

June 4, 2015

**NOTICE OF PREPARATION
OF A
DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT
(SCH# 2014021058)
AND SCOPING MEETING**

SUBJECT: The City of Pacific Grove has directed preparation of this Supplemental Environmental Impact Report (SEIR) for the Pacific Grove Local Water Project (PGLWP). This SEIR supplements the previously certified final EIR (2014 Certified EIR, State Clearinghouse Number 2014021058) dated November 19, 2014. The City is the lead agency under the California Environmental Quality Act (CEQA), codified at California Public Resources Code Sections 21000 et. seq., State CEQA Guidelines in the Code of Regulations, Title 14, Division 6, Chapter 3, and CEQA Plus requirements of the State Water Resources Control Board (SWRCB). “Lead agency” is defined by CEQA Section 21067 as “the public agency which has the principal responsibility for carrying out or approving a project which may have a significant effect upon the environment.” See also the CEQA Guidelines (California Code of Regulations [CCR] Section 15000 et seq.).

The Draft SEIR evaluates a proposed modification to the Pacific Grove Local Water Project (hereafter referred to as the “proposed Pacific Grove Local Water Project modification” or “proposed modification”).

The proposed modification that is the subject of this SEIR is as follows:

- a. Recognition and use of water entitlements for portions of the saved potable water that will be freed for potable uses by reason of the replacement non-potable water supply produced by the PGLWP. Entitlements will be used by the City after they are recognized for use by the Monterey Peninsula Water Management District (MPWMD).

PROJECT NAME: Pacific Grove Local Water Project (PGLWP) Modification

PROJECT LOCATION: The proposed project site is located on Ocean View Boulevard, west of the intersection with Asilomar Avenue, within the City of Pacific Grove in Monterey County. The general site location is shown on Figure 1. The Cal-Am service area is shown on Figure 2.

PROJECT BACKGROUND: The City is located on the tip of the Monterey Peninsula on the Central California Coast. The region is dependent on local rainfall for replenishment of its water supplies. Variable rainfall patterns have resulted in severe droughts. Near coastal groundwater pumping has resulted in increasing total dissolved solids (TDS) concentrations, seawater intrusion and overdraft of the local aquifers (Monterey Regional Water Pollution Control Agency, 2014). Diversions and pumping of

the Carmel River alluvial aquifer have put critical riparian habitat, as well as federal and state listed endangered and threatened species, at risk.

Water supplies available to the City's water purveyor, California-American Water Company (Cal-Am), and thereby to the City and the Monterey Peninsula, are reduced due to pumping restrictions pursuant to the following three actions: 1) State Water Resources Control Board (SWRCB) Order 95-10, 2) issuance of a Cease and Desist Order (CDO) by the SWRCB (Order WR 2009-0060), and 3) reduced pumping of the Seaside Groundwater Basin (SGWB), pursuant to a court-ordered groundwater adjudication.

The primary goal of the PGLWP is to create and maximize the use of a new supply of non-potable water to primarily irrigate the Pacific Grove Golf Links and El Carmelo Cemetery, and to create new uses of recycled water within the Project service area as permitted in the State of California. The Project service area is consistent with the water franchise agreement between the City and Cal-Am. The PGLWP objective substitutes recycled water where potable water is currently being used. The City will construct and own the PGLWP facilities. Operations of the proposed Project will likely be by a contractor under agreement with the City.

The PGLWP will free up potable water for alternate potable uses. Non-potable recycled water produced by the Project will be used in lieu of 125 acre-feet per year (AFY) (average annual demand) of potable water for irrigation by the City. The freed potable water is referred to throughout this SEIR as the in "lieu pool".

PROJECT DESCRIPTION (MODIFICATIONS ONLY): Currently the City irrigates its Municipal Golf Course, El Carmelo Cemetery, and other public landscaping areas with potable water purchased from Cal-Am. The FEIR identified irrigation of the Pacific Grove Golf Links, El Carmelo Cemetery, and other minor uses of recycled water that would be used as a 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 water entitlements from the MPWMD for up to 90 AFY of the saved potable water (in lieu pool) created by the proposed project, in order to serve a portion of the anticipated build-out water demand of the City, consistent with state requirements and MPWMD ordinances. The 90 AFY includes a dedication by the City of up to 30 acre feet per year 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. 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 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 by Cal-Am. Finally up to 35 AFY of potable water would be retained for use by the MPWMD. This SEIR therefore evaluates potential environmental effects of the City of Pacific Grove obtaining water entitlements from the MPWMD, use of water dedicated to the environment, and use of up to 35 AFY water retained by MPWMD.

The MPWMD has collaborated with the City and requested preparation of this SEIR to evaluate potable water entitlements related to the in lieu potable water supply created by the PGLWP.

ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED: This SEIR seeks to identify and analyze potential impacts of the proposed project modification, and recommend possible mitigation measures necessary to eliminate or substantially reduce any identified significant impacts. This SEIR specifically evaluates 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
- Growth Inducing Impacts

SCOPING MEETINGS: Pursuant to the public participation goals of the City and of CEQA, the City of Pacific Grove will conduct a public scoping meeting on June 22, 2015 at 5:30p.m.. Additionally, the City will conduct individual meetings with the following Responsible Agencies:

- Monterey Regional Water Pollution Control Agency (MRWPCA)
- MPWMD
- Cal-Am

COMMENTING ON THE SCOPE OF THE EIR: The City of Pacific Grove welcomes all comments regarding potential environmental impacts of the proposed project. All comments will be considered in the preparation of the SEIR. Written comments must be submitted by July 3, 2015.

Please direct your comments to:

Daniel Gho, Superintendent Public Works
City of Pacific Grove
Public Works Department
2100 Sunset Drive
Pacific Grove, CA 93950
Email: dgho@cityofpacificgrove.org

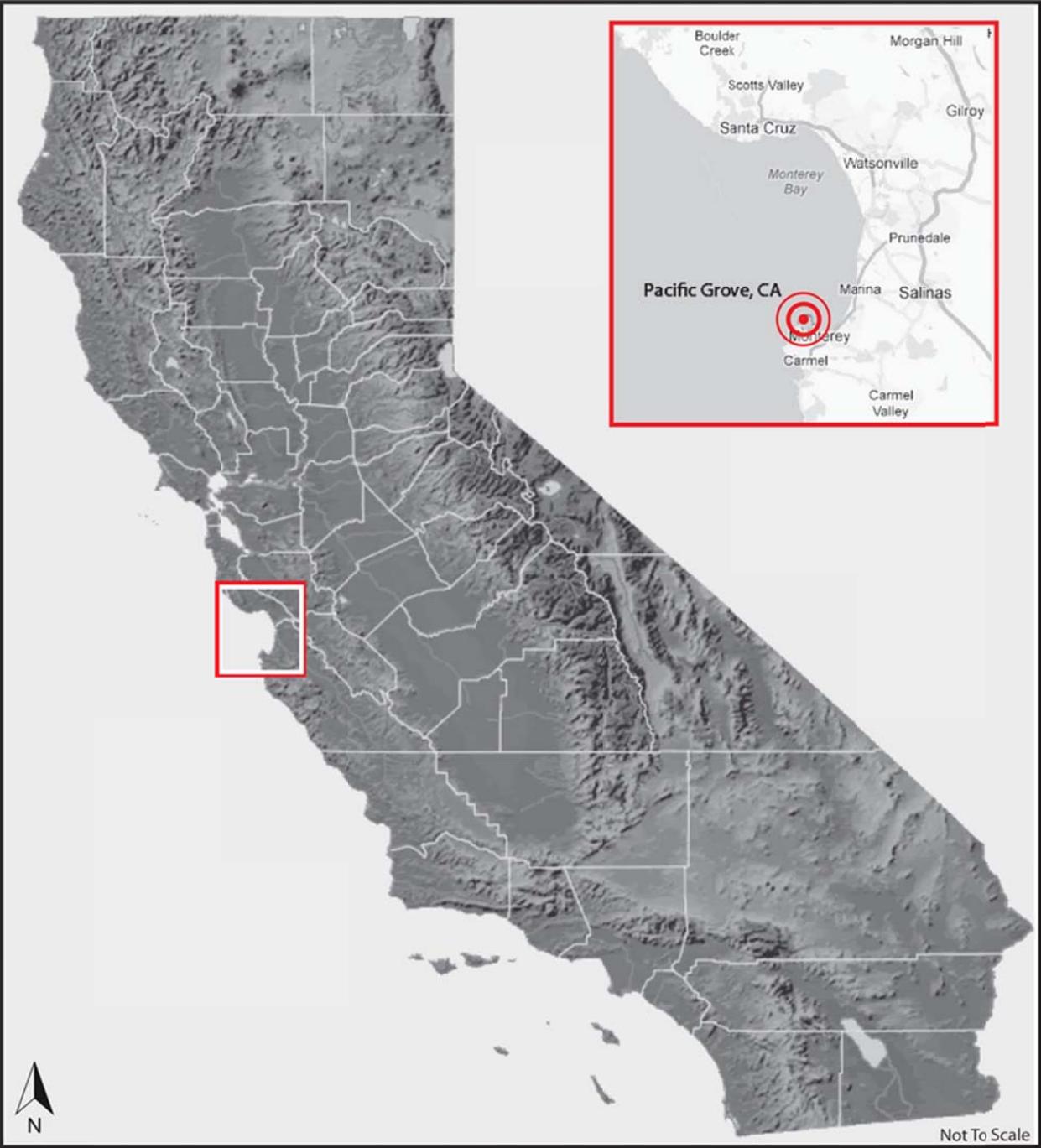
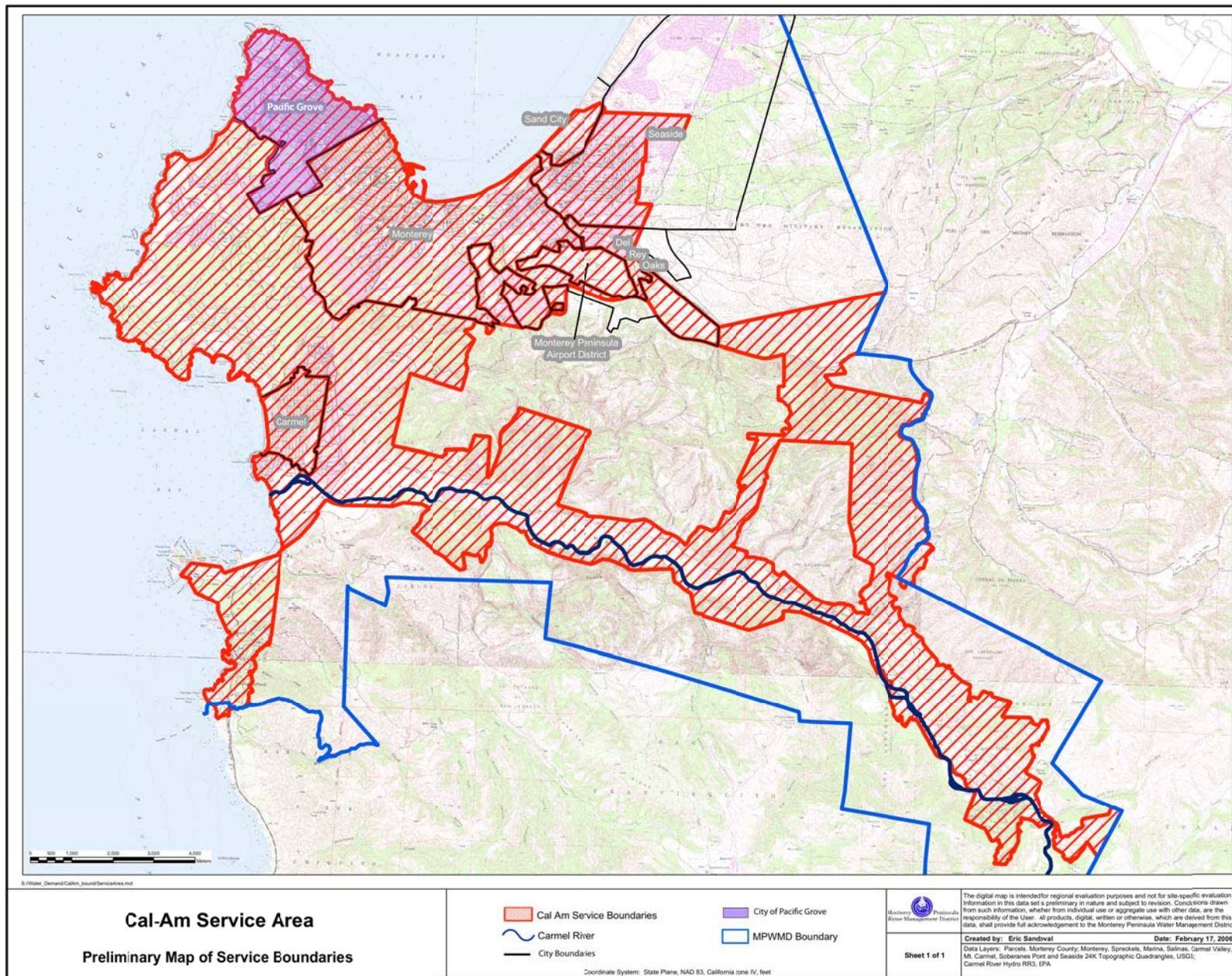


Figure 1 – Project Location



Source: <http://www.mpwmd.dst.ca.us/MapGallery/ServiceArea.pdf>

Figure 2 – Cal-Am Service Area