent of Public Works  
 City of Pacific Grove  
 Public Works Department  
 2100 Sunset Drive  
 Pacific Grove, CA 93950  
 SUBMITTED VIA EMAIL TO dgho@cityofpacificgrove.org

**Re: Comments on Supplemental Draft Environmental Impact Report (“SDEIR”) for the Pacific Grove Local Water Project Modification**

Dear Mr. Gho,

The Surfrider Foundation is a non-profit 501(c)(3) organization that is dedicated to the protection and enjoyment of oceans, waves and beaches through a powerful activist network. Towards this mission, and specifically in support of protecting water quality and marine ecosystems, the Surfrider Foundation Monterey Chapter has been very engaged in the effort to identify water supply and demand-offsetting solutions for peninsula cities, which would replace the deficit of water that was formerly supplied by the Carmel River and Seaside Groundwater Basin.

The Surfrider Foundation Monterey Chapter appreciates this opportunity to provide public comments on the Pacific Grove Local Water Project Modification (the “Project”) SDEIR.

Surfrider Foundation generally supports the Project, but also still has concerns as noted in its comments previously submitted July 3, 2015 on the Project during the scoping period. Specifically, the Carmel River has been in deficit for many years. The water that Cal-Am has been using to supply Pacific Grove has been largely supplied by illegally using water to which it has no rights. Thus, while the “new supply of recycled water” to be produced by the Project may reduce the amount of illegal water that will be taken from the Carmel River, it will *not* therefore “free up an equivalent volume of potable water for alternate uses” as the SDEIR claims. (See SDEIR, S-1.) While the Project may eliminate the need to illegally divert water from the Carmel River, until Cal-Am complies with the State Water Resources Control Board’s (SWRCB) Cease and Desist Order (SWRCB Board Order 95-10) by reducing the illegal diversion of Carmel River water, there is no “freed water” available for new uses.

C-1

This is a critical point and must be corrected in the final EIR.

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Global Headquarters P.O. Box 6010 San Clemente, California USA 92674-6010  
 tel: (949) 492 8170 fax: (949) 492 8142 email: info@surfrider.org www.surfrider.org



Respectfully Submitted,

A handwritten signature in cursive script that reads "Staley Prom".

Staley Prom, Esq.  
Legal Associate  
Surfrider Foundation

LETTER C: SURFRIDER FOUNDATION

- C-1 Comment noted. However, the City disagrees with the commenter's characterization of the Draft SEIR as having made a dedication of all of the potable water served to the Carmel River for instream uses. The Draft SEIR made no such dedication or entitlement, implied or otherwise, to the Carmel River for instream uses. See also Response to Comments A-1 and A-4.

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT OFFICE  
725 FRONT STREET, SUITE 300  
SANTA CRUZ, CA 95060  
PHONE: (831) 427-4863  
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Letter D

June 7, 2015

Daniel Gho, Superintendent Public Works  
City of Pacific Grove  
Public Works Department  
2100 Sunset Drive  
Pacific Grove, CA 93950

**Subject: Notice of Preparation (NOP) of a Draft Supplemental Environmental Impact Report (SEIR) for the Pacific Grove Local Water Project (PGLWP) Modification, SCH #2014021058**

Dear Mr. Gho:

Thank you for forwarding to our office the NOP of a Draft SEIR for the PGLWP modification. The proposed modification would provide the City with water entitlements for up to 90 acre-feet per year (AFY) to serve anticipated build-out water demand within the City. Up to 30 AFY of the entitlements could be dedicated to the environment to offset unlawful water diversions from the Carmel River Basin by the City's water purveyor, California-American Water Company (Cal-Am). The potential 30 AFY of entitlements dedicated to the environment would revert back to the City if Cal-Am is able to secure a legal source of water to serve its customers. We appreciate the City's recognition that the proposed modification could have a more significant environmental impact as compared to the PGLWP as originally proposed. However, the NOP does not identify all reasonable alternatives that would feasibly attain the project objectives and avoid or substantially lessen the significant environmental effects of the project; nor does the NOP identify all of the environmental resource areas that may be impacted due to the proposed project modification. Specifically, and as discussed in more detail below, the SEIR must include a project alternative that does not include any additional water entitlements for the City; and must analyze the proposed modification's direct and cumulative effect on recreation, aesthetics, air quality, biological resources, greenhouse gas emissions, water quality, traffic, and CEQA-Plus elements. We urge you to include the stated alternative and analyze the identified resource areas in the SEIR to ensure that the public is adequately informed of the full environmental impact of the proposed modification.

D-1

D-2

D-3

*Alternatives Analysis*

As required by Section 15126(d) of CEQA, an environmental impact report must explore a range of reasonable alternatives that would feasibly attain the project objectives and would avoid or substantially lessen the significant effects of the project. The primary objective of the PGLWP as stated in the Draft EIR (City of Pacific Grove, *Pacific Grove Local Water Project Draft Environmental Impact Report*, Brezack and Associates Planning (2014)) is to "produce and distribute high quality recycled water to replace potable water used for non-potable water demands" (*id.* at S-1). The water entitlements sought by the City will not help attain the primary objective of the PGLWP, nor would eliminating the entitlements from the project have any

D-4

Daniel Gho  
 NOP SEIR Pacific Grove Local Water Project  
 June 6, 2015  
 Page 2

impact on the City's ability to attain the stated objective of the PGLWP. Additionally, eliminating the entitlements would likely avoid or substantially lessen the significant effects of the project because all of the water saved by the PGLWP as originally proposed could be dedicated to the environment and none of the associated environmental impacts, as explained below, would occur. Thus the SEIR must analyze an alternative that does not include the water entitlements sought by the City because such an alternative would attain the project objective and would avoid or substantially lessen the significant effects of the PGLWP. Further, the City must ensure that the SEIR does not focus solely on the modification's effect on the environment as compared to a "No Project Alternative," but should include a full analysis of the modification's environmental impact as compared to the completed PGLWP without the entitlements. In other words, the SEIR should not just analyze the impact of using up to 90 AFY of potable water for additional buildout as compared to the City's current use of 125 AFY, but must also analyze the impact of unlawfully diverting up to 90 AFY from the Carmel River Basin as compared to a reduction in demand by 125 AFY with no additional entitlements.

D-4  
 cont.

#### *Recreation Impacts*

The SEIR must analyze the project modification's effect on recreation. The PGLWP's effect on recreation was eliminated from analysis in the Draft EIR because "[t]he proposed Project would not create an increase in population or promote activities that would increase the use of existing parks and recreational facilities." (*Id.* at 3-2.) However, the additional water entitlements and anticipated build-out would lead to an increase in population and therefore may increase the use of existing parks and recreational facilities. Thus the SEIR must analyze the effect of the additional water entitlements on recreation; including current park use statistics, population growth estimates, types of uses associated with the anticipated build-out, and estimated park use increases.

D-5

#### *Aesthetics Impacts*

The SEIR must analyze the project modification's effect on aesthetics. The Draft EIR states that the PGLWP would not impact scenic resources "[g]iven the limited amount of new above-ground facilities proposed." (*Id.* at 4-7.) However, the water entitlements are being sought to serve "anticipated build-out" that may lead to new above-ground structures that will have an impact on scenic resources. Thus the SEIR must analyze the effect of the additional water entitlements on aesthetics; including identification of the areas within the City where the build-out may occur, the types of new facilities that may be constructed, an analysis of the scenic resources in these areas, and how the anticipated build-out would impact those resources.

D-6

#### *Air Quality Impacts*

The SEIR must analyze the project modification's effect on air quality. The Draft EIR states that the PGLWP's impact on air quality was analyzed by estimating emissions using the California Emissions Estimator Model, which "calculates indirect criteria pollutant and GHG emissions from processes "downstream" of the project under evaluation such as GHG emissions from energy use, solid waste disposal, vegetation planting or removal, and water use." (*Id.* at 5-12.) The Draft EIR further states that for "cumulative analyses [of Carbon Monoxide emissions], the

D-7

Daniel Gho  
 NOP SEIR Pacific Grove Local Water Project  
 June 6, 2015  
 Page 3

traffic impact of the project should be combined with that of other closely related past, present, and reasonably foreseeable future projects.” (*Id.* at 5-18.) The water entitlements and anticipated build-out would lead to indirect criteria pollutant and GHG emissions downstream of the project because the build-out would lead to additional energy use, solid waste disposal, vegetation removal, and water use. Moreover, the water entitlements would serve “anticipated build-out,” which qualifies as reasonably foreseeable future projects that may impact traffic and Carbon Monoxide emissions. Thus the SEIR must analyze the effect of the water entitlements on air quality; including an updated emissions estimate from the California Emissions Estimator Model that calculates all indirect criteria pollutant and GHG emissions from processes downstream of the project and emissions from all reasonably foreseeable future projects.

D-7  
 cont.

#### *Biological Resources Impacts*

The SEIR must analyze the project modification’s effect on biological resources. The Draft EIR only analyzes the impact of the PGLWP on biological resources at the project site, which is described as “[t]he Satellite Recycled Water Treatment Plant . . . approximately 2 acres in area.” (*Id.* at 6-1.) However, the water entitlements sought by the City will be delivered by Cal-Am, which provides water through unlawful diversions from the Carmel River Basin. The potential for 90 AFY of unlawful diversions from the chronically over-drafted Carmel River Basin, which provides habitat for several endangered species such as the California Red-legged Frog and Steelhead Trout, may have a substantial effect on biological resources. Thus the SEIR must analyze the effect of the water entitlements on biological resources; including an expansion of the project site to include the source of the water entitlements, a description of the habitats within the expanded project site, a list of the species present within the expanded project site, and a study of the impact that up to 90 AFY of unlawful water diversions will have on the biological resources within the expanded project site as compared to no additional diversions.

D-8

#### *Greenhouse Gas Emissions Impacts*

The SEIR must analyze the project modification’s effect on Greenhouse Gas (GHG) emissions. The Draft EIR states that GHG emissions were calculated using the California Emissions Estimator Model, which, as explained above, also calculates the indirect emissions from all processes downstream of the project. (*Id.* at 9-10.) The water entitlements and anticipated build-out would lead to indirect GHG emissions downstream of the PGLWP that were not included in the Draft EIR analysis. Thus the SEIR must analyze the effect of the water entitlements on GHG emissions, including an updated emissions estimate from the California Emissions Estimator Model that calculates all indirect GHG emissions from processes downstream of the project.

D-9

#### *Water Quality Impacts*

The SEIR must analyze the project modification’s effect on water quality. The Draft EIR states that the PGLWP “would not substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level,” because the “proposed Project would serve to improve regional groundwater quantities and qualities by providing recycled water as a potable water substitute.” (*Id.* at 11-17.) However, the City is now seeking to withdraw up to 90 AFY from

D-10

Daniel Gho  
 NOP SEIR Pacific Grove Local Water Project  
 June 6, 2015  
 Page 4

regional groundwater supplies. The water entitlements sought by the City will be delivered by Cal-Am, which provides water through unlawful diversions from the chronically over-drafted Carmel River Basin. The water entitlements therefore may further deplete groundwater supplies in the Carmel River Basin. Thus the SEIR must analyze the effect of the water entitlements on water quality; including a description of current water supplies in the Carmel River Basin and the impact of unlawfully diverting up to 90 AFY of water from the Basin as compared to no additional diversions.

D-10  
 cont.

*Traffic Impacts*

The SEIR must analyze the project modification's effect on transportation and traffic. The Draft EIR states that the PGLWP would not impact transportation and traffic because the project would only "result in a total generation of 16 new daily trips" to the project site. (*Id.* at 14-4.) However, the water entitlements and anticipated build-out may result in population increases and therefore also lead to additional traffic. Thus the SEIR must analyze the effect of the water entitlements on transportation and traffic; including current traffic statistics, population growth estimates, potential locations for the anticipated build-out, estimated traffic increases, and the possible impact of the traffic increases on level of service standards and travel demand measures.

D-11

*CEQA-Plus Impacts*

The SEIR must analyze the project modification's effect on CEQA-Plus elements, specifically whether the project complies with water quality regulations. The Draft EIR states that the "[p]roject goals include substitution of the City's use of [Cal-Am] potable water with recycled water for non-potable water demands; assisting [Cal-Am] to meet the [State Water Resources Control Board] requirements of Cease and Desist Order (CDO) 2009-0060 by reducing pumping of the Carmel River underdrain." (*Id.* at 18-2.) However, the water entitlements sought by the City for anticipated build-out would increase unlawful diversions from the Carmel River Basin by up to 90 AFY as compared to the PGLWP as originally proposed. Further, seeking water entitlements to serve "anticipated build-out" may cause Cal-Am to directly violate State Water Resources Control Board CDO 2009-0060, which specifically states that "Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use (*id.* at 57)." The "anticipated build-out" would likely divert water from the Carmel River Basin for new service connections, which is expressly prohibited by CDO 2009-0060. The City should seek the opinion of the Water Rights Division of the State Water Resources Control Board to ensure that the water entitlements would not cause Cal-Am to violate CDO 2009-0060 and must include that analysis in the CEQA-Plus elements section of the SEIR.

D-12

Finally, we would like to observe that, under Coastal Commission-issued Coastal Development Permit Waiver 3-15-0139-W for the City's Local Water Project, it was our understanding that the 125 AFY of water produced by the project would lead to an equivalent reduction in water use and unlawful diversions from the Carmel River Basin. Public notices were drafted and distributed, the project was reported at a public hearing, and the Coastal Development Permit requirement was waived with this understanding. We hope that any future City water

D-13

Daniel Gho  
NOP SEIR Pacific Grove Local Water Project  
June 6, 2015  
Page 5

infrastructure project that needs CDP authorization is fully vetted in a robust public process that clearly identifies, articulates, and analyzes all project aspects and components in order to disclose to the public and interested stakeholders the full breadth of the project's potential impacts.

D-13  
cont.

In conclusion, we urge the City to reconsider its proposed modification, particularly during the State of Emergency declared across California due to the ongoing drought. Further, we request that the City fully disclose all aspects of future projects before such projects are approved or waived to ensure that all of the requirements of the Coastal Act are met.

D-14

Thank you for considering our comments. If you have any questions or would like to discuss this issue further, please contact me at (831) 427-4863 or [Brian.O'Neill@coastal.ca.gov](mailto:Brian.O'Neill@coastal.ca.gov).

Sincerely,



Brian O'Neill  
Coastal Planner

LETTER D: CALIFORNIA COASTAL COMMISSION (RECEIVED JUNE 7, 2015)

- D-1 Comment noted. Please note CEQA does not require that an NOP identify all reasonable alternatives (See Section 15082 (a)(1)). However, Section 15082 (b)(1) of the CEQA Guidelines requires response to an NOP to identify “The significant environmental issues and reasonable alternatives and mitigation measures that the responsible or trustee agency, or the OPR, will need to have explored in the draft EIR.” The commenter will note the Draft SEIR evaluated all alternatives identified during the scoping process.

The commenter also states the NOP must “...identify all of the environmental resource areas that may be impacted due to the proposed project modification.” However, as discussed in the Draft SEIR, the proposed modification does not identify any direct significant adverse impacts. The is limited to recognition and use of water entitlements for portions of the saved potable water freed for use by reason of non-potable water produced by the PGLWP. The source of water provided by Cal-Am would not change, only the location where water is used would change. The NOP identified the following environmental resource areas in which the proposed project modification could have new or substantially more severe significant direct, indirect, and/or cumulative environmental effects as compared to the proposed project: Population/Housing, Utilities/Service Systems, and Growth Inducing Impacts. Further analysis in the Draft SEIR determines impacts to these resource areas to be less than significant.

- D-2 Comment noted. See Section 4.1.2, Draft SEIR Alternatives Analysis of the Draft EIR for the PGLWP Modification which includes Alt 1: MPWMD does not grant the water entitlement to the City. Table 17-1, Results of Alternatives Screening Process, has been revised to include the “Alt 1: MPWMD does not grant the water entitlement to the City” alternative. See Section 3 Revisions to the Draft SEIR.

The commenter states the NOP does not “...identify all of the environmental resource areas that may be impacted due to the proposed modification.” However, the commenter should note that pursuant to CEQA Section 15082 (a)(1)(C), Notice of Preparation and Determination of Scope of EIR, the NOP identified probable environmental effects of the proposed modification. The NOP identified the following environmental resource areas, in which the proposed project modification could have new or substantially more severe significant direct, indirect, and/or cumulative environmental effects as compared to the proposed project: Population/Housing, Utilities/Service Systems, and Growth Inducing Impacts. Further analysis in the Draft SEIR

determines impacts to these resources to be less than significant.

In addition, staff of the SWRCB Division Of Financial Assistance determined the PGLWP complies with all CEQA Plus requirements and that CEQA Plus requirements are not required for the proposed modification.

D-3 See Response to Comment D-2.

D-4 Comment noted. The primary goal of the proposed project, as identified in the 2014 Certified EIR, is “To preserve available potable water for domestic uses and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner”. Water entitlements would facilitate the use of water freed for domestic uses consistent with the primary goal of the project. Sale of water entitlements may aid project funding.

The commenter also states the SEIR must analyze an alternative that does not include the water entitlements. Please refer to See Section 4.1.2, Draft SEIR Alternatives Analysis of the Draft EIR for the PGLWP Modification, which includes Alt 1: MPWMD does not grant the water entitlement to the City. Table 17-1, Results of Alternatives Screening Process, has been revised to include the “Alt 1: MPWMD does not grant the water entitlement to the City” alternative. See Section 3 Revisions to the Draft SEIR.

However, as discussed in the Draft SEIR, the proposed modification does not identify any direct significant adverse impacts. The proposed modification is limited to recognition and use of water entitlements for portions of the saved potable water that would be freed for use by reason of the replacement of non-potable water supply produced by the PGLWP. The source of water provided by Cal-Am would not change; only the location of where the water is used would change. In addition, the proposed modification may result in reduced diversions from the Carmel River in compliance with the CDO.

D-5 Comment noted. However, as discussed above, the Project would not result in direct environmental impacts. The Draft SEIR evaluated potential growth inducing impacts (i.e., indirect impacts) of the proposed modification. Increased development and related recreation impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-6 See Response to Comment D-5.

Increased development and related aesthetics impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-7 See Response to Comment D-5.

Increased development and related air quality impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-8 See response to Comment D-5.

In addition, the Draft SEIR evaluated potential growth inducing impacts (i.e., indirect impacts) of the proposed modification. Increased development and the related biological impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-9 See Response to Comment D-5.

Increased development and related greenhouse gas emissions impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-10 The proposed modification is limited to recognition and use of water entitlements for portions of the saved potable water freed for use by reason of the water supply produced by the PGLWP. The source of water provided by Cal-Am would not change; only where the water gets used would change. Therefore, the proposed modification would not result in a direct impact to water quality. However, potential impacts to water quality related to increased development related to growth are addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-11 See Response to Comment D-5.

Increased development and related traffic impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

D-12 Comment noted. However, staff of the SWRCB Division of Financial Assistance determined the PGLWP complies with all CEQA Plus requirements and that CEQA Plus requirements are not required for the proposed modification. The Supplemental Project does not modify of the physical attributes of the PGLWP and will not rely on funding from the state.

In addition, increased development and related environmental impacts are growth related impacts addressed in Section 5.2 Growth Related Impacts of the Draft SEIR.

- D-13 Comment noted. However, the City disagrees with the commenter's characterization of the 2014 Certified EIR as having made a dedication of all of the potable water served to the Carmel River for instream uses. The 2014 Certified EIR made no such dedication, implied or otherwise, to the Carmel River for instream uses.

However, the City disagrees with the commenter that the Supplemental DEIR presents a project description and goals quite different from the project approved in 2014. The Goals of the 2014 Certified EIR are consistent with those of the Supplemental EIR. The primary goal of the 2014 Certified EIR is "To preserve available potable water **for domestic uses** and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner". While the City had not previously contemplated the development of entitlements for the saved potable water, it had always acknowledged that the PGLWP saved water is the preservation of potable water for potable (domestic) uses. Further, the City is willing to dedicate a portion of saved water for instream Carmel River uses until such time as the CDO is lifted.

In addition, as with the proposed project, all future projects, subject to CEQA, will comply with the CEQA Guidelines and Statutes, including public noticing and disclosure requirements.

- D-14 Comment noted. Also see Response to Comment D-13 above.

**CALIFORNIA COASTAL COMMISSION**

CENTRAL COAST DISTRICT OFFICE  
725 FRONT STREET, SUITE 300  
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Letter D1



August 6, 2015

Daniel Gho, Superintendent Public Works  
City of Pacific Grove  
Public Works Department  
2100 Sunset Drive  
Pacific Grove, CA 93950

**Subject: Draft Supplemental Environmental Impact Report (SEIR) for the Pacific Grove Local Water Project (PGLWP) Modification, SCH #2014021058**

Dear Mr. Gho:

Thank you for forwarding the Draft SEIR for the PGLWP Modification to our office. The original project would allow for the construction of a new satellite recycled water treatment plant that would provide 125 acre-feet per year of recycled water to replace the potable water supply used for the existing irrigation systems at the Pacific Grove Golf Links and El Carmelo Cemetery. The proposed project modification would provide the City with water entitlements for up to 90 acre-feet per year (AFY) to serve the anticipated water demand from build-out within the City. Up to 30 AFY of the entitlements could be dedicated to the environment to offset unlawful water diversions from the Carmel River Basin by the City's water purveyor, California-American Water Company (Cal-Am). The potential 30 AFY of entitlements dedicated to the environment would revert back to the City if Cal-Am is able to secure a legal source of water to serve its customers.

D1-1

The Draft SEIR for the PGLWP modification does not identify all reasonable alternatives to the project and does not adequately analyze the indirect environmental effects of the proposed modification. We recommend that the City include further analysis of potential project alternatives and adequately analyze all potential indirect effects in the SEIR to ensure that the public and interested parties are adequately informed of the full environmental impact of the proposed modification. Additionally, we would like to inform you that the proposed modification may impact the effectiveness of Coastal Development Permit (CDP) Waiver 3-15-0139-W because that waiver was granted with the understanding that the project would reduce potable water use by 125 AFY.

D1-2

D1-3

*Alternatives Analysis*

As required by Section 15126(d) of CEQA, an Environmental Impact Report must explore a range of reasonable alternatives that would feasibly attain the project objectives and would avoid or substantially lessen the significant effects of the project. The Draft SEIR notes three possible alternatives, including a "No Water Entitlements" alternative, then dismisses in one sentence all three, stating that the alternatives "would not meet the basic goals and objectives, stated above in Section 16.2 of the 2014 Certified EIR, therefore, they were not considered as reasonable or feasible alternatives to the project modification." No further discussion or analysis is provided.

Daniel Gho  
 Draft SEIR Pacific Grove Local Water Project  
 August 6, 2015  
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The “No Water Entitlements” alternative is the equivalent of the PGLWP as originally proposed and as approved by the Coastal Commission in CDP Waiver 3-15-0139-W, which was selected in the 2014 EIR as the environmentally superior alternative that meets all project goals and objectives. The Draft SEIR does not explain how the City concluded that the selected environmentally superior alternative can now be considered an unreasonable and infeasible alternative that does not meet the basic goals and objectives of the project. This conclusion either casts doubt on the determinations and analysis within the 2014 EIR or demonstrates an insufficient alternatives analysis in this Draft SEIR. The SEIR must analyze an alternative that does not include the water entitlements sought by the City and instead solely reduces potable water consumption by the 125 AFY saved by the project because such an alternative would attain the project objective and would avoid or substantially lessen the significant effects of the PGLWP, as the City found in the 2014 EIR and as explained in our comments on the Notice of Preparation (*see* attached). Other feasible alternatives, such as receiving additional water entitlements in an amount equal to that which is saved by the proposed project, but instead dedicating all of the entitlements to the environment until Cal-Am secures a legal source of water, should also be explored. This alternative would satisfy all project objectives of the PGLWP as originally proposed, would preserve the City’s entitlement to additional water in the future, and would reduce Cal-Am’s unlawful diversions as originally proposed. We see these two alternatives as viable, feasible, and environmentally superior to the proposed project modification, and should be offered further evaluation in this SEIR.

D1-4

D1-5

D1-6

D1-7

#### *Indirect Effects*

CEQA section 15362 requires an EIR to provide detailed statements “describing and analyzing the significant environmental effects of a project.” CEQA section 15358(2) further explains that effects include “[i]ndirect or secondary effects which are caused by the project and are later in time or farther removed in distance, but are still reasonably foreseeable.” The Draft SEIR, however, does not adequately analyze the indirect impacts of the proposed modification. The Draft SEIR eliminates almost all potential environmental resource impacts from proper analysis, stating that the “proposed modification would not directly result in any potentially significant [resource] effects” because the “proposed modification is limited to recognition and use of water entitlements” and “no physical improvements or ground-disturbing activities would occur.” (*See* Draft SEIR at 1.7.1; 1.7.2; 1.7.3; 1.7.4; 1.7.5; 1.7.6; 1.7.7; 1.7.8; 1.7.9; 1.7.10; 1.7.11; 1.7.12; 1.7.13; 1.7.14; 1.7.15; 3.2.2; 3.3.2). No further effects analysis is provided. Focusing effects analysis solely to the direct physical impacts of the proposed modification is inadequate to satisfy the indirect effects analysis that is required by CEQA. At a minimum, the SEIR must describe and analyze the impacts from all projects listed on the City’s Water Wait List and pending Water Wait List applications. Although these projects may occur later in time and are removed in distance from the project modification, the Water Wait List projects are all reasonably foreseeable and would be indirectly induced by the project modification. Therefore, we recommend the SEIR analyze the proposed project modification’s growth-inducing potential, including evaluating the potential impacts to sensitive coastal resources from that increase in development. Additionally, the SEIR must analyze the direct and indirect effects of withdrawing and using up to the maximum entitlements sought by the City. Although actual use of the water

D1-8

D1-9

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entitlements may occur later in time than the project modification, the City is presumably seeking the entitlements to use the water at a later date. Thus, the effects of such use are reasonably foreseeable and must be analyzed.

D1-9  
 cont.

*Cease and Desist Order*

The Draft SEIR does not adequately address the requirements of the Cease and Desist Order (CDO) 2009-0060 issued by the State Water Resources Control Board (SWRCB). The Draft SEIR states that the CDO “limits only Cal-Am’s ability to allow “*new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use.*” The operative limit is therefore new connections or expansions due to changed zoning uses.” (*Id.* at 1-15.) However, this is an inaccurate reading of the CDO and has already been rejected by Cal-Am, the SWRCB, and the Public Utilities Commission (PUC). In its decision regarding Cal-Am’s request for a moratorium on new service connections, the PUC wrote that:

Cal-Am and the [Monterey Peninsula Water Management District] MPWMD agree that the moratorium should not go beyond the plain terms of the 2009 CDO, yet they disagree as to the plain meaning of the phrase of Condition 2 prohibiting river diversions for “new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use.” Cal-Am reads the words “resulting from a change in zoning or use” as applying only to the “increased use of water at existing service addresses.” The MPWMD sees those words of qualification as applying as well to “new service connections,” which would exclude from the moratorium new connections not prompted by a change in zoning or use.

D1-10

We find MPWMD’s reading of the phrase in question to be strained and incorrect. To exclude from the moratorium new connections not prompted by a change in zoning or use would be to narrow substantially Condition 2, allowing what could be a growing number of new connections that would draw materially upon the Carmel River to the detriment of the significant public trust values that Condition 2 was designed to protect. Such a gaping loophole would run counter to the 2009 CDO’s clear objective of strictly limiting and further reducing diversions from the river. It could become an exception that swallows the rule. The “change in zoning or use” phrase is linked only to the “increased use” language; no comma separates the two and the two are divorced from “new service connections” by the disjunctive “or.” It is clear to us that the prohibition against “new service connections” is not intended to be linked to a change in zoning or use. Rather, it is to be read as unqualified. Accordingly, in implementing Condition 2, Cal-Am should honor the prohibition against new service connections without reference to any change in zoning or use.” (PUC Decision 11-030-048 at 29-31.)

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Thus the Draft SEIR does not accurately address the requirements of the CDO and must provide further analysis as to whether the proposed modification adheres to the CDO's prohibition on new service connections.

D1-10  
cont.

*CDP Waiver*

As stated in the Notice of Waiver Effectiveness letter sent on May 19 (*see attached*), CDP Waiver 3-15-0139-W "only authorizes the development as proposed and described in the Commission's files; any changes to the proposed and described project may require a CDP to account for the changes or a CDP for the entire project." Thus, a new CDP application for the PGLWP may be required if the City moves forward with any project modifications. The Draft SEIR did not include or address our comments on the Notice of Preparation (*see attached*) and consequently the Draft SEIR does not adequately address the concerns expressed in our letter. We caution the City that if the Final SEIR reveals that the project would be materially modified in ways that will have significant impacts on coastal resources that were not analyzed and not covered by CDP Waiver 3-15-0139-W, the project modification may require a new CDP application to account for the changes or for the entire project.

D1-11

Thank you for considering our comments. If you have any questions or would like to discuss this issue further, please contact me at (831) 427-4863 or [Brian.O'Neill@coastal.ca.gov](mailto:Brian.O'Neill@coastal.ca.gov).

Sincerely,



Brian O'Neill  
Coastal Planner

Enclosures: Comments on NOP of an SEIR for the PGLWP Modification  
Notice of Permit Waiver Effectiveness

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LETTER D1: CALIFORNIA COASTAL COMMISSION (RECEIVED AUGUST 6, 2015)

D1-1 Comment noted. It is important to note that while the project modification is proposed to enable water entitlements, it requires discretionary action of the MPWMD before any entitlement may be used by the City. Further, sale of any entitlement water is dependent on market factors. Potable water now used for irrigation, and that will be saved by reason of the project, will remain in the river unless or until any entitlement is used.

D1-2 The commenter states the Draft SEIR did not identify “all reasonable alternatives” or analyze the indirect impact of the proposed modification. However, the commenter should note, the Draft SEIR did evaluate all project alternatives that were identified during the scoping process.

In addition, the Draft SEIR evaluated potential growth inducing impacts of the proposed modification. Growth inducing impacts are the indirect environmental effects of the proposed modification. See Section 5.2 of the Draft SEIR for an analysis of the potential Growth Inducing Impacts of the proposed modification.

D1-3 With reference to the Coastal Development Plan Waiver, the commenter states “...that waiver was granted with the understanding that the project would reduce potable water use by 125 AFY”. This is not accurate. Throughout the City’s coordination with the Coastal Commission, the City has maintained the primary goal of the proposed project is to “preserve potable water supplies for domestic purposes and maximize the recycling and reuse of non-potable recycled municipal wastewater” and to “substitute the City’s use of Cal-Am’s potable water with recycled water for non-potable water demands”. See response to comment A-2 for additional discussion of the use of the term “domestic uses”. The 2014 Certified EIR conveyed no plan for the reduction of potable water use.

D1-4 The City disagrees with the commenter’s assertion that “*The No Water Entitlements*” alternative is the equivalent of the PGLWP as originally proposed...” At the time of the 2014 Certified EIR, the City had no plan or objective to seek water entitlements from the in lieu pool that would result from that project. Therefore, the “No Water Entitlements” alternative was not conceived and did not exist. This is the reason no mention was made of entitlements in that document. The primary goal of the PGLWP, as stated in the 2014 Certified EIR, is “To preserve available potable water for domestic uses and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner”

Regarding the Draft SEIR, a “No Water Entitlement” alternative would not allow the City to meet its goal for the proposed project modification.

Therefore, the City has not revised its conclusions on the selected environmentally superior alternative of the 2014 Certified EIR and does not now consider it unreasonable and infeasible.

- D1-5 Comment noted. See Section 4.1.2, SDEIR Alternatives Analysis for the PGLWP Modification that includes Alt 1: MPWMD does not grant the water entitlement to the City. Table 17-1, Results of Alternatives Screening Process, has been revised to include the “Alt 1: MPWMD does not grant the water entitlement to the City” alternative. See Section 3 Revisions to the Draft SEIR.
- D1-6 The commenter suggests a new alternative (i.e., Dedicate Entitlements to the Carmel River Alternative) be evaluated that would dedicate all entitlement water to the environment until Cal-Am secures a legal source of water. This new alternative would not meet the primary goal of the proposed project, as identified in the 2014 Certified EIR, which is “To preserve available potable water for domestic uses and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner”. See also response to comment A-1.

It should also be noted that the proposed project would have a similar beneficial impact to Cal-Am’s water supply sources including the Carmel River as the new alternative suggested by the commenter. The PGLWP will offset potable water use in multiple ways – any delay in the date of reuse – by definition – results in greater availability of Cal-Am’s water supplies, including instream flows. Even if 100% of freed water were scheduled for reuse by entitlement, a lengthy period of time would elapse for project development and approval processes before its full use would occur. For purposes of comparison, over 75% of the saved water from the 1980’s Pebble Beach entitlement has yet to be used by reuse projects, and thus that water, although granted as an entitlement, has remained with Cal-Am, including in the Carmel River for instream uses.

- D1-7 Comment noted. Table 17-1, Results of Alternatives Screening Process, has been revised to include the “No Water Entitlements” alternative and the “Dedicate Entitlements to the Carmel River Alternative”. See Section 3 Revisions to the Draft SEIR.

- D1-8 The commenter states the Draft SEIR did not adequately analyze indirect impacts of the proposed modification. However, the Draft SEIR evaluated potential growth inducing impacts of the proposed modification. Growth inducing impacts are the indirect environmental effects of the proposed modification. See Section 5.2 Growth Inducing Impacts of the Draft SEIR.
- D1-9 The commenter states the Draft SEIR must analyze direct and indirect impacts of the proposed modification. However, as discussed in the Draft SEIR, the proposed modification does not result in any direct significant adverse impacts. The proposed modification is limited to recognition and use of water entitlements for portions of the saved potable water that will be freed for use by reason of the replacement of non-potable water supply produced by the PGLWP. The source of water provided by Cal-Am would not change, only the location where water would be used would change. The Draft SEIR evaluated potential growth inducing impacts of the proposed modification. Growth inducing impacts are indirect environmental effects of the proposed modification. See Section 5.2 Growth Inducing Impacts of the Draft SEIR.
- D1-10 Comment noted. This comment expresses an opinion that the Draft SEIR does not accurately address requirements of the CDO. This comment does not raise an environmental issue warranting a response. CEQA Guideline Sec. 15088 requires the lead agency evaluate comments on environmental issues received from persons who reviewed the Draft SEIR and provide responses to those comments.
- D1-11 Comment noted. The CCC submitted comments to the NOP after the close of the date by which comments were to be received. The City provided responses to the NOP comments receive from the CCC in the Final SEIR. See Responses to Comment Letter D.

Letter E

August 6, 2015

Daniel Gho, Superintendent Public Works  
City of Pacific Grove  
Public Works Department  
2100 Sunset Drive  
Pacific Grove, CA 93950

**RE: SCH# 2014021058 - Comments Draft Supplemental EIR for the Pacific Grove Local Water Project (PGLWP).**

Mr. Gho,

I submit the following comments:

I. Any allocation of water via the proposed entitlements should not be permitted until either Water Order 2009-0060 (Cal-Am Cease and Desist Order) is complied with or the City of Pacific Grove has demonstrated that it is no longer using water unlawfully diverted from the Carmel River. Condition 2 of WO 2009-0060 states: **Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am’s water system prior to that date.** The Cal-Am CDO also indicates an intent to require that peninsula communities first apply new sources of water to reduce unlawful diversions from the Carmel River, prior to using them for new growth (WO 2009-0060 pp. 40-41, 54, 56).

E-1

II. The City of Pacific Grove is seeking an overall entitlement to 90 acre-feet per year (once the Cal-Am CDO is lifted) with an entitlement of 35 acre-feet per year going to the Monterey Peninsula Water Management District for potential allocation to “others” (PGLWP SDEIR p. 2-3). The State Water Recycling Funding Program (WRFP) will be financing this project via a grant and 30year loan. WRFP Funding Guidelines (rev June 16, 2015) state: **Water recycling projects shall offset or augment state fresh water supplies** (Section III: Construction Funding (A)(1)(b)). Clearly, if the proposed entitlements are put into use and at any point exceed the net amount of water saved then the State funding requirements for this project will have been violated. The PGLWP needs to comply with all of the WRFP Funding Guidelines.

E-2

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| <p>III. The City is seeking to create “<b>a new potable water supply offset (in-lieu pool)</b>” of 125 AFY (PGLWP SDEIR p. 2-1). If the historic use provided in Table 3 (PGLWP SDEIR p. 1-19) is accurate (and these values are slightly different from those released by the City at the Aug 5, 2015 City Council Meeting), then the <b>average historic use for the Pacific Grove Golf Course and Cemetery, over the last 5 years, is 82.374 AFY</b>. This is certainly less than the 125 AFY entitlement discussed in this SEIR. The question of optimum irrigation use, more art than science, should not be used to justify any entitlements. Therefore, the computed/modeled irrigation demand of 118.73 AFY, shown in Table 2 (PGLWP SDEIR p. 1-18), has no relevance in determining any entitlements.</p> | E-3 |
| <p>IV. The City is claiming that <b>CEQA Plus compliance is not required for this SDEIR</b> (PGLWP SDEIR p. 1-1) however, the Final EIR added <b>Section 18.0 CEQA-Plus Compliance</b> (PGLWP FEIR p. 3-6 – 3-15) and since the proposed entitlements represent a potential intensification of use, compared to recent historic use (see III. above), the SEIR must receive an opinion from National Marine Fisheries Service (NMFS) on impacts to Steelhead. The City must further receive an opinion from U.S Fish and Wildlife on impacts to California Red-Legged Frogs.</p>   | E-4 |
| <p>V. The SEIR should analyze the impact of unlawfully diverting up to 95 AFY (PG 60AFY &amp; MPWMD 35AFY) of potable water for new growth as compared to conserving 82.374 AFY (recent historic use), which was proposed in the original EIR.</p>   | E-5 |
| <p>VI. Past billing records for irrigating the Pacific Grove Golf Course and Cemetery reveal that demand is near zero during the wet months (25% of the year). However, commercial and residential demand would not be zero but would instead follow a fairly flat annual baseline. Therefore, the SEIR should analyze the impact of a different water demand profile and how it might affect the proposed MPWMD ASR program as well as flowrates that determine favorable Steelhead passage in the Carmel River and lagoon.</p>   | E-6 |
| <p>VII. Page S-1 states the SDEIR does not analyze potential environmental effects from the 35 AFY of water retained by MPWMD as it is not part of the City entitlement. While it is not part of the City entitlement, there are effects on the environment from gifting MPWMD water and those impacts are also a result of the project. The Final EIR must evaluate those cumulative impacts.</p>   | E-7 |

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|--|-------------|
| <p>VIII. The City is estimating non-potable demand in Table 1 (PGLWP SDEIR p. 1-17), however, no supporting historic use is provided to justify the Truck Fill demand of 24 AFY or the Restroom demand of 1 AFY. Please provide data to substantiate these demand estimates. Non-potable water should not be used for any of the restroom washbasins.</p>  | <p>E-8</p>  |
| <p>IX. When developing their reclamation and golf course irrigation project, Pebble Beach Company permanently set aside approx. 50% of their historic potable water use towards the environment (WO 2009-0060 p. 52). The City should also permanently set aside at least 50% of any uncontested entitlement.</p>  | <p>E-9</p>  |
| <p>X. The public notice for this SEIR, published in The Monterrey Herald, incorrectly stated the comment period as being July 3 to Aug 2. CEQA requires accurate noticing. Please explain why this SEIR was not accurately noticed and why it should not be re-noticed.</p>  | <p>E-10</p> |
| <p>XI. Finally, I'm very disappointed the City of Pacific Grove so drastically changed the goals of this project; from water conservation to a potential intensification of use. I believe this represents a cynical bait-and-switch manipulation of the process by both the City and Mr. Jim Brezack of Brezack &amp; Associates. The bait-and-switch is especially troublesome since "the switch" occurred after various regulatory agencies had analyzed the original EIR and even issued permits based upon it, e.g., California Coastal Commission approval of Coastal Development Permit Waiver 3-15-0139-W.</p> | <p>E-11</p> |

Luke Coletti  
Pacific Grove, CA

## LETTER E: LUKE COLETTI

- E-1 See response to comments A-9 and B-1.
- E-2 The City disagrees with the comments that “...if the proposed entitlements are put to use and at any point exceed the net amount of water saved then the State funding requirements for this project will have been violated”. The intended purpose of the PGLWP and the proposed project modification are to offset and augment state fresh water supplies. The comment misinterprets the terms “augment” and “offset”. Municipal water recycling is a strategy that increases the usefulness of water by reusing a portion of the existing waste stream that would be discharged to the environment as waste and redirecting the water to another local application. Recycling municipal wastewater increases water supply if it reduces discharges into oceans and inland saline waters and enables conserving higher-quality water for appropriate uses. Additionally, as a local water source, municipal recycled water can be an additional water source, possibly offsetting or delaying obtaining additional freshwater supplies; be a drought-resistant water supply; provide an alternative for treatment and disposal of wastewater (California Water Plan, 2013).
- E-3 Comment noted. The procedure for application of a water entitlement involves an application to the MPWMD, review and analysis by MPWMD staff, and discretionary approval by the Board of the MPWMD. The entitlement would require MPWMD’s development of a new ordinance defining the limitations and requirements to the City for the entitlement. The City will apply to the MPWMD for their consideration of the entitlement.
- E-4 Comment noted. However, the proposed project does not contemplate any actions that may result in a reduction to the flows of the Carmel River. The proposed project would instead provide both temporary and permanent decreases in the water supply requirements from Cal-Am, including the pumping of the underdrain of the Carmel River by Cal-Am. The proposed project and proposed project modification will have no potential or actual reductions in the flow of the Carmel River and will have no impacts to steelhead or re-legged frogs. Therefore, additional coordination with the USFWS and the National Marine Fisheries Service are not required.
- See Response to Comment A-10.
- E-5 Comment noted. However, the City disagrees with the commenter and finds no basis for “analysis of the impact of unlawfully diverting up to 95 AFY (PG 60AFY & MPWMD 35AFY) of potable water for new growth as compared to

conserving 82.374 AFY”

In addition, effective August 1, 1995, all remaining water allocated to the City of Pacific Grove by the MPWMD and all water becoming available after that date must be allocated, in amounts and percentages determined by the City Council, to the four allocation categories. Allocations are made by Council resolution. Building permit applications for projects for which there is no available water will not be accepted or processed. However, the Municipal Code establishes a prioritized waiting list for each allocation category. Projects are placed on a waiting list according to order of receipt of proof of readiness to apply for a building permit.

The current Water Waiting List is available on the Internet at the following URL:

<http://www.iworq.net/iworq/PermitWeb/permitWebSearch.asp?cityid=986&fid=605>). Currently, the Water Waiting List identifies a total request of 1.9320 AFY of water for thirteen waitlisted projects. These projects have permit dates going back to January of 2009. Eleven of the projects are residential, one is commercial and one is community reserve. Eight other projects on the Waiting List have been allocated a total of 2.4495 AFY. Those projects have permit dates as old as April of 2011 and consist of six commercial and two governmental.

- E-6 Comment noted. However the City finds no basis to “...analyze the impact of a different water demand profile and how it might affect the proposed MPWMD ASR program as well as flow rates that determine favorable Steelhead passage in the Carmel River and lagoon.” See also Response to Comment E-4.
- E-7 Comment noted. However, any analysis of the potential impacts from use of the 35 AFY by the MPWMD would be highly speculative and therefore not required under CEQA Section 15145. In addition, use of entitlements by MPWMD would require subsequent analysis for their approval at the time any such use of all or a portion of the 35 AFY was contemplated

E-8 The City does not plan to use recycled water for restroom washbasins. Recycled water use for restrooms is revised as described in Table 2-1 below. Recycled water will only be used for toilet/urinal flushing which is approximately 60% of the total metered water use at the restroom. The total recycled water to be used for restrooms is 0.18 AFY.

**Table 2-1**

RESTROOMS		
	Total Potable Water Use	Total Recycled Water Use
	3-Year Average Cal-Am Metered Data (AFY)	60% Use for Toilets/ Urinals (AFY)
Jan	0.01	0.01
Feb	0.01	0.01
Mar	0.01	0.01
Apr	0.02	0.01
May	0.03	0.02
Jun	0.06	0.03
Jul	0.04	0.02
Aug	0.03	0.02
Sep	0.03	0.02
Oct	0.02	0.01
Nov	0.02	0.01
Dec	0.02	0.01
Total	0.30	0.18

E-8 Recycled water demand from the truckfill station will include currently  
 Cont. unmetered uses such as construction/dust control, sewer cleaning, and use at  
 the recycled water treatment plant for cleaning and maintenance. Table 2-2  
 below describes the estimated demand for miscellaneous uses from a truckfill  
 station.

**Table 2-2**

<b>TRUCKFILL/MISC. USE</b>		
Truck Volume	700	Gallons
	0.0021	Acre-Feet
Construction/Dust Control	5	Trucks per day
	12	Months per year
	20	Days per month
	2.58	Acre-Feet per year
Sewer Cleaning	43	Miles 1 x per year *
	9	Miles 2 x per year *
	1	Mile 6 x per year *
	67	Miles per year to clean
	0.25	Miles cleaned per full truck
	268	Full trucks per year
	0.58	Acre-Feet per year
Total Truck Fill	3.15	Acre-Feet per year
Estimated Recycled Water Treatment Plant Use	5%	Of total production
Total SRWTP Use	6.25	AFY
Total Truckfill/ Misc. Use	9.40	AFY

\*Source: Pacific Grove Sewer System Management Plan 2013

Sewer cleaning is currently done with high Total Dissolved Solids (TDS) water from one onsite groundwater well at Point Pinos. Use of lower TDS recycled water for sewer cleaning would therefore improve and protect recycled water quality for future reuse both locally at the PGWLP and regionally at the Monterey Regional Water Pollution Control Agency's (MRWPCA's) Regional Treatment Plant. Other demands for recycled water from the truckfill station will include street sweeping and other maintenance activities.

- E-9 Comment noted. However, this comment does not raise an environmental issue warranting a response. CEQA Guideline Sec. 15088 requires that the lead agency evaluate comments on environmental issues received from persons who reviewed the Draft EIR and provide responses to those comments.
- E-10 Comment noted. However, the Public Notice was correct. In addition, the Public review period was extended to Thursday, August 6, 2015. Lastly, the public review period need not be concurrent with the State review period established by the state clearinghouse.
- E-11 Comment noted. However, this comment does not raise an environmental issue warranting a response. CEQA Guideline Sec. 15088 requires that the lead agency evaluate comments on environmental issues received from persons who reviewed the Draft EIR and provide responses to those comments.



**Carmel River Steelhead Association**

501 (C)(3) TIN 77-0093979

**P.O. Box 1183**

**Monterey, CA 93942**

Letter F

Mr. Daniel Gho, Supt. Public Works  
City of Pacific Grove  
Public Works Dept.  
2100 Sunset Drive  
Pacific Grove, CA 93950

August 6, 2015

**RE: Comments Draft Supplemental EIR (SCH# 2014021058)**

Dear Mr. Gho:

The Carmel River Steelhead Association (CRSA) would like to offer comments on Draft Supplemental EIR.

1: Water Order 2009-0060 (Cease and Desist Order) on Page 54 section 19.2 quite clearly states **“Any Monterey Peninsula Community that Wishes to Develop water from a New source for Growth Must First Apply Water from the New Source to Reduce its Share of the Water Being Illegally Diverted by Cal-Am; Only after its Share of Illegal Diversions from the River is Ended may Water from the New Source be Used for Growth.”**

F-1

In the DSEIR, Pacific Grove stated section 19.2 is “not itself enforceable”. While this may be true, having it in the text of the order does have weight and clearly shows the intent of the order.

Regardless, Order 2 of Water Order 2009-0060 on page 57 states **“Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use. Cal-Am may supply water from the river for new service connections or for any increased use at existing service addresses resulting from a change in zoning or use after October 20, 2009, provided that any such service had obtained all necessary written approvals required for project construction and connection to Cal-Am’s water system prior to that date.”** Unless PG can show where written approvals were obtained before 2009, any and all new connections or new use at existing connections will be protested by CRSA.

F-2

2: The final EIR for the PGLWP added a section 18.0 CEQA-PLUS Compliance. The SDEIR added an entitlement of water from Monterey Peninsula Water Management District (MPWMD). With the addition of this entitlement, and if the water is used before the CDO is complied with, there will be impacts to two federally listed species. PG must receive an opinion from National Marine Fisheries Service (NMFS) on impacts to

F-3

Steelhead. PG must further receive an opinion from U.S Fish and Wildlife on impacts to California Red-Legged Frogs.	F-3 cont..
3: All previous projects that have created “new water” have only asked for a portion of the water to be entitled to the creating agency. This project leaves no permanent water for the environment and therefore is unacceptable to CRSA and probably most other environmental organizations. Reference is made to the Pebble Beach and the Eastwood/Odello projects, which allocated up to over 50% to the environment. This project must allow a minimum amount equal to Pebble Beach for the river.	F-4
4: Page S-1 states the SDEIR does not analyze potential environmental effects from the 35 AF of water retained by MPWMD as it is not part of the City entitlement. CRSA believes, while it is not part of the City entitlement, there are effects on the environment from gifting MPWMD water and those impacts are also a result of the project. The Final EIR must evaluate those cumulative impacts.	F-5
5: Page S-2. State Water Resource Control Board (SWRCB) orders must be included in the list of compliance requirements of any future project.	F-6
6: Page 1-1 states that portions of water would be freed for use by reason of the replacement of non-potable water. This would only be true after the CDO is complied with and this should be noted.	F-7
7: Page 1-4 section 1.5 states a portion of the “In-Lieu pool” would assist Cal Am in meeting its obligations to find a replacement for water from the Carmel River. Considering once the CDO is complied with that portion of water reverts back to PG the final EIR must point out that this is a temporary benefit and not permanent.	F-8
8: Page 1.5 section 1.7 states biological resources are not considered in detail, yet the SDEIR proposes to allow continued illegal withdraws from the Carmel River. Those illegal withdraws from the Carmel River and the biological resources they affect have been the subject of many legal decisions and to say they do not have to be considered is wrong. The SFEIR <b>must</b> consider biological resources in the Carmel River unless there is a statement that the proposed water entitlement would <b>not be used</b> until the CDO is complied with.	F-9
9: Page 1-6 section 1.7.4. NMFS must be added to the list of agencies to be considered.	F-10
10: Page 1-6 section 1.7.4. Once again, considering that this project will continue illegal pumping of water from the Carmel River, the effects of not pumping this water must be analyzed. The Eastwood/Odello project referenced in this SDEIR spent quite a lot of time analyzing effects to the river at different river flows. This EIR must likewise analyze effects to the river and show how pumping and no pumping change the flow in the Carmel River.	F-11
11: Page 1-11 table 1.1. The SDEIR was printed and issued one working day after the scoping comments were submitted which causes me to believe they were never considered	F-12

in the preparation of the SDEIR. I certainly hope comments on the SDEIR will be considered before the SFEIR is issued.

F-12  
cont.

12: Page 2-1 section 2.2 states the PGLWP would reduce the operational production of the Cal Am proposed MPWSP. Unless Cal Am has made a written commitment to reduce their production, this statement cannot be used.

F-13

13: Page 2-1 section 2.2 at the second bullet point states a goal of the project was to substitute the City's use of Cal Am potable water with recycled water. While that was true in the certified EIR for the **PGLWP**, the SDEIR does not accomplish this in that the Cal Am water is not substituted, only redirected. Considering this, the whole SDEIR, if not the certified EIR, is invalid.

F-14

14: Page 2-2 states the project will have a benefit of increasing waste water to the MRWPCA RTP. The only way this could happen is if there is increased development and it is stated that the project will not directly increase development, so one or the other is not correct and must be removed from the FSDEIR.

F-15

15: On July 24, 2015 Larry Silver with the California Environmental Law Project sent a letter to Darrin Polhemus, Deputy Director, Division of Financial Assistance, and State Water Resources Control Board. I have included this letter as Attachment I to this letter so it will be included in the SFEIR.

F-16

Sincerely;



Brian LeNeve  
President CRSA

Attachment I

Cc Joyce Ambrosius NMFS  
Darrin Polhemus SWRCB

LETTER F: CARMEL RIVER STEELHEAD ASSOCIATION

- F-1 See Response to Comment A-9.
- F-2 Comment noted. However, this comment does not raise an environmental issue warranting a response. CEQA Guideline Sec. 15088 requires that the lead agency evaluate comments on environmental issues received from persons who reviewed the Draft EIR and provide responses to those comments.
- F-3 See Response to Comment E-4.
- F-4 Comment noted. However, this comment does not raise an environmental issue warranting a response. CEQA Guideline Sec. 15088 requires that the lead agency evaluate comments on environmental issues received from persons who reviewed the Draft EIR and provide responses to those comments.
- F-5 See Response to Comment E-7.
- F-6 Comment noted. However, the commenter needs to be more specific regarding which SWRCB orders would apply to “future projects.”
- F-7 Comment noted. However, water would be made available immediately and for the long term. See Response to Comment A-9.
- F-8 Comment noted. Benefits are both temporary and permanent. See also Response to Comment F-7
- F-9 See Response to Comment A-10.
- F-10 Revised text will be located in Section 3, Revisions to the Draft SEIR, of the Final SEIR.
- F-11 Comment noted. See Response to Comment F-9. In addition, the commenter should note that the Eastwood/Odello EIR analyzed effects to the Carmel River flows because this project included changes to the point of diversion of water from the Carmel River. The Eastwood/ Odello EIR can be retrieved from:  
[http://www.waterboards.ca.gov/waterrights/water\\_issues/programs/ceqa/docs/30497b\\_feir.pdf](http://www.waterboards.ca.gov/waterrights/water_issues/programs/ceqa/docs/30497b_feir.pdf)

- F-12 Comment noted. However, please note that Table 1.1 provides a response to each comment received on the Pacific Grove Local Water Project Modification Notice of Preparation. In addition, per CEQA Section 15082(a) (4) “The lead agency may begin work on the draft EIR immediately without awaiting responses to the notice of preparation.”
- F-13 Comment noted. However, coordination with Cal-Am representative on the development of the LWP has been ongoing from the origination of the proposed Project. Cal-Am has acknowledged the anticipated effect of the LWP in meetings with the City.
- F-14 Comment noted. However, the commenter ignores the first goal of the project, from 2014 Certified EIR Section 1.4 Project Goals, which states “To preserve available potable water supplies for domestic uses and to maximize the recycling and reuse of non-potable recycled municipal wastewater in a cost-effective manner.” (emphases added). In addition, consistent with the 2014 Certified EIR the Draft SEIR evaluates the potential impacts related to getting the approvals necessary to use the newly available potable water supplies for domestic uses. See also response to comment A-1.
- F-15 Comment noted. However, the statement on page 2-2 is correct. Increased wastewater would be related to growth inducing impacts. See Section 5.2 of the Draft SEIR for an analysis of the potential Growth Inducing Impacts of the proposed modification.
- F-16 Comment Noted.

## Letter G

From: Naja, Elysar@Waterboards <Elysar.Naja@waterboards.ca.gov>  
 Date: Thu, Aug 6, 2015 at 3:46 PM  
 Subject: Pacific Grove Local Water Project (PGLWP): Supplemental Draft Environmental Impact Report (SDEIR) Comments  
 To: "dgho@ci.pg.ca.us" <dgho@ci.pg.ca.us>  
 Cc: "Kashkoli, Ahmad@Waterboards" <Ahmad.Kashkoli@waterboards.ca.gov>

The following comment(s) are on behalf of the State Water Resources Control Board, Division of Financial Assistance:

1. The Supplemental Draft Environmental Impact Report (SDEIR) identifies 125 acre feet per year (AFY) of water that will be produced by the Pacific Grove Local Water Project (PGLWP) to supply non-potable needs. The SDEIR then classifies an "In-Lieu" pool of potable water that would be made available as an offset as a result of operations at the PGLWP. The 125 AFY "In-Lieu" pool of potable water is said, on page 2-3 of the SDEIR, to be used throughout the Cal-Am service area, and on page S-1 of the SDEIR the City is said to be "seeking a water entitlement from the Monterey Peninsula Water Management District (MPWMD) for up to 90 AFY of the saved potable water." This entitlement will include a dedication by the City of up to 30 AFY to the environment (page S-1), but on page 2-3 the City notes that in addition to the 90 AF expanded City entitlement, "up to 35 [additional] AFY would be retained by the MPWMD for uses and environmental dedication to be determined by the MPWMD." Please create a table that clearly identifies the allocation of the 125 AFY that will be "freed", clarifying each portion of the 125 AFY, and what it will be dedicated to.

Thank you,

Elysar Naja  
 Scientific Aid  
 SWRCB, Division of Financial Assistance  
 Environmental Review Unit  
 (916) 327-9117

G-1

G-1 The following table clarifies each portion of the 125 AFY to be freed and what it will be dedicated to:

<b>Dedication</b>	<b>Initial Allocation (AFY)</b>	<b>Allocation following completion of MPWSP (AFY)</b>
Entitlement to City of Pacific Grove	60	90
Environmental Dedication	30	0
Retained by MPWMD	35	35
<b>Total</b>	<b>125</b>	<b>125</b>

## **SECTION 3.0 REVISIONS TO THE DRAFT SEIR**

The following section provides revisions to the text, figures, or tables of the Draft SEIR, in an amendment form. All additions to the text are presented in underline, and all deletions are in strikethrough.

### **3.1 REVISIONS TO INTRODUCTION**

Page 1-6, Section 1.7.4 Biological Resources, the end of the first sentence is revised as follows:

The proposed modification would not directly affect, either directly or through habitat modifications, any species identified as a candidate, sensitive, or special status species or any riparian habitat or other sensitive natural community identified in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service or the National Marine Fisheries Service.

### **3.1 REVISIONS TO PROJECT DESCRIPTION**

No change is proposed to the project description presented in the Draft SEIR.

### **3.2 REVISIONS TO REGIONAL SETTING**

No change is proposed to the regional setting presented in the Draft SEIR.

### **3.3 REVISIONS TO ENVIRONMENTAL IMPACT ANALYSIS**

No change is proposed to the environmental impact analysis section presented in the Draft SEIR.

### **3.4 REVISIONS TO ALTERNATIVES**

Page 4-1, Section 4.1.2 of the Draft SEIR is revised as follows:

#### **4.1.2 SDEIR Alternatives Analysis**

The scope of this Draft SEIR does not include a re-analysis of alternatives to the 2014 Certified EIR. CEQA Guidelines require a supplement to an EIR to “contain only the information necessary to make the previous EIR adequate for the project as revised.” (CEQA Guideline Section 15163(b)).

Alternatives to the proposed modification are:

- Alt 1: No Water Entitlements: MPWMD does not grant the water entitlement to the City.

- Alt 2: Reduced Water Entitlements: MPWMD would suspend, for a period of time, use of a greater portion of the In-Lieu Pool and thereby reduce or delay the water entitlement sought by the project modification.
- Alt 3: Dedicate a Portion of the Entitlements to the Carmel River: MPWMD would permanently dedicate a portion of the entitlement water (up to 20% of the 125 AFY) to the environment.
- Alt 4: Dedicate Entitlements to the Carmel River: MPWMD would permanently dedicate all water freed by the project to the environment.

An alternative must meet both of the above criteria described in Section 4.1.1 to be considered in the SEIR evaluation. The results of the evaluation are presented below. The alternatives that did not meet both criteria were not evaluated in this SEIR, and the rationale for removing them from consideration is provided. However, these alternatives would not meet the basic goals and objectives, stated above in Section 16.2 of the 2014 Certified EIR, therefore, they were not considered as reasonable or feasible alternatives to the project modification.

## Results of Alternative Evaluation

### **Alternative 1: No Water Entitlements**

This alternative is not evaluated in the Final SEIR because it fails to meet Criterion 2. This alternative does not meet the primary goal of the 2014 Certified EIR, which is “To preserve available potable water for domestic uses and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner.”

### **Alternative 2: Reduced Water Entitlements**

This alternative is feasible and may ultimately result depending on the discretionary actions that will be taken by the MPWMD. The reduction of the entitlement by the MPWMD to the City may result because MPWMD relies upon the use of metered water use records upon which to base the establishment of new entitlements. The estimated annual volume of recycled water use for the proposed truck-fill station has no metered use records. The City has operated the irrigation of the Municipal Golf Links and El Carmelo Cemetery at sub-optimal volumes because of the high cost of potable water purchased from Cal-Am. Additionally, the MPWMD might determine that the water entitlement be granted to the City, in whole or in part, only after the terms of the CDO have been satisfied or at some other future point in time.

While this alternative may produce environmental benefits, it should be noted that CEQA does not obligate or otherwise require a project applicant to conduct an analysis of any such environmental benefits. The City’s project objective in its 2014 Certified EIR is to preserve potable water for domestic uses. Further, the City is not obligated to mitigate for environmental effects of its water purveyor, Cal-Am.

However, this alternative was not evaluated in detail in the SEIR because it is subject to the discretionary actions of the MPWMD and therefore the environmental effects of any such analysis would be speculative. Additionally, this alternative would not have any potentially significant effects to the environment. This alternative would only produce

potential benefits. Otherwise, the environmental effects would be the same as the Alternative 1, No Water Entitlements Alternative.

### **Alternative 3: Dedicate a Portion of the Entitlements to the Carmel River**

This alternative is feasible and may ultimately result depending on the discretionary actions that will be taken by the MPWMD. Currently, the MPWMD has collaborated with the City in identification of the amount of water that would go to each party (90 AFY to the City; 30 AFY to the environment until such time as the conditions of the CDO are met; and, 35 AFY to the discretion of the MPWMD). The relative quantities for the assignment of each portion of the entitlement will result from the discretionary actions of the MPWMD.

While this alternative may produce environmental benefits, it should be noted that CEQA does not obligate or otherwise require a project applicant to conduct an analysis of any such environmental benefits. The City's project objective in its 2014 Certified EIR is to preserve potable water for domestic uses. Further, the City is not obligated to mitigate for environmental effects of its water purveyor, Cal-Am.

However, this alternative was not evaluated in detail in the SEIR because it is subject to the discretionary actions of the MPWMD and therefore the environmental effects of any such analysis would be speculative. Additionally, this alternative would not have any potentially significant effects to the environment. This alternative would only produce potential benefits. Otherwise, the environmental effects would be the same as the No Water Entitlements Alternative.

### **Alternative 4: Dedicate Entitlements to the Carmel River**

This alternative is not evaluated in the SEIR because it does not meet the primary goal of the 2014 Certified EIR, which is "To preserve available potable water for domestic uses and to maximize the recycling and reuse of non-potable municipal wastewater in a cost effective manner."

This project alternative considers that the MPWMD would not provide any water entitlements created by the In-Lieu Pool to the City or for use by its own allocation. Instead, the maximum amount of 125 AFY of water freed by the proposed project would be permanently dedicated to the environment.

While this alternative may produce environmental benefits, it should be noted that CEQA does not obligate or otherwise require a project applicant to conduct an analysis of any such environmental benefits. The City's project objective in its 2014 Certified EIR is to preserve potable water for domestic uses. Further, the City is not obligated to mitigate for environmental effects of its water purveyor, Cal-Am.

The proposed "environmental dedication" could be considered by the MPWMD in an entitlement proceeding. Such a dedication is without precedent of the MPWMD, therefore the environmental effects of any such analysis would be speculative to estimate whether MPWMD could, or should, make such an environmental dedication, or to examine the process to do so or guarantee it would have the desired effects.

While Cal-Am water production varies year to year, it diverts an average of 10,730 AFY from the Carmel River. Based on this amount, a comparison can be made to the

maximum increment of In-Lieu water that would be created. The project's 125 AFY In-Lieu water represents 1.16% of Cal-Am's average annual diversion. A reduction in Cal-Am's diversion of 1.16% of Cal-Am's annual average diversion would result in only speculative environmental benefits to the river.

CEQA does not require a project applicant to analyze environmental benefits of its proposed project. The purpose of the proposed modification is to enable re-use of potable water formerly used for irrigation purposes, and to preserve that potable water for domestic use. Additionally, the City has no obligation to contribute to or conduct a project to offset adverse environmental impacts caused by Cal-Am.

The In-Lieu Pool created by the proposed modification has a future maximum annual volume of 125 AF, of which the City seeks entitlements for 90 AFY (60 AFY initially and 30 AFY after the conditions of the CDO have been met). Separately, 35 AFY would remain with the MPWMD for allocation at its discretion.

Cal-Am manages and derives its water supply from the following sources: diversion and pumping of the Carmel River; pumping from the Seaside Groundwater Basin; operation of an Aquifer Storage and Retrieval (ASR) project; and, the Sand City Desalination Plant. Cal-Am is obligated to reduce its diversions from the Carmel River pursuant to Board Orders 95-010 and 2009-00060. However, resource and system constraints do not always allow it to do so. Water supplies may be derived from Seaside, Sand City or ASR due to many factors. Discussion and conclusion as to what source will supply any specific water demand is speculative, and beyond our ability to know. It is therefore also speculative to conclude how reductions in Cal-Am production may directly produce positive effects on the environment.

As discussed in section 5.2.4 of the Draft SEIR, specific projects seeking water allocations from the City's requested full entitlement (90 AFY) cannot be known at this time, with the exception of the few projects identified on the City's Water Waiting List). Infill and other development projects that could result if the City receives its requested water entitlement would need to conform to the City's then-current General Plan, Land Use Plan and Housing Plan Element of the General Plan. Infill development has already received an evaluation of its potential environmental effects throughout the City (City of Pacific Grove, 1994). Other projects similarly require individual analysis of potential environmental effects by the City as a part of its review proceedings.

A similar environmental review and approval process would be completed for each proposed development project within the MPWMD service area for projects outside the City of Pacific Grove. Discussion and conclusion as to types of projects, their location and timing is speculative.

The City of Pacific Grove has instituted a "Water Waiting List" (Municipal Code Chapter 11.68) that established procedures for allocation of water by the City to its review and processing of building permit applications. To facilitate that process, the City established the following four water allocation categories: (1) Residential; (2) Commercial; (3) Governmental; (4) City-Administered Community Reserve.

Effective August 1, 1995, all remaining water allocated to the City of Pacific Grove by the MPWMD and all water becoming available after that date must be allocated, in amounts

and percentages determined by the City Council, to the four allocation categories. Allocations are made by Council resolution. Building permit applications for projects for which there is no available water will not be accepted or processed. However, the Municipal Code establishes a prioritized water waiting list for each allocation category. Projects are placed on a waiting list according to order of receipt of proof of readiness to apply for a building permit.

The current Water Waiting List is available on the Internet at the following URL: <http://www.iworq.net/iworq/PermitWeb/permitWebSearch.asp?cityid=986&fid=605>. Currently, the Water Waiting List identifies a total request of 1.9320 AFY of water for thirteen waitlisted projects. These projects have permit dates going back to January of 2009. Eleven of the projects are residential, one is commercial and one is community reserve. Eight other projects on the Waiting List have been allocated a total of 2.4495 AFY. Those projects have permit dates as old as April of 2011 and consist of six commercial and two government projects.

Should the City receive a water entitlement from MPWMD, it is unknown which or when un-allocated projects on the Water Waiting List would be implemented. Potential environmental effects from these projects will be separately determined during planning review, zoning plan check and building department reviews.

### **3.5 REVISIONS TO OTHER ENVIRONMENTAL CONSIDERATIONS SECTION**

No change is proposed to the other environmental considerations section presented in the Draft SEIR.

## **SECTION 4.0 REFERENCE AND PREPARERS**

California Code of Regulations. California Environmental Quality Act (CEQA) Statute and Guidelines. Available online at:  
[http://resources.ca.gov/ceqa/docs/2010\\_CEQA\\_Statutes\\_and\\_Guidelines.pdf](http://resources.ca.gov/ceqa/docs/2010_CEQA_Statutes_and_Guidelines.pdf). 2010

California Public Utilities Commission, Direct Testimony of Daniel Gho to the CPUC, 2012.

California State Water Resources Control Board Eastwood/Odello Water Right Change Petition Draft Environmental Impact Report, October 2014.

California Water Code Sections 13857, 13815, 13895.5, 14004 and 13881. Available online at: <http://www.leginfo.ca.gov/cgi-bin/calawquery?codesection=wat&codebody=&hits=20>.

California Water Plan Updated 2013. Investing in Innovation & Infrastructure. Bulletin 160-13. State of California Natural Resources Agency Department of Water Resources. Update 2013.

Pacific Grove Local Water Project Draft Environmental Impact Report, Volumes 1 & 2, September 16, 2014.

Pacific Grove Local Water Project Draft Supplemental Environmental Impact Report, July 2015.

Pacific Grove Local Water Project Final Environmental Impact Report, November 2014.

Pacific Grove Sewer System Management Plan. City of Pacific Grove Public Works Department. 2013.

Pacific Grove Water Waiting List” (Municipal Code Chapter 11.68)

State Water Resources Control Board Cease and Desist Order WR 2009-0060. Available online at:  
[http://www.waterboards.ca.gov/waterrights/board\\_decisions/adopted\\_orders/orders/2009/wro2009\\_0060.pdf](http://www.waterboards.ca.gov/waterrights/board_decisions/adopted_orders/orders/2009/wro2009_0060.pdf). 2009

State Water Resources Control Board Order 95-10. Available online at:  
[http://www.waterboards.ca.gov/waterrights/board\\_decisions/adopted\\_orders/orders/1995/wro95-10.pdf](http://www.waterboards.ca.gov/waterrights/board_decisions/adopted_orders/orders/1995/wro95-10.pdf). 1995.

## LIST OF PREPARERS:

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Manager Caleb Schneider, Administrative Technician

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John Keene, CEQA Specialist

Reena Thomas, P.E., Project Engineer

Debbie Platt, Project Coordinator/ Designer

Reena Birch Fram, Document Coordinator

**APPENDIX A**

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Draft SEIR Distribution List And Newspaper Notice

## Appendix A-1 Draft SEIR Distribution List

US Army Corps of Engineers  
441 G Street NW  
Washington, DC 20314-1000

US Fish and Wildlife Service Ventura Office  
2493 Portola Road, Suite B  
Ventura, CA 93003

California Department of Fish and Wildlife Central Region  
1234 E. Shaw Avenue  
Fresno, CA 93710

State Water Resources Control Board  
P.O. Box 100  
Sacramento, CA 95812-0100

Monterey Bay National Marine Sanctuary, attention Bridget Hoover 99 Pacific Street,  
Bldg. 455A  
Monterey, California 93940

Coastal Commission Central Coast Office,  
attention Dan Carl  
725 Front Street, Suite 300  
Santa Cruz, CA 95060-4508

Monterey Regional Water Pollution Control Agency,  
attention Brad Hagemann  
5 Harris Court, Bldg D  
Monterey, CA 93940

Monterey Peninsula Water Management District,  
attention Larry Hampson  
P.O. Box 85  
Monterey, CA 93942-0085

Central Coast Regional Water Quality Control Board,  
attention Jennifer Epp  
895 Aerovista Place, Suite 101  
San Luis Obispo, CA. 93401-7906

California American Water  
Attn: Eric J. Sabolsice, Jr, Director, Operations Coastal Division  
511 Forest Lodge Road  
Pacific Grove, CA 93950 eric.sabolsice@amwater.com

Monterey County Recorder-County Clerk  
P. O. Box 29  
Salinas CA 93902-0570

Monterey City Clerk's Office City Hall  
580 Pacific Street  
Monterey, CA 93940

Monterey Peninsula Unified School District  
Ms. Leslie Codianne,  
Interim Superintendent  
lcodianne@mpusd.k12.ca.us

Molly Erickson  
stampoffice@yahoo.com,  
erickson@stamlaw.us

California Department of Parks and Rec  
todd.lewis@parks.ca.gov

Monterey County Department of Health  
listerdm@co.monterey.ca.us,  
fowlerne@co.monterey.ca.us,  
firedrichm@co.monterey.ca.us

Monterey County RMA – Planning Department,  
Attention Mike Novo  
novom@monterey.ca.us

Division of Safety and Dams  
damsafety@water.ca.gov

Sierra Club, Ventana Chapter"  
chapter@ventana.sierraclub.org

Monterey/Santa Cruz Counties Building and Construction Trades Council

League of Women Voters, Executive Director

Pacific Grove City Council  
bill@billkampe.org  
huitt@comcast.net  
kencun17@sbcglobal.net  
rudylfischer@earthlink.net  
caseypg@yahoo.com  
danmiller39@comcast.net

Pacific Grove Planning Commission

Other emails:

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stepe@ambag.org

dquetin@mbuapcd.org

todd@tamcmonterey.org

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novom@monterey.ca.us

dstoldt@mpwmd.net

cnps@cnps.org

landwatch@mclw.org

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Appendix A-2 Newspaper Notice for the Draft SEIR



**CITY OF PACIFIC GROVE NOTICE OF AVAILABILITY OF DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT (SEIR) FOR THE PACIFIC GROVE LOCAL WATER PROJECT (PGLWP)**

The City of Pacific Grove has made available the Draft Supplemental Environmental Impact Report Draft (SEIR).

Notice is hereby given for the Draft Supplemental Environmental Impact Report (SEIR) for the Pacific Grove Local Water Project. This SEIR supplements the previously certified final EIR (2014 Certified EIR, State Clearinghouse Number 2014021058) dated November 19, 2014. Pursuant to the requirements of the California Environmental Quality Act (CEQA), the City of Pacific Grove will be the Lead Agency and will prepare an SEIR for the project.

**Description:** The SEIR project objective is to obtain water entitlements for portions of the saved potable water that will be freed by the replacement of non-potable water supply produced by the Pacific Grove Local Water Project. Water entitlements will be used by the City after they are recognized for use by the Monterey Peninsula Water Management District (MPWMD).

**Public Review Period:** The OCWD appreciates your interest and participation in this environmental review process. The Draft EIR will be available for review beginning July 3, 2015 and ending on August 2, 2015. Public comments will be accepted during the public review period until 5:00 p.m. on August 2, 2015. Comments may be sent via mail, email or fax and should be addressed to:

DANIEL GHO, SUPERINTENDENT PUBLIC WORKS VIA E-MAIL AT DGHO@CITYOFPACIFICGROVE.ORG BY PHONE AT (831) 648-5722 EXT. 203 BY MAIL 300 FOREST AVE. PACIFIC GROVE CA.

**Copies of the Draft EIR, Final EIR, and Draft SEIR are available to the public at City of Pacific Grove Community Development Department, 300 Forest Avenue and at the Pacific Grove Public Library, 550 Central Avenue and posted on the City's website [www.cityofpacificgrove.ca.us](http://www.cityofpacificgrove.ca.us).**

FOR FURTHER INFORMATION, PLEASE CONTACT: DANIEL GHO, SUPERINTENDENT PUBLIC WORKS VIA E-MAIL AT DGHO@CITYOFPACIFICGROVE.ORG BY PHONE AT (831) 648-5722 EXT. 203

/S/SANDRA KANDELL

SANDRA KANDELL, DEPUTY CITY CLERK

The City of Pacific Grove does not discriminate against persons with disabilities. The Pacific Grove City Hall is an accessible facility. A limited number of devices are available to assist those who are hearing impaired.

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