



Pacific Grove Local Water Project



Draft Supplemental Environmental Impact Report

SCH No. 2014021058

July 2015

Brezack & Associates Planning

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Acronyms and Abbreviations

AFY	Acre Feet per Year
ASBS	Area of Special Biological Significance
BMPs	Best Management Practices
Cal-Am	California American Water Company
CCR	California Code of Regulations
CDO	Cease and Desist Order
CDPH	California Department of Public Health
CDP	Coastal Development Permit
CEQA	Council on Environmental Quality
CEQA	California Environmental Quality Act
City	The City of Pacific Grove
City Entitlement	Pacific Grove Water Entitlement
CO	Carbon Monoxide
EIR	Environmental Impact Report
EPA	U.S. Environmental Protection Agency
HCP	Habitat Conservation Plan
HDD	Horizontal directional drilling
In-Lieu Pool	Saved Potable Water
LF	Linear Feet
MBUAPCD	Monterey Bay Unified Air Pollution Control District
MCDHS	Monterey County Department of Health Services
MMRP	Mitigation Monitoring and Reporting Plan
MPWMD	Monterey Peninsula Water Management District
MPWSP	Monterey Peninsula Water Supply Project
MRWPCA	Monterey Regional Water Pollution Control Agency
NOI	Notice of Intent
NOP	Notice of Preparation
NO _x	Oxides of Nitrogen
PGLWP	Pacific Grove Local Water Project
RWQCB	Regional Water Quality Control Board
SDEIR	Supplemental Draft Environmental Impact Report
SGWB	Seaside Groundwater Basin
SO _x	Oxides of Sulfur
SRF	State Revolving Fund
SRWTP	Satellite Recycled Water Treatment Plant
SWRCB	State Water Resources Control Board
TDS	Total Dissolved Solids
VOC	Volatile Organic Compounds
WAS	Waste Activated Sludge
WDR	Waste Discharge Requirements
WWTP	Wastewater Treatment Plant

S SUMMARY

A INTRODUCTION

The City of Pacific Grove (City) is proposing a modification to the Pacific Grove Local Water Project (PGLWP). 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). As the lead agency for compliance with the California Environmental Quality Act (CEQA), the City has determined that the proposed PGLWP modification (proposed modification) may have significant effects on the physical environment that were not identified in previous analyses. Because the proposed modification will require only minor additions or changes to the 2014 Certified EIR, this Supplemental Draft Environmental Impact Report (SDEIR) focuses on the significant effects on the physical environment not previously addressed in the 2014 Certified EIR that potentially would result from the proposed modification.

B SUMMARY DESCRIPTION OF THE PROPOSED PROJECT

Currently the City irrigates its Municipal Golf Course, El Carmelo Cemetery, and other public landscaped areas with potable water purchased from Cal-Am. The 2014 Certified EIR 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 a water entitlement from the Monterey Peninsula Water Management District (MPWMD) for up to 90 AFY of the saved potable water (In-Lieu pool) created by the PGLWP, 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 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. This SDEIR 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 SDEIR to evaluate potable water entitlements related to the In-Lieu potable water supply created by the PGLWP.

C MAJOR CONCLUSIONS OF THE ENVIRONMENTAL ANALYSIS

The proposed modification would not result in significant, temporary direct impacts to population/housing or utilities/service systems. No mitigation measures would be required. 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 non-potable water supply produced by the PGLWP. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification.

D GROWTH INDUCING IMPACTS

The proposed modification would accommodate potential growth and development within Cal-Am's service area within the City of Pacific Grove. While the proposed modification would remove an obstacle to development (lack of available water supply), thereby accommodating growth and development, the proposed modification would not, in and of itself, directly cause new unplanned growth or development. As a result, the environmental effects of growth would be secondary or indirect effects of the proposed modification. Indirect effects associated with growth could result in a variety of environmental effects, such as increased demands for public services, increased traffic and noise, and potential impacts to air quality, among other potential impacts. The growth-inducement impact analysis is provided in Section 5.2, Growth Inducing Impacts.

Potential impacts due to potential growth-inducement would be addressed through a site-specific evaluation and the standard development review process. All development activities proposed on existing lots of record would be subject to existing City and/or County requirements (i.e., General Plan and Zoning Ordinances) and project-specific environmental review. In addition, these projects would also be required to comply with project-specific conditions of approval, as well as any mitigation measures identified during project-level CEQA review. As a result, potential indirect effects would be less-than-significant.

SECTION 1.0 INTRODUCTION

1.1 INTRODUCTION

In November of 2014 the City certified an Environmental Impact Report (EIR) for the Pacific Grove Local Water Project (PGLWP). The City has directed preparation of this Supplemental Draft Environmental Impact Report (SDEIR) for the proposed PGLWP modification. The City is the Lead Agency under CEQA, codified at California Public Resources Code Sections 21000 et. seq., the CEQA Guidelines (CEQA Guidelines) in the California Code of Regulations, (CCR), Title 14, Division 6, Chapter 3, and CEQA Plus requirements of the 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 (CCR Title 14 Chapter 3 Section 15000 et seq.).

The 2014 Certified EIR was prepared pursuant to CEQA Plus requirements of the SWRCB for State Revolving Fund loan application purposes. The proposed modification does not seek State Revolving Fund (SRF) funding and the SWRCB has determined that CEQA Plus compliance is not required for this SDEIR (personal communications with Ahmad Kashkoli; SWRCB Division of Financial Assistance, Senior Environmental Specialist on June 18, 2015)

The SDEIR will evaluate a proposed modification to the PGLWP (hereafter referred to as the “proposed PGLWP modification” or “proposed modification”).

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

- 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 23.5 and Rule 23.6, and would allow the City to issue water 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.¹

The general site location is shown on Figure 1.

¹MPWMD has established rules that allow it to issue water permits for properties that are beneficiaries and/or recipients of water from certain specified recycled water and/or alternative water supply projects. MPWMD Rule 23.5 specifies MPWMD’s procedures for processing applications for, and issuing, water use permits for allocations of water entitlements based on the Pebble Beach Company’s Recycled Water Project. MPWMD Rule 23.6 specifies the District’s procedures for processing applications for, and issuing, water use permits for allocations of water entitlements based on the Sand City Desalination Facility. The proposed modification includes proposed new MPWMD Rule 23.8, that would specify new procedures for MPWMD’s processing applications for, and issuing, water use permits for allocations of water entitlements based on the saved potable water (In-Lieu pool) created by the PGLWP and this proposed modification.

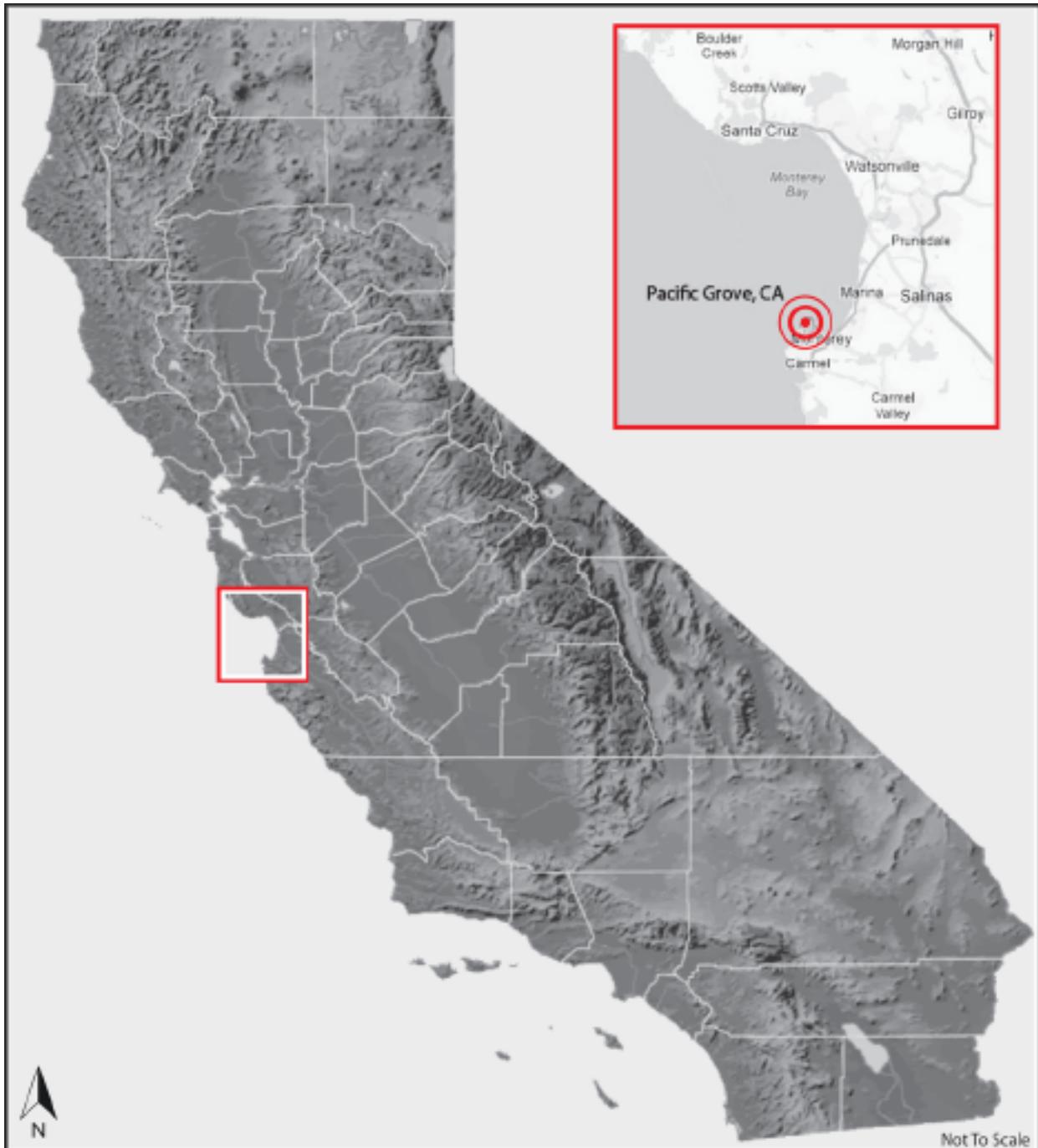


Figure 1- Project Location

1.2 PURPOSE OF THIS SDEIR

Pursuant to CEQA Guidelines, an environmental assessment must be undertaken for projects that have the “potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment” (CEQA Section 15378(a)). This SDEIR has been prepared by the City to evaluate environmental impacts that may result

from implementation of the proposed PGLWP modification. The intent of this SDEIR is to provide full disclosure to the Pacific Grove community, residents of the Monterey region, stakeholders and regulatory agencies so that the proposed PGLWP modification can be approved.

A Lead Agency may choose to prepare a supplement to an EIR rather than a subsequent EIR when any of the conditions that require preparation of a subsequent EIR are met and when “only minor additions or changes would be necessary to make the previous EIR adequately apply to the project in the changed situation” (CEQA Guidelines, CCR Section 15163(a)). This SDEIR supplements the previously certified final EIR (2014 Certified EIR, State Clearinghouse Number 2014021058) dated November 19, 2014. The purpose of this SDEIR is to provide the additional information necessary to make the 2014 Certified EIR adequate for the Project as modified.

Accordingly, pursuant to the CEQA Guidelines (CCR Section 15163(b)), this SDEIR needs to contain only the information necessary to make the previous EIR adequate for the project as modified. When information and analysis in the 2014 Certified EIR is relevant to the analysis of the proposed modification, it is briefly summarized or described rather than repeated in its entirety.

As the Lead Agency, the City will consider the information presented in this SDEIR, comments received on the Notice of Preparation for this SDEIR, on this SDEIR, and responses to those comments, along with the entire administrative record, when determining whether to approve the proposed modification. This SDEIR has been prepared in accordance with the requirements of CEQA and the CEQA Guidelines. The SDEIR process for the proposed PGLWP modification is described further in Section 1.7, “Public Involvement and Additional Steps under CEQA.”

1.3 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 SDEIR incorporates by reference the documents listed below.

- Pacific Grove Local Water Project Draft Environmental Impact Report, Volumes 1 & 2, September 16, 2014.
- Pacific Grove Local Water Project Final Environmental Impact Report, November, 2014, SCH 2014021058.
- City of Pacific Grove Local Water Project Facility Plan Report WRFP 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, 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>.

1.4 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 (MRWPCA), 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 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) SWRCB Board 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 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 service area of the proposed PGLWP is consistent with the water franchise agreement between the City and Cal-Am. 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. The City will construct and own the PGLWP facilities. Operations of the PGLWP will likely be by a contractor under agreement with the City.

The PGLWP will produce and distribute high quality recycled water to replace potable water used for non-potable water demands such as landscape irrigation. Free up potable water will become available for potable uses. Recycled water produced by the PGLWP will be used in lieu of 125 acre-feet per year (AFY) (average annual demand) of potable water. The freed potable water is referred to throughout this SDEIR as the In-Lieu pool. The PGLWP would also reduce the operational production of California American Water (Cal-Am's) proposed Monterey Peninsula Water Supply Project (MPWSP) by decreasing the operational requirements of the proposed seawater desalination plant by this same amount, 125 AFY.

1.5 PROPOSED PGLWP MODIFICATION

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 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.

MPWMD has collaborated with the City and the City determined that it would prepare this SDEIR to evaluate water entitlements related to the In-Lieu pool created by the PGLWP. The SDEIR evaluates potential environmental effects of the City's uses of a portion of the In-Lieu pool.

1.6 SCOPE AND FOCUS OF THE SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

This SDEIR seeks to identify and analyze potential impacts of the proposed modification, and recommend potential mitigation measures necessary to eliminate or substantially reduce any identified significant impacts. This SDEIR specifically evaluates the following environmental resource areas, in which the proposed modification could have new or substantially more severe significant direct, indirect, and/or cumulative environmental effects:

- Population / Housing
- Utilities / Service Systems

1.7 ENVIRONMENTAL RESOURCE AREAS NOT CONSIDERED IN DETAIL

This section of the SDEIR identifies the effects found to be less than significant and presents the reasons why the various possible significant effects of the proposed modification were determined not to be significant and therefore not discussed in greater detail. The following environmental resource issues are not expected to result in any significant adverse environmental impacts from implementation of the project modification. These environmental resources include aesthetics, agriculture and forestry resources, air quality, biological resources, cultural resources, geology and soils, greenhouse gas emissions, hazards and hazardous materials, hydrology and water quality, land use and planning, mineral resources, noise, public services, recreation, and transportation and traffic. The following is an explanation as to why each resource listed will not experience any significant environmental effects from the proposed modification.

1.7.1 Aesthetics

The proposed modification would not directly result in any potentially significant visual or aesthetic related effects. 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 non-potable water supply produced by the PGLWP. In addition, no physical improvements or ground-disturbing activities would occur in connection with the proposed modification. As a result, the proposed modification would not substantially affect any scenic vista, damage any scenic resource within a state scenic highway, degrade the existing visual quality of the site, or create any new source of substantial light or glare. There would be no impacts from the proposed modification.

1.7.2 Agriculture and Forest Resources

The proposed modification would not directly affect existing agricultural resources such that Prime Farmland, Unique Farmland, or Farmland of Statewide Importance would be converted to a non-agricultural use. 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 non-potable water supply produced by the PGLWP. In addition, no physical improvements or ground-disturbing activities would occur in connection with the proposed modification. As a result, the proposed modification would not affect Prime, Unique, or Farmland of Statewide Importance as defined under the Farmland Mapping and Monitoring Program (FMMP). In addition, the project modification would not conflict with existing

agricultural zoning and would not cause conflicts with Williamson Act properties. No forest land would be affected by the proposed modification.

1.7.3 Air Quality

The proposed modification would not directly affect existing air quality. 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 non-potable water supply produced by the PGLWP. In addition, no physical improvements or ground-disturbing activities would occur in connection with the proposed modification. Therefore, the proposed modification would not directly result in any air quality emissions that could conflict with or obstruct the implementation of the 2008 Monterey Bay Unified Air Pollution Control District (MBUAPCD) Air Quality Management Plan, violate any air quality standards or contribute substantially to an existing or projected air quality violation, result in a cumulatively considerable net increase of any criteria pollutant, expose sensitive receptors to substantial pollutant concentrations, or create objectionable odors affecting a substantial number of people. The proposed modification would not result in any significant air quality effects.

1.7.4 Biological Resources

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. 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 non-potable water supply produced by the PGLWP. In addition, no physical improvements or ground-disturbing activities would occur in connection with the proposed modification. As a result, the proposed modification would not affect federally protected wetlands, interfere substantially with the movement of any native resident or migratory fish or wildlife species, or conflict with any local policies, ordinances, or other approved local, regional, or state habitat conservation plans protecting biological resources.

1.7.5 Cultural Resources

The proposed modification would not directly result in any physical development or construction of infrastructure improvements that would directly affect the environment. 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 non-potable water supply produced by the PGLWP. Since the proposed modification would not entail the construction of physical improvements or otherwise result in ground-disturbing activities, the proposed modification would not directly affect cultural resources. The proposed modification would not cause any substantial adverse change in the significance of a historical resource or archaeological resource, adversely affect a unique paleontological resource or geologic feature, or disturb human remains. The proposed modification would not directly affect any cultural resources.

1.7.6 Geology and Soils

The proposed modification would not directly result in any physical development or construction of infrastructure improvements that would directly affect geology or soils. 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 non-potable water supply produced by the PGLWP. As a result, the proposed modification would not expose people or structures to potential seismically induced hazards (i.e., fault ruptures, ground failure, liquefactions, landslides, etc.), result in substantial soil erosion or the loss of topsoil, be located on a geologic unit that is unstable, or be located on expansive soils. The proposed modification would not result in any potential adverse effects due to soils being incapable of supporting septic disposal since the proposed modification would not involve the construction of any septic systems. The proposed modification would not affect geology or soil resources.

1.7.7 Greenhouse Gas Emissions

The proposed modification would not directly affect greenhouse gas emissions. 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 non-potable water supply produced by the PGLWP. In addition, no physical improvements or ground-disturbing activities would occur in connection with the proposed modification. Therefore, the proposed modification would not directly generate greenhouse gas emissions or conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases. However, the proposed modification could indirectly generate greenhouse gas emissions; these effects are evaluated within the context of the growth-inducement analysis identified Section 5.2, Growth Inducing Impacts.

1.7.8 Hazards and Hazardous Waste

The proposed modification would not result in any direct effects due to hazards or hazardous materials. The proposed modification would not create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials, would not cause the accidental release of a hazardous material, emit hazardous emissions within one-quarter mile of an existing or proposed school, be located on a hazardous material site, create a safety hazard for people residing or working within the vicinity of a public or private airport, impair the implementation of an emergency response plan, or expose people or structures to a significant hazards due to wild land fires. 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 non-potable water supply produced by the PGLWP. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification. Therefore, there would be no potential adverse effects due to hazards and hazardous materials.

1.7.9 Hydrology and Water Quality

The proposed modification would not directly result in any physical development or construction of infrastructure improvements that would directly affect hydrology and water quality. 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 non-potable water

supply produced by the PGLWP. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification. As a result, the proposed modification would not violate any water quality standards or waste discharge requirements, substantially deplete groundwater supplies or interfere substantially with groundwater recharge, substantially alter the existing drainage pattern of the site or area in a manner that would result in substantial increases in erosion or siltation on- or off-site, cause increases in the rate and amount of surface runoff in a manner which would result in flooding on- or off-site, create or contribute runoff which could exceed the capacity of existing (or planned) stormwater drainage systems, place housing in a 100-year flood hazard area, place structures within a 100-year flood hazard area, or expose people or structures to a significant risk of loss due to flooding or failure of a levee or a dam.

1.7.10 Land Use and Planning

The proposed modification would not result in any land use or planning effects. The project 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 non-potable water supply produced by the PGLWP. would not physically divide an established community, conflict with any adopted plans or policies intended to avoid or minimize an adverse environmental effect, or result in any inconsistency with an adopted Habitat Conservation Plan or Natural Community Conservation Plan. As a result, there would be no land use or planning effects associated with the proposed modification.

1.7.11 Mineral Resources

The proposed modification would not result in any loss of availability of known mineral resources. 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 non-potable water supply produced by the PGLWP. The proposed modification would not involve the construction of any infrastructure improvements or other physical improvements; the proposed modification would rely entirely on existing Cal-Am facilities. As a result, the proposed modification would not cause any direct effects to mineral resources.

1.7.12 Noise

The proposed modification would not directly result in any physical development or construction of infrastructure improvements that would result in any noise-related impacts. Because the proposed modification would not entail the construction of physical improvements or otherwise result in any new sources of operational noise, the proposed modification would not cause any significant noise effects. The proposed modification would not result in the exposure of persons to or generation of noise levels in excess of local standards, create excessive ground borne vibration, create a substantial permanent increase in ambient noise levels, create a substantial temporary increase in noise levels, or create excess noise within two miles of a public or private airport. 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 non-potable water supply produced by the PGLWP. Therefore, there would be no adverse noise-related effects in connection with the implementation of the proposed modification.

1.7.13 Public Services

The proposed modification would not affect public services. 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 non-potable water supply produced by the PGLWP. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification. As a result, the proposed modification would not cause an increase demand for police or fire protection services, cause an increased demand for schools or parks, or otherwise increase demand for public services. There would be no direct impact to public services in connection with the implementation of the proposed modification.

1.7.14 Recreation

The project would not affect recreation. 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 non-potable water supply produced by the PGLWP. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification. As a result, the proposed modification would not increase the use of existing neighborhood and regional parks or other recreational facilities or require the construction or expansion of recreational facilities.

1.7.15 Transportation and Traffic

The proposed modification would not result in any significant transportation/traffic related impacts. The proposed modification does not involve the construction of any new facilities and no new uses would be associated with the implementation of the proposed modification. 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 non-potable water supply produced by the PGLWP. The proposed modification would utilize existing Cal-Am facilities and no new facilities would be constructed as part of the proposed modification. As a result, the proposed modification would not conflict with applicable County of Monterey or City traffic standards, conflict with applicable congestion management requirements, cause a change in air traffic patterns, substantially increase potential hazards due to a design feature (e.g., dangerous intersections), result in inadequate emergency access, result in an unacceptable level of service (LOS), or otherwise result in a traffic-related impact. The proposed modification would result in indirect traffic-related impacts; these effects are evaluated within the context of the project's potential growth inducing effects. There would be no direct traffic-related effects in connection with the implementation of the proposed modification.

1.8 PUBLIC INVOLVEMENT AND ADDITIONAL STEPS UNDER CEQA

CEQA Guidelines encourage public participation in the planning and environmental review processes. This Draft SDEIR is being circulated to local, state, and federal agencies and to interested organizations and individuals that may wish to review and comment on the document. CEQA Guidelines Sections 15086(c) and 15096(d) call for responsible agencies or other public agencies to provide comment on those project activities within an agency's area of expertise or project activities that are required to be carried out or approved by the agency. The agency should support those comments with either oral or written documentation.

The City sent a Notice of Preparation (NOP) to governmental agencies and organization and person interested in the proposed modification on June 12, 2015. The NOP 30-day review period (known as the public scoping period) ended on July 3, 2015.

Availability of the NOP and the public scoping meeting were posted in the local newspaper and on the City's Internet webpage. The NOP asked agencies and interested parties to comment on environmental issues that should be addressed in the SDEIR. A public scoping meeting was held on June 22, 2015. No one from the public, responsible or trustee agencies attended the meeting and no comments were received at the meeting.

Individual scoping meetings were held with the following responsible agencies:

- MRWPCA (June 4, 2015)
- MPWMD (June 4, 2015)
- Cal-Am (June 23, 2015)

Table 1-1 includes a summary of NOP comments. The City considered all comments relating to an environmental consideration during the preparation of this SDEIR.

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
Monterey Peninsula Water Management District			
David J. Stoldt	July 1, 2015	1	Section 2 of this SDEIR, Project Description of this SDEIR describes the 125 AFY as a “ <i>maximum amount for the purpose of impact assessment</i> ” and acknowledges that the “ <i>actual entitlements approved by the MPWMD could be lower</i> ”.
		2	Section 2 of this SDEIR, Project Description includes the presentation of prior water use records for the Pacific Grove Golf Links and El Carmelo Cemetery.
		3	Section 2.5 of this SDEIR, Project Description , includes a discussion of how the 125 AFY (In-Lieu pool) will be dedicated.
		4	The PGLWP provided an analysis of water demands for the irrigation of the City Golf Course and El Carmelo Cemetery based on a review of the Evapotranspiration (ET) requirements. A presentation of metered water sales and ET requirements for the PGLWP are provided in the 2014 Certified EIR. See also response to comment from Luke Coletti comment number 2 below.
		5	This SDEIR includes a discussion of Alternatives to the proposed PGLWP modification in Section 4.1.2 SDEIR Alterative Analysis .
		6	This SDEIR includes a discussion of MPWMD’s regulatory authority related to the proposed PGLWP modification in Section 2.6 MPWMD Water Use Permit Process .

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
Surfrider Foundation Monterey Chapter			
Antony Tersol	July 3, 2015	1	Section 2.5 Proposed Project Modification includes a discussion of the potable water that will be freed by the proposed modification.
		2	Comment noted.
		3	Comment noted. The proposed modification results in an estimated 100 AFY of sewage to the MRWPCA and local treatment plants, as described in Section 2 of this SDEIR. It does not increase the costs of the MPWSP. Freed potable water results from the direct substitution of recycled water for existing irrigation uses of potable water at the Pacific Grove Golf Links and El Carmelo Cemetery.
		4	Comment Noted.
		5	Comment Noted.

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
		6	Comment Noted. However, please note that the 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 Chapter 15163(b)).
		7	The 2014 Certified EIR for the PGLWP addressed the effects of sea level rise and climate change-related effects in Section 9 Greenhouse Gas Emissions and Section 11 Hydrology and Water Quality.
		8	This SDEIR includes a discussion of alternatives to the proposed PGLWP modification in Section 4.1.2 SDEIR Alternative Analysis .
		9	<p>As stated in Section C, Major Conclusions of the Environmental Analysis, of the Summary Section of this SDEIR “the proposed modification would not result in significant, temporary direct impacts to population/housing or utilities/service systems. No mitigation measures would be required. The proposed project 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 non-potable water supply produced by the proposed modification. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification.”</p> <p>In addition, please refer to Section 1.6, Environmental Resource Areas not Considered in Detail. This section of the SDEIR identifies the effects found to be less than significant and presents the reasons why the various possible significant effects of the proposed modification were determined not to be significant and therefore not discussed in greater detail.</p>

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
		10	Please refer to the discussion of Greenhouse Gas Emissions in the 2014 Certified EIR for the PGLWP Section 9 Greenhouse Gas Emissions. In particular, Section 9.4, Impacts and Mitigation Measures, identifies the potentially significant adverse project-level, program-level, and cumulative greenhouse gas related impacts and required mitigation measures for the proposed modification.
		11	Please refer to the discussion of Cumulative Impacts in the 2014 Certified EIR for the PGLWP in Section 16.3 Cumulative Impacts. In addition, please refer to Section 5.3, Cumulative Impacts, of this SDEIR.
		12	Comment noted. Pursuant to CEQA Guidelines Chapter 15021(a)(2) , “A public agency should not approve a project as proposed if there are feasible alternatives or mitigation measures available that would substantially lessen any significant effects that the project would have on the environment.” In addition, Pursuant to CEQA Guidelines Chapter 15126.4(a)(1), “An EIR shall describe feasible measures which could minimize significant adverse impacts, including where relevant, inefficient and unnecessary consumption of energy.”
		13	Please refer to the Regulatory Setting Section for each resource topic in the 2014 Certified EIR for the PGLWP. The Regulatory Setting Sections identify the proposed modification consistency with the applicable federal, state, and local regulations related to that particular resource topic. In addition, the proposed modification is not anticipated to affect marine resources.

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
		14	Comment noted.
Carmel River Steelhead Association			
Brian LeNeve	July 3, 2015	1	<p>Chapter 19.2 of the CDO is much more narrow than the Order itself and 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.</p> <p>The Order itself applies only to Cal-Am, and not to other entities. The relevant provision of the Order, states that <i>“Cal-Am shall cease and desist from the unauthorized diversion of water from the Carmel River in accordance with the following schedule and conditions.”</i> In particular, Paragraph 2 provides, <i>“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.”</i></p> <p>The CDO limits only Cal-Am’s ability to allow <i>“new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use.”</i> The operative limit is therefore new connections or expansions due to changed zoning uses.</p>

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
		2	See response to Carmel River Steelhead Association comment number 1.
		3	The proposed modification includes 30 AFY of water from the In-Lieu pool that would be temporarily suspended from use and would remain in the Carmel River System. This would occur during the period before Cal-Am is able to cease diverting water from the Carmel River System without a valid basis of right. An additional 35 AFY would remain with the MPWMD for purposes to be determined. The entitlement of 60 AFY of water that would be granted to the City would not immediately be removed from the Carmel River System as the City has estimated that increased demands for potable water may take one or more years to occur.
		4	The City is seeking an entitlement from the MPWMD for a portion of the potable water freed for use by the PGLWP. MPWD will establish the basis for the entitlement as described in Section 2.5 of the SDEIR .
		5	See response to Carmel River Steelhead Association comment number 4.

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response												
		6	See response to Carmel River Steelhead Association comment number 4.												
Luke Coletti															
Luke Coletti	July 3, 2015	1	See response to Carmel River Steelhead Association comment number 1.												
		2	<p>The PGLWP estimated non-potable water use requirements are presented in Table 1 below:</p> <table border="1" data-bbox="835 857 1360 1055"> <thead> <tr> <th data-bbox="835 857 1108 912">Customer</th> <th data-bbox="1108 857 1360 912">Non-Potable Water Requirement (AF)</th> </tr> </thead> <tbody> <tr> <td data-bbox="835 912 1108 945">Golf Links</td> <td data-bbox="1108 912 1360 945">90</td> </tr> <tr> <td data-bbox="835 945 1108 977">El Carmelo Cemetery</td> <td data-bbox="1108 945 1360 977">10</td> </tr> <tr> <td data-bbox="835 977 1108 1010">Truck Fill</td> <td data-bbox="1108 977 1360 1010">24</td> </tr> <tr> <td data-bbox="835 1010 1108 1042">Restrooms</td> <td data-bbox="1108 1010 1360 1042">1</td> </tr> <tr> <td data-bbox="835 1042 1108 1055">Total</td> <td data-bbox="1108 1042 1360 1055">125</td> </tr> </tbody> </table> <p>Due to the escalating cost of potable water for irrigation use, the Pacific Grove Golf Links and El Carmelo Cemetery have significantly reduced irrigation over past 10 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. Between 2008 and 2011, the Golf Links achieved a 28% reduction of water use (CPUC Direct Testimony, 2012). The Golf Links significantly reduced its irrigable areas resulting in localized dry spots and significant turf stress. Although operable, the Golf Links and Cemetery irrigation has been</p>	Customer	Non-Potable Water Requirement (AF)	Golf Links	90	El Carmelo Cemetery	10	Truck Fill	24	Restrooms	1	Total	125
Customer	Non-Potable Water Requirement (AF)														
Golf Links	90														
El Carmelo Cemetery	10														
Truck Fill	24														
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Total	125														

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response																																																								
			<p>significantly below the standard requirements for turf management.</p> <p>Table 2 presents calculated irrigation demand for the Golf Links and Cemetery based upon local evapotranspiration, plant type, and precipitation.</p> <table border="1" data-bbox="835 527 1493 982"> <thead> <tr> <th></th> <th>Eto (inches)</th> <th>Average Precipitation (inches)</th> <th>Golf Links and Cemetery Irrigation Requirement (AF)</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>1.44</td><td>0.84</td><td>2.66</td></tr> <tr><td>Feb</td><td>1.71</td><td>1.66</td><td>0.00</td></tr> <tr><td>Mar</td><td>2.96</td><td>1.86</td><td>2.41</td></tr> <tr><td>Apr</td><td>4.19</td><td>0.76</td><td>14.96</td></tr> <tr><td>May</td><td>4.63</td><td>0.27</td><td>21.78</td></tr> <tr><td>Jun</td><td>4.81</td><td>0.19</td><td>18.66</td></tr> <tr><td>Jul</td><td>4.03</td><td>0.01</td><td>18.43</td></tr> <tr><td>Aug</td><td>3.81</td><td>0.03</td><td>14.74</td></tr> <tr><td>Sep</td><td>2.98</td><td>0.07</td><td>13.93</td></tr> <tr><td>Oct</td><td>2.63</td><td>0.39</td><td>11.17</td></tr> <tr><td>Nov</td><td>1.62</td><td>1.17</td><td>0.00</td></tr> <tr><td>Dec</td><td>1.39</td><td>2.84</td><td>0.00</td></tr> <tr><td>Total</td><td>36.2</td><td>10.09</td><td>118.73</td></tr> </tbody> </table> <p>Estimated irrigation demands for the Golf Course and Cemetery presented in the 2014 Certified EIR are based upon Maximum Applied Water Allowance (MAWA) calculations for irrigation areas, as described within MPWMD Rule 24 Section A. The MAWA calculation is based upon local Reference Evapotranspiration (Eto), plant type, and landscape acreage. The PGLWP applies local precipitation into the calculation of irrigation demands. Average annual demands estimated using these methods may be more conservative than those calculated based on actual historical water meter data. However, the use of ET based demand estimates present the actual water use requirements to maintain healthy landscaping for the operations of the Golf Course</p>		Eto (inches)	Average Precipitation (inches)	Golf Links and Cemetery Irrigation Requirement (AF)	Jan	1.44	0.84	2.66	Feb	1.71	1.66	0.00	Mar	2.96	1.86	2.41	Apr	4.19	0.76	14.96	May	4.63	0.27	21.78	Jun	4.81	0.19	18.66	Jul	4.03	0.01	18.43	Aug	3.81	0.03	14.74	Sep	2.98	0.07	13.93	Oct	2.63	0.39	11.17	Nov	1.62	1.17	0.00	Dec	1.39	2.84	0.00	Total	36.2	10.09	118.73
	Eto (inches)	Average Precipitation (inches)	Golf Links and Cemetery Irrigation Requirement (AF)																																																								
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**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response																																												
			<p>and Cemetery.</p> <p>Cal-Am metered water use records for the Pacific Grove Golf Links and El Carmelo Cemetery are presented in Table 3.</p> <table border="1"> <thead> <tr> <th>Site</th> <th>2005</th> <th>2006</th> <th>2007</th> <th>2008</th> <th>2009</th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> </tr> </thead> <tbody> <tr> <td>PG Golf Course</td> <td>74.73</td> <td>76.79</td> <td>88.51</td> <td>100.7</td> <td>88.12</td> <td>73.69</td> <td>72.42</td> <td>72.55</td> <td>79.03</td> <td>77.13</td> </tr> <tr> <td>El Carmelo Cemetery</td> <td>9.56</td> <td>10.2</td> <td>7.64</td> <td>7.66</td> <td>8.49</td> <td>6.96</td> <td>6.64</td> <td>9.52</td> <td>7.10</td> <td>6.83</td> </tr> <tr> <td>TOTAL</td> <td>84.29</td> <td>86.99</td> <td>96.15</td> <td>108.36</td> <td>96.61</td> <td>80.65</td> <td>79.06</td> <td>82.07</td> <td>86.13</td> <td>83.96</td> </tr> </tbody> </table> <p>The City desires to operate its Golf Course and Cemetery pursuant to industry standards. Therefore, the proposed City entitlement should consider the conservative water use estimates based upon evapotranspiration rates and plant demand requirements rather than the historical water metered uses. The historical water metered uses are based upon severe water conservation practices to minimize operational costs. However, the use of recycled water would enable the Golf Course and Cemetery to operate within industry standards without the use of potable water.</p>	Site	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	PG Golf Course	74.73	76.79	88.51	100.7	88.12	73.69	72.42	72.55	79.03	77.13	El Carmelo Cemetery	9.56	10.2	7.64	7.66	8.49	6.96	6.64	9.52	7.10	6.83	TOTAL	84.29	86.99	96.15	108.36	96.61	80.65	79.06	82.07	86.13	83.96
Site	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014																																					
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TOTAL	84.29	86.99	96.15	108.36	96.61	80.65	79.06	82.07	86.13	83.96																																					
		3	Comment noted. See response to comment 2 above. Cal-Am billing usage was analyzed as a part of the project development.																																												
		4	Comment noted.																																												

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
		5	The City requested historical water meter data from CalAm and MPWMD. The earliest data provided was for year 2005. Personal communications with Joe DiMaggio, Operations Supervisor of Cal-Am on July 1 st , 2015. See also response to comment 2 above.
		6	Comment noted. See also response to comment 2 above.
		7	Comment noted. Section 2 provides a description of the MPWMD entitlement process and the procedures that would be used to adopt an ordinance for the addition of a new Rule 23.8 for the City entitlement.
		8	Only recycled water produced from the PGLWP will be used for determining the City entitlement.
		9	Comment noted
		10	The PGLWP will include flow meters to determine wastewater diversion flows and total product water.

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
		11	See response to comment number 10 above.
		12	MRWPCA does not grant entitlements to “skim” wastewater from the system. The PGLWP proposes the diversion of its wastewater from its sewage collection system.
		13	The City entitlement is based upon an average annual use, not monthly use.
		14	See response to Carmel River Steelhead Association comment number 3.
		15	See response to Carmel River Steelhead Association comment number 1.

Department of Water Resources, Division of Safety of Dams

**Table 1-1
Pacific Grove Local Water Project Modification
Notice of Preparation Comments**

Name	Date	Comment Number	Response
Roberto Cerrvantes P.E.	June 16, 2015	1	This SDEIR includes a discussion of the Proposed Modification in Section 2.5. No storage facilities will be required as a part of this proposed modification. Water provided pursuant to the City entitlement will be produced, treated, stored and delivered through the existing Cal-Am water system.

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Comment letters received in response to the NOP are included in Appendix A.

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.

Publication of the SDEIR marks the beginning of a 30-day public review period, beginning July 7, 2015. This public review period will ensure the public, stakeholders, and reviewing agencies have an opportunity to review and comment on the significant environmental effects of the proposed PGLWP modification, and that information pertinent to permits and approvals is provided to the decision makers for the City and CEQA responsible agencies.

Copies of the SDEIR are available for public review at the following locations:

- (1) Pacific Grove Planning Division, 300 Forest Ave., Pacific Grove, CA 93950, and
- (2) Pacific Grove Public Library, 550 Central Avenue, Pacific Grove, CA 93950.

The SDEIR can also be accessed through the Internet at <http://ci.pg.ca.us>.

All documents referenced in this SDEIR are available for review at the Pacific Grove Planning Division, 300 Forest Ave., Pacific Grove, CA 93950. The distribution list for the Draft EIR is also available for review at this location.

Written comments from the public, stakeholders, and reviewing agencies will be accepted throughout the public comment period that ends on August 6, 2015. Comments on the Supplemental Draft EIR can be sent by mail to Daniel Gho, Superintendent Public Works, City of Pacific Grove, Public Works Division, 2100 Sunset Drive, Pacific Grove, CA 93950. Comments can be sent by email to dgho@ci.pg.ca.us.

Written comments can also be sent by fax to Mr. Gho at (831) 648-5722.

After considering these comments, the City will prepare written responses to comments on significant environmental issues, and then will prepare a final SEIR that will describe the disposition of any significant environmental issues raised in the comments on the SDEIR. Written responses must be provided to commenting public agencies at least 10 days before the final SEIR can be certified. Following this 10-day period, the City Council will consider certifying the final SEIR, if it is determined to be in compliance with CEQA, and will rely on the certified final SEIR when considering project approval or denial.

Following final SEIR certification and project approval, a notice of determination will be issued documenting the decision of the City Council.

1.9 CONTENT AND ORGANIZATION OF THE SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

The content and organization of this SDEIR is designed to meet the requirements of CEQA and the CEQA Guidelines (CCR Sections 15122 through 15132). This SDEIR is organized into the following sections so that the reader can easily obtain information about the proposed PGLWP modification relevant specific environmental issues:

“Summary,” summarizes the proposed modification, new and substantially more severe significant environmental effects that would result from implementation of the proposed modification, and mitigation measures recommended to eliminate or reduce those impacts to less-than-significant levels.

Section 1, “Introduction,” states the purpose and intended use of this SDEIR; describes the project history and planning context of the SDEIR; discusses its relationship to the 2014 Certified EIR and other environmental documents prepared for the PGLWP; provides the scope and focus of the SDEIR; provides information on the public, stakeholder, and agency review and approval process; and outlines the organization of this SDEIR.

Section 2, “Project Description,” describes the project background, project location, site description, proposed modification (summarizes the project components analyzed in the prior 2014 Certified EIR; and describes the proposed modification to the PGLWP that has been proposed since certification and approval of the prior relevant environmental documents), and objectives.

Section 3, “Environmental Impact Analysis,” describes the general approach to the environmental analysis for each environmental resource area, including the terminology used to describe impacts, provides relevant environmental and regulatory setting information, analyzes the direct and indirect environmental impacts of the proposed modification, and identifies mitigation measures for potentially significant impacts.

Section 4, “Alternatives,” describes that no change to the project alternatives are proposed, except for the revision to the adopted project that is described in “Chapter 2: Project Description.”

Section 5, “Other Environmental Considerations,” describes the project modification’s potential to cause unavoidable or irreversible significant impacts, growth-inducing impacts, and cumulative impacts.

Section 6, “References and Preparers,” lists the sources of information used in preparation of the SDEIR, including agencies or individuals consulted and identifies the preparers of this SDEIR.

Appendix A provides a copy of the Notice of Preparation prepared for the proposed modification.

SECTION 2.0 PROJECT DESCRIPTION

2.1 INTRODUCTION

This section summarizes the project background, need, and objectives of the proposed modification. It summarizes the current status of the Pacific Grove Local Water Project (PGLWP), and describes the proposed PGLWP modification that has been proposed since adoption of the 2014 Certified EIR.

2.2 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 (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. This is referred to throughout this SDEIR as the In-Lieu Pool. The PGLWP would also reduce the operational production of California American Water (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.

2.3 PROJECT LOCATION AND SITE DESCRIPTION

The proposed modification is located within the City and within the MPWMD boundaries. The City is located on the tip of the Monterey Peninsula on the Central California coast in Monterey County.

2.4 PROPOSED PROJECT STATUS

The City is currently in the procurement process for the design and construction of the proposed Project, as evaluated in the 2014 Certified EIR dated November 19, 2014. Design and

construction of the proposed Project is anticipated to commence in July or August 2015. Operation of the Project is anticipated in September 2016.

2.5 PROPOSED PROJECT MODIFICATION

The City is seeking a new water entitlement for portions of the In-Lieu pool resulting from the PGLWP. The 125 AFY is considered by the City to be a maximum amount for the purpose of impact assessment. Facilities described in the 2014 Certified EIR are unchanged by the proposed modification. No storage facilities will be required as a part of this modification. Water provided pursuant to the entitlement will be produced, treated, stored and delivered through the Cal-Am water system.

Municipal irrigation is a “single-pass” water use. Once applied, irrigation water is lost to the needs of the plants to which it is applied, to percolation, evaporation and runoff. Gray and recycled waters are “multiple-pass” supplies having already met a primary potable purpose they are collected and sufficiently treated to meet health and safety standards for second pass uses. Where recycled water is used in substitution for potable water direct and indirect benefits result. The direct benefit is that potable water is freed for potable uses. The indirect benefit is that the wastewater produced by the use of potable water can be collected, treated and reused.

The PGLWP will supply up to a maximum of 125 AFY of recycled water to the Pacific Grove Golf Links and El Carmelo Cemetery for landscape irrigation by diversion of an equal amount of wastewater from the City’s wastewater collection system. Because the City irrigates with potable water, the PGLWP will result in a direct benefit of the availability of a maximum of 125 AFY of In-Lieu pool that will be freed by reason of project operations. The freed water will become available for use, including potable interior uses, on a gallon-for-gallon basis with the PGLWP production.

An estimated 80% (Metcalf and Eddy, 1993) of the City’s interior potable water use (approximately 100 AFY) is returned to the sewer and conveyed to the MRWPCA Regional Treatment Plant (RTP) for treatment. The City currently contributes 1.327 mgd, equivalent to 7% of the total regional wastewater flows to the RTP.

Sewage and water in the storm systems are owned and maintained by the City within its boundaries. The City collects and conveys its sewage and a portion of its dry weather storm water flows to the MRWPCA RTP from where it is used as source water to the Salinas Valley Reclamation Project (SVRP)/Castroville Seawater Intrusion Project (CSIP) or discharged to the Pacific Ocean. The PGLWP will produce the indirect benefit of increasing the sewage supply to the RTP that will contribute as source water to increase the production of recycled water for agricultural irrigation by CSIP, for potable water production in the MPWSP and for production of additional recycled water at the PGLWP. Additionally, other local wastewater recycling plants (e.g., Cal-Am wastewater recycling plants at Carmel Valley Ranch and Pasadera Country Club) will benefit from increased wastewater influent.

The following incremental effects result from operation of the PGLWP:

- Diversion of 125 AFY of City sewage from the RTP to PGLWP for the production of up to 125 AFY of high quality recycled water for irrigation

- Availability of 125 AFY of potable water for new or expanded use from the increment currently used for irrigation - as the In-Lieu pool - to be used throughout the Cal-Am service area
- Creation of 100 AFY of sewage from interior potable uses of the In-Lieu pool by CSIP, MPWMP, PGLWP, Carmel Valley Ranch and Pasadera Country Club

The City will apply to the MPWMD for the Pacific Grove Water Entitlement (City Entitlement) to take up to 60 AFY delivered by Cal-Am and provided through the Cal-Am distribution system. The City has determined that it may be one or more years before its water demand increases by 60 AFY. During this interim period, Cal-Am would divert sufficient water to meet up to 60 AFY of metered water demand into its system and deliver this amount of water to City subscribers and Cal-Am customers. The amount of the entitlement during each water year would equal the amount of water diverted by Cal-Am, conveyed through its system to City subscribers or Cal-Am customers.

During the period before Cal-Am is able to increase diverting water from the Carmel River system without a valid basis of right, 30 AFY of metered water demand per water year previously used by the City to irrigate its Golf Links and El Carmelo Cemetery would be suspended from use. Effective upon the date all Cal-Am diversions of water from the Carmel River system are made upon a valid basis of right (e.g Cal-Am has complied with limits set by SWRCB Orders WR 95-10 and 2009 060), the 30 AFY of suspended water use would be freed for use, and added to the 60 AF City Entitlement, thus creating a 90 AF expanded City Entitlement.

Additionally, up to 35 AFY would be retained by the MPWMD for uses and environmental dedication to be determined by the MPWMD.

The City is aware that the actual entitlements approved by the MPWMD could be lower than presented herein. If the MPWMD recognizes an amount lower than the 125 AFY, the City and the MPWMD will need to determine a basis for the amounts to be dedicated to each purpose.

The In-Lieu pool will benefit the Carmel River and its habitat from the time it is created (at the start of the PGLWP) until it is drawn for other use, such as by issuance of a water use permit from the City to an applicant. The City estimates reuse of the In-Lieu pool will be a gradual process, increasing as more and more permits are issued (up to the maximum of the City Entitlement). This will include additional approvals, environmental and regulatory compliance applicable for each individual project.

MPWMD has collaborated with the City and the City has decided to prepare this SDEIR for the evaluation of water entitlements to the City for a portion of the new In-Lieu pool that would be created by the PGLWP. The SDEIR will evaluate the potential environmental effects caused by reason of use of various portions of the In-Lieu pool. Water not going to the City (e.g., portions of the In-Lieu pool that may go to the MPWMD or to the Carmel River (temporarily or permanently)) are speculative at this time and are not evaluated in this SDEIR.

2.6 MPWMD WATER USE PERMIT PROCESS

The MPWMD is responsible for issuing water connection permits for new and expanded uses within its boundaries, and managing and regulating the use, reuse, reclamation, and conservation

of water within its boundaries. The MPWMD consists of approximately 95,786 acres, including all of the City and approximately 23,980 acres of Cal-Am's Monterey District service area. All property owners that seek to modify or add water fixtures within the MPWMD boundaries must obtain written authorization from the District. MPWMD generally issues permits when there is an available MPWMD water allocation within the particular jurisdiction or existing water credits or water entitlements are available to serve the proposed use.

MPWMD Rule 20.B provides that, before any person may connect, or modify an existing connection, to a water distribution system, the person must obtain a written permit from the District pursuant to Rules 21, 23 and 24.

MPWMD has also established rules that allow MPWMD to issue water use permits for properties that are beneficiaries and/or recipients of water from certain specified recycled water and/or alternative water supply projects. For example, MPWMD Rule 23.5 specifies the District's procedures for processing applications for, and issuing, water use permits based on water entitlements deriving from the Pebble Beach Company funded CAWD/PBCSD Recycled Water Project. MPWMD Rule 23.6 specifies District procedures for processing applications for, and issuing, water use permits for water entitlements based on the Sand City Desalination Facility. The proposed modification includes proposed new MPWMD Rule 23.8, which would specify new District procedures for processing applications for, and issuing, water use permits for allocations of water entitlements based on the In-Lieu pool created by the PGLWP and the project modification that is the subject of the EIR.

This CEQA document is therefore intended to support the MPWMD process for consideration of adoption of this proposed new rule.

2.6.1 State Water Board Order WR 95-10

In 1995, the State Water Board adopted Order WR 95-10. This order concluded that Cal-Am was diverting approximately 10,730 af/yr from the Carmel River or its underflow "without a valid basis of right" (Order WR 95-10, pp. 25, 39). This order also concluded that Cal-Am had legal rights to divert 3,376 af/yr from the Carmel River. Order WR 95-10 directed Cal-Am to cease and desist from diverting more than 14,106 af/yr from the Carmel River until Cal-Am's unauthorized diversions ended (Order WR 95-10, p. 40). This order directed Cal-Am to implement one or more of the following actions to terminate Cal-Am's unauthorized diversions: (1) obtain appropriative rights for the Carmel River water that was being unlawfully diverted; (2) obtain water from other sources and make one-for-one reductions in the unlawful diversions; or (3) contract with other agencies having appropriative rights to divert and use water from the Carmel River (Order WR 95-10, p. 40).

Order WR 95-10 directed Cal-Am to implement an urban conservation plan, to implement urban and irrigation conservation measures with the goal of achieving 15 percent conservation by 1996 and 20 percent conservation in each subsequent year (Order WR 95-10, pp. 40-41) until all unauthorized diversions ceased. This order also directed Cal-Am to maximize production from the Seaside Groundwater Basin to serve existing connections and thereby reduce Cal-Am's diversions from the Carmel River.

2.6.2 State Water Board Order WR 2009-0060 (“Cease and Desist Order”)

In 2009, the State Water Board adopted Order WR 2009-0060. This order notes that Cal-Am and the MPWMD obtained water-right Permit 20808A in 2007, which authorizes the diversion of 2,426 af/yr from the Carmel River to underground storage in the Seaside Groundwater Basin, and that, as a result of this permit, Cal-Am rights to divert water from the Carmel River totaled 5,742 af/yr (Order WR 2009-0060, pp. 5-6). This order concluded that, over the past 14 years, Cal-Am had diverted an average of 7,602 af/yr without a basis of right (Order WR 2009-0060, p. 55). The order also concluded that, while Cal-Am had achieved the 20 percent water conservation required by Order WR 95-10 (Condition No. 3), Cal-Am had not made any meaningful progress toward reducing the amount of its unauthorized diversions (Order WR 2009-0060, p. 55).

Order WR 2009-0060 directed Cal-Am to diligently implement actions to terminate its unauthorized diversions from the Carmel River and to terminate all such unauthorized diversions by December 31, 2016 (Order WR 2009-0060, p. 57). The order also directs Cal-Am to not divert more than a base amount of 10,978 af/yr from the river, requires that this base amount be reduced by specified amounts each year thereafter, and provides that water made available by various listed projects will be subtracted from this base amount (Order WR 2009-0060, pp. 57-58). The order prohibits Cal-Am from diverting any 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 (Order WR 2009-0060, p. 57).

2.6.3 Existing Cal-Am Conveyance System

The proposed modification would rely on existing Cal-Am wells and associated conveyance system to distribute water under proposed new Rule 23.8. The following section provides an overview of Cal-Am’s existing water distribution system. This information is provided for informational purposes.

Cal-Am is an investor-owned utility that owns and operates wells, infrastructure, and water distribution systems that provide municipal water service to customers in the Monterey Peninsula area, including parts of the Carmel River watershed and the City. Cal-Am’s existing system consists of storage reservoirs on the Carmel River, production wells, treatment facilities, and approximately 500 miles of existing water mains ranging in size from 2 to 36 inches in diameter. Historically, the balance of water supplied to Cal-Am customers on the Monterey Peninsula came from: (1) San Clemente and Los Padres Reservoirs in the upper reaches of the Carmel River, (2) diversions from the upper and lower reaches of the Carmel River (through groundwater production wells), and (3) groundwater pumped from the Seaside Groundwater Basin. The San Clemente Dam is currently in the process of being removed as part of the San Clemente Dam Removal and Carmel River Reroute Project.

2.6.4 Surface Storage Reservoirs

Cal-Am currently owns and operates two dams and associated storage reservoirs on the Carmel River. The San Clemente Dam, which was constructed in 1921, consists of a concrete arch dam. The Los Padres Dam, was constructed in 1951, consists of an earth and rockfill embankment dam that is located approximately six miles upstream from the San Clemente Dam. Historically, these dams have regulated winter and summer flows to the lower reaches of the Carmel River. Winter runoff is stored in these reservoirs to provide water supplies to help meet summer demand; excess

winter flows are bypassed at the dams. Extensive sedimentation has significantly reduced the usable storage at both the San Clemente and Los Padres reservoirs. The San Clemente Dam is currently in the process of being removed. At the time the State Water Board issued Order WR 95-10, production wells located along the lower Carmel River represented Cal-Am's primary source of water. These wells supply approximately 73 percent of Cal-Am's customer demand.

2.6.5 Production Wells and Treatment

The majority of Cal-Am's water supply for the Monterey Peninsula and surrounding areas comes from groundwater production wells located along the Carmel River. Cal-Am currently operates 20 production wells (10 of which are in the Carmel River watershed and 10 of which are in the Seaside Groundwater Basin) (CPUC, 2009; MPWMD, 2013). The majority of wells in the Carmel River Watershed are located in the lower reaches of the river. A few production wells are located in the upper reaches of the river. During the summer peak-demand period, Cal-Am also relies on production wells in the Seaside Groundwater Basin, an adjudicated basin. Cal-Am also operates eight water treatment facilities. Treatment varies by site, but generally includes: pressure filtration for iron and manganese removal; granular activated carbon (GAC) and Ozone (O₃) injection for hydrogen sulfide removal; corrosion control; and pH adjustment. Sodium hypochlorite is used to provide disinfection at each well and treatment facility that provides water to the distribution system (CPUC, 2009).

2.6.6 Distribution Network

Cal-Am's existing distribution network consists of over 500 miles of water mains, ranging in size from two to 36 inches in diameter and extends from Carmel Valley to Sand City. The system includes the urban areas of the Monterey Peninsula, as well as several smaller satellite systems along the Highway 68 corridor. The existing system is divided into four pressure zones: the Upper Carmel Valley zone, the Lower Carmel Valley and Monterey Peninsula zone, the Seaside zone, and Upper Lift zone. Cal-Am operates a series of booster stations, ground storage reservoirs, and pressure-reducing facilities as part of the existing network.

Water produced from wells along the upper and lower reaches of the Carmel River is conveyed in two directions: westward and clockwise around the Monterey Peninsula to the City of Monterey; and northward to the City of Seaside. The two flows converge at a low elevation (a hydraulic trough) near the Naval Postgraduate School in Monterey. This hydraulic trough prevents water produced along the Carmel River from being conveyed clockwise around the Monterey Peninsula to Seaside, and also prevents water produced in Seaside from being conveyed counterclockwise around the Monterey Peninsula.

SECTION 3.0 ENVIRONMENTAL IMPACT ANALYSIS

This section describes the general approach to the environmental analysis for each environmental resource area, including the terminology used to describe impacts. It provides relevant environmental and regulatory setting information, analyzes the direct and indirect environmental impacts of the proposed modification, and identifies mitigation measures for potentially significant environmental impacts.

3.1 APPROACH TO THE ENVIRONMENTAL ANALYSIS

CEQA Guidelines Section 15126.2 provides that an EIR must identify and focus on direct and indirect significant effects of a project on the physical environment, giving due consideration to both the short- and long-term effects. In addition, Section 15163(b) states that a supplement to an EIR need contain only the information necessary to make the previous EIR adequate for the project as modified.

Consistent with CEQA Guidelines, this SDEIR identifies and focuses on the proposed modification to the PGLWP that could result in new or substantially more significant direct and indirect effects on the physical environment, including short- and long-term effects that were not analyzed in the 2014 Certified EIR. Updates to the environmental setting, impact, and mitigation discussions in this section are provided only where information or project components have been modified and where discussion of these changes is necessary to provide sufficient analysis of impacts.

As explained in Section 1.3, “Documents Incorporated by Reference,” the 2014 Certified EIR (SCH No. 2014021058), is incorporated by reference in this SDEIR.

3.1.1 Supplemental Environmental Impact Report Scope

Sections 3.2 and 3.3 of this SDEIR analyze the anticipated environmental effects of the proposed modification. As explained in Section 1.6, “Scope and Focus of the Supplemental Environmental Impact Report,” the environmental resource issues evaluated in this section are:

- Population/Housing
- Utilities/Service Systems

3.1.2 Section Structure

Sections 3.2 and 3.3 of this SEIR follow the same general format as the 2014 Certified EIR for the PGLWP, and are organized into the major components described below.

Existing Conditions. This component describes the existing conditions and regulatory context of the environmental topic being evaluated in relation to the effects of approval of the proposed modification.

Impacts and Mitigations. This component presents the significance criteria (“thresholds of significance”) used to define the level at or above which an impact would be considered

“potentially significant” or “significant” in accordance with CEQA. Thresholds may be quantitative or qualitative, and may be based on agency standards or guidelines, professional standards, or legislative or regulatory requirements relevant to the impact analysis. Generally, the thresholds of significance are derived from Appendix G of the CEQA Guidelines, factual or scientific information and data, and regulatory standards.

Impacts are numbered sequentially within each subsection. These impacts are identified in relation to specific significance criteria and include an analysis of the effects of the proposed modification compared to the established environmental threshold. Mitigation measures are not required for effects found to be less than significant. Where feasible mitigation for a significant impact is available, the analysis of the impact is followed by a description of all potentially feasible mitigation measures, as required by CEQA Guidelines Section 15126.4. Section 15370 defines mitigation as:

- Avoiding the impact altogether by not taking a certain action or parts of an action;
- Minimizing impacts by limiting the degree or magnitude of the action and its implementation;
- Rectifying the impact by repairing, rehabilitating, or restoring the impacted environment;
- Reducing or eliminating the impact over time by preservation and maintenance operations during the life of the action; or
- Compensating for the impact over time by replacing or providing substitute resources or environments.

All mitigation measures must be enforceable by adopting and incorporating them into a project’s design and adopting a Mitigation Monitoring and Reporting Plan (MMRP) (See Public Resources Code Section 21081.6).

At the end of each impact discussion, a conclusion is drawn as to whether the impact is less than significant, significant but reduced to a less-than-significant level with mitigation, or significant and unavoidable even with implementation of feasible mitigation.

3.1.3 Terminology Used to Describe Impacts

Impact Levels. This SDEIR uses the following terminology to denote the significance of environmental impacts of the proposed modification:

- No impact indicates that the construction, operation, and maintenance of the proposed modification would not have any direct or indirect effect on the physical environment. It means no change from existing conditions. No mitigation is required.
- A less-than-significant impact is one that would not result in a substantial or potentially substantial adverse change in the physical environment. No mitigation is required, even if feasible.
- A significant impact is defined by CEQA Guidelines Section 21068 as one that would cause “a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project.” Levels of significance can vary by project, based on the change in the existing physical condition. Under CEQA, mitigation measures or alternatives to the project must be identified, where feasible, to reduce the change in the existing physical condition and the magnitude of significant impacts.

- A significant and unavoidable impact is one that would result in a substantial adverse effect on the environment, and that could not be reduced to a less-than-significant level even with any feasible mitigation. Under CEQA, the lead agency may approve a project with significant and unavoidable impacts, but is required to prepare a “statement of overriding considerations,” in accordance with the CEQA Guidelines Section 15093, explaining why the lead agency would proceed with the project in spite of the potential for significant impacts.

Types of Impacts. The general categories of impacts discussed in this SDEIR are impacts that may result from construction of the proposed modification and impacts that may result from future operation of the proposed project as modified, as described in Section 2, “Project Description.”

Project effects fall into the following categories:

- A temporary effect would occur only during construction. The environmental analysis addresses potentially significant impacts from the direct effects of construction.
- A short-term effect would last from the time construction ceases to within 3 years following construction.
- A long-term effect would last longer than 3 years following completion of construction. In some cases, a long-term effect could be considered a permanent effect.
- A direct effect is an effect that would be caused by an action and would occur at the same time and place as the action.
- An indirect effect is an effect that would be caused by an action but would occur later in time, or at another location, yet is reasonably foreseeable in the future.

The following terms also are used in the impact analysis:

- Construction applies to activities associated with ground disturbance.
- “No mitigation measures are required” means the impact is considered minimal or less than significant, and does not require mitigation.

In accordance with Public Resources Code Section 21081.6, if the City approves the proposed modification following certification of the SEIR, the City must adopt an MMRP.

3.2 POPULATION AND HOUSING

This section evaluates the potential for the proposed modification to cause adverse effects to biological resources.

3.2.1 Existing Conditions

The City has experienced minimal change in population over the past 30 years (population was estimated at 15,683 as of 2010). Accordingly, the size and composition of the City’s housing stock has changed very little since 1990 with a net increase of less than 200 units.

More than 90 percent of the City’s housing stock was built before 1979, thus there is an ongoing need to facilitate and assist in the rehabilitation and maintenance of homes in Pacific Grove to ensure units remain safe and attractive. A 2005 housing conditions survey found that approximately 17 percent of units were in need of some level of rehabilitation.

In addition to limited land resources, the City faces a number of challenges to providing affordable housing, including conserving natural resources and City character, and balancing economic development with housing needs. However, the greatest obstacle to housing development is the lack of available water.

Since October 2009, Cal-Am has been under a Cease and Desist Order (CDO) from the SWRCB, reducing the available water supply for the Monterey Peninsula, and placing a moratorium on all new water connections.

3.2.2 Impacts and Mitigations

Thresholds of Significance. The thresholds for determining the significance of impacts for this analysis are based on the environmental checklist in Appendix G of the CEQA Guidelines. The proposed modification would result in a significant impact related to population and housing if it would:

- a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure);
- b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere; or
- c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere.

Population and Housing Impact 1. Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure).

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 non-potable water supply produced by the PGLWP. As a result, the proposed modification, by providing a supplemental source of potable water supply, has the potential to induce population growth by removing limited water resources as an obstacle to growth. However, the proposed modification would not, in and of itself, cause new development to occur. Therefore, there would be no direct impact. An evaluation of the proposed modification's potential to induce growth, as well as the corresponding environmental effects associated with growth, is included in Section 5.2, Growth Inducing Impacts.

Project-Level Mitigation Measures

None required.

Significance after mitigation: N/A

Population and Housing Impact 2. Displace substantial numbers of existing housing or people, necessitating the construction of replacement housing elsewhere.

The proposed modification is limited to recognition and use of a water entitlement for portions of the saved potable water that will be freed for use by reason of the replacement non-potable water supply produced by the PGLWP. As a result, the proposed modification would not displace a

substantial number of existing housing or cause the displacement of a substantial number of persons.

Project-Level Mitigation Measures

None required.

Significance after mitigation: N/A

3.3 UTILITIES AND SERVICE SYSTEMS

This section evaluates the potential for the proposed modification to cause adverse effects to utilities and service systems. This section incorporates by reference and relies on the “Utilities and Service Systems” environmental resource evaluation from the 2014 Certified EIR (pages 15-1 to 15-17).

3.3.1 Existing Conditions

The existing conditions and regulatory setting have remained unchanged from the 2014 Certified EIR and are incorporated by reference in this SDEIR. As described in the 2014 Certified EIR, public services in the proposed Project area include fire and police protection services, emergency medical services, hospitals, and schools. Public utilities include solid waste disposal, water, wastewater, electricity, and natural gas.

3.3.2 Impacts and Mitigations

Thresholds of Significance. The thresholds for determining the significance of impacts for this analysis are based on the environmental checklist in Appendix G of the CEQA Guidelines. The proposed modification would result in a significant impact related to utilities and service systems if it would:

- Substantially interfere with or change the demand for utilities or public services;
- Interfere with or substantially change the demand for government services such as schools, hospitals, or police and fire protection, or require alteration of these services;
- Require or result in the construction of new water or wastewater treatment or storm water drainage facilities or expansion of such existing facilities, the construction of which could cause significant environmental effects;
- Exceed the capacity of the wastewater treatment provider in the area;
- Exceed the capacity of local landfills or violate federal, state, or local statutes and regulations related to solid waste; or
- Impair or prevent a city or county from complying with the waste diversion mandates of the California Integrated Waste Management Act of 1989.

Utilities and Service Systems Impact 1: Substantially interfere with or change the demand for utilities, public services, or government services, exceed the capacity of the wastewater treatment provider in the area; exceed the capacity of local landfills or violate federal, state, or local statutes and regulations related to solid waste; or Impair or prevent a city or county from

complying with the waste diversion mandates of the California Integrated Waste Management Act of 1989.

The proposed modification would not directly affect existing utilities or service systems. It would utilize existing Cal-Am water system. It 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 non-potable water supply produced by the proposed PGLWP. No physical improvements or ground-disturbing activities would occur in connection with the proposed modification. It would not substantially interfere with or change the demand for utilities, public services, or government services, exceed the capacity of the wastewater treatment provider in the area; exceed the capacity of local landfills or violate federal, state, or local statutes and regulations related to solid waste; or impair or prevent a city or county from complying with the waste diversion mandates of the California Integrated Waste Management Act of 1989. The proposed modification could, however, indirectly affect existing utilities; these effects are evaluated within the context of the growth-inducement analysis identified in Section 5.2, Growth Inducing Impacts.

Project-Level Mitigation Measures

None required.

Significance after mitigation: N/A

SECTION 4.0 ALTERNATIVES

4.1 ALTERNATIVES

4.1.1 Introduction

As required by Section 15126(f) of the CEQA Guidelines, the 2014 Certified EIR examined a range of reasonable alternatives to the proposed project that would feasibly attain the basic objectives of the project and would avoid or substantially lessen any of the significant effects of the project. The alternatives to the PGLWP evaluated in the 2014 Certified EIR included:

- Alternative 1: No Project Alternative
- Alternative 2: Wastewater Reclamation and Storage at an Alternative Site
- Alternative 3: Alternative Treatment Technology
- Alternative 4: Regional Urban Recycled Water Project Extension

Pursuant to Section 15126.6(d), the alternatives were evaluated based on the following criteria:

Criterion 1: The alternative must avoid or substantially lessen an identified significant effect of the proposed Project; and

Criterion 2: The alternative must feasibly attain most of the proposed Project's objectives. This second criterion focuses on identifying project alternatives capable of serving the same use as the proposed Project (i.e., meeting the objectives of the proposed Project) in a feasible manner ("feasible" is defined by CEQA as "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors" (CEQA Guidelines Sec. 15364)).

An alternative must have met both of the above criteria to be considered in the EIR evaluation.

4.1.2 SDEIR Alternatives Analysis

The scope of this SDEIR 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 PGLWP modification are:

- Alt 1: MPWMD does not grant the water entitlement to the City.
- Alt 2: 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: MPWMD would permanently dedicate a portion of the entitlement water (up to 20% of the 125 AFY) to the environment.

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.

SECTION 5.0 OTHER ENVIRONMENTAL CONSIDERATIONS

5.1 IRREVERSIBLE ENVIRONMENTAL CHANGE AND IRRETRIEVABLE COMMITMENT OF RESOURCES

This section discusses the following additional environmental issues associated with the proposed modification:

- Growth Inducing Impacts;
- Cumulative Impacts;
- Unavoidable Adverse Impacts; and
- Significant Irreversible and Irretrievable Commitment of Resources.

5.2 GROWTH INDUCING IMPACTS

5.2.1 Introduction

CEQA Guidelines Section 15126.2(d)) requires an environmental impact report to discuss the ways in which a proposed project could foster economic or population growth or the construction of additional housing, either directly or indirectly, in the surrounding environment. Projects that could potentially induce growth include projects that would remove obstacles to population growth, such as the lack of available infrastructure or water supply. Recognizing the inherent difficulties involved in forecasting the extent and type of development that might be fostered by a particular project, CEQA calls for a general assessment of possible growth-inducing impacts rather than a detailed analysis of a project's specific impacts on growth.

The CEQA Guidelines provide that “it must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment” (ibid). Typically, a project's growth inducing effects are significant if the project:

- Provides infrastructure or capacity to accommodate growth beyond the levels currently permitted in applicable local and regional plans and policies.
- Encourages growth or a concentration of population in excess of what is planned for in the applicable general plan or other land use plan, or in projections made by regional planning agencies, in this instance the Association of Monterey Bay Area Governments (AMBAG).
- Adversely affects the ability of agencies to provide needed public services or infrastructure.
- In some other way significantly affects the environment, such as through a substantial increase in traffic congestion or deterioration of air quality.

The CEQA Guidelines do not require speculation as to exactly when and where growth may or may not occur, or what form that growth may take. Speculation does not provide the reader with accurate or useful information about the proposed modification's potential effects.

5.2.2 Incorporation by Reference

CEQA Guidelines Section 15150 provides for incorporating other documents into the SEIR by reference. When a document is incorporated by reference, the incorporated document is considered to be part of the SEIR. Documents incorporated by reference are also made available for public review at the same time and place(s) that this SDEIR is available for review. Incorporation by reference rather than repeating the entire incorporated text allows the EIR to focus on the environmental consequences and still incorporate necessary technical and auxiliary information without becoming an extremely long document.

This SDEIR incorporates by reference, pursuant to CEQA Guidelines Section 15150, Section 16.2 Growth Inducing Impacts of the Eastwood/Odello Water Right Change Petition Environmental Impact Report² State Clearinghouse Number #2014031008.

As described below, the environmental effects of potential induced growth are secondary or indirect effects of the proposed modification. Typically, potential growth-inducing projects can result in a variety of secondary effects, such as increased demand for public services and utilities, increased traffic and noise, localized air quality impacts, conversion of agricultural land to urban uses, or similar effects. The proposed modification's potential secondary impacts due to growth are described below.

5.2.3 Potential Growth Related To The Project

The City is seeking water entitlements from the MPWMD for up to 90 AFY of the In-Lieu Pool created by the proposed modification, to serve a portion of the anticipated build-out water demand of the City, consistent with state requirements and MPWMD regulations. In addition, up to 35 AFY water would be retained by MPWMD for use within the parts of Cal-Am's existing service area. Municipal use could induce growth and development within Cal-Am's existing service area and the City. Municipal water supplies under the proposed modification would be used to serve existing legal lots of record, minor expansions in uses, renovations of existing uses, and existing approved projects. Water supplies would not be used to serve potential commercial, residential, or public uses that are inconsistent with local plans and ordinances or would cause a change in zoning.

Water supplies resulting from the proposed modification could serve a combination of commercial, residential, and public facility-related uses within the Cal-Am's existing service area including the City. The precise combinations and types of growth that could occur in connection with the project are unknown, and the identification of potential growth due to the project is inherently speculative. Nevertheless, this SDEIR includes an evaluation of potential growth associated with the proposed modification based on currently available information and describes the underlying growth assumptions, which were based on information derived primarily from the City, as more thoroughly described below.

The proposed modification would provide a supplemental source of water supply to allow some growth to occur within Cal-Am's existing service area within the City. In 2011, the City adopted

² The EIR for the Eastwood/Odello Water Right Change Petition is available for review at the State Water Resource Control Board's Website. http://www.waterboards.ca.gov/waterrights/water_issues/programs/ceqa/docs/30497deir.pdf.

the 2007-2014 Housing Element of the General Plan (Housing Element), which analyzed new growth and identified vacant or undeveloped properties within its jurisdictional boundaries and evaluated the potential effects of new growth. The City identified 105 vacant and underutilized parcels in the Housing Element.

Based on the maximum amount of water available (i.e., 60 AFY) for use within the City, the proposed modification could potentially accommodate approximately 250 to 500 new residential units on existing lots of record depending on the type of residential use (i.e., large lot vs. small lot residential).³ This scenario assumes only residential use, but provides a reasonable indication of the maximum range of residential growth that could potentially occur under the proposed modification. The City's estimated future water demand to satisfy the 1994 General Plan's build-out projections has been estimated at a need for an additional 1,264 AFY. This figure is based in part on a maximum potential of 3,426 additional second units, which at this time is considered to be an overestimate. Therefore, the long-term demand is likely to be less. The proposed modification would not include water use to support the development of new subdivisions. Therefore, the projected residential demand could be less than 60 AFY. The estimated water demand excludes potential commercial or public facility demands as well as additional demands in connection with the development of mixed use or other opportunity sites in the City.

The proposed modification could also facilitate commercial growth and development. This includes the expansion of existing uses (e.g., restaurants), establishment of new commercial uses (e.g., retail, restaurant, etc.), and the conversion of existing uses (e.g., retail to restaurant). However, commercial growth, and associated environmental impacts, is largely a function of a variety of factors, including market conditions, the type of the use (i.e., retail vs. restaurant), square footage, applicable zoning and other land use considerations. These factors would influence the extent of potential commercial growth that could occur in connection with the project. For these reasons, identifying potential commercial growth projections associated with the proposed modification would be speculative in nature.

Due to the wide dispersal of the vacant lots of record within the City, it is too speculative to analyze whether or not the growth that could be accommodated by the proposed modification would occur in any particular area within the City. 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 non-potable water supply produced by the proposed Project. Consequently, the proposed modification does not include the construction of any new water distribution system improvements or other physical elements that would facilitate growth in any particular area. In addition, it would be speculative at this time to try to determine the extent of water use that would be associated with vacant lots of record, residential remodels on developed lots, or expansions of existing commercial uses (e.g., increased seating for restaurants). The assumptions contained in this analysis represent a good-faith effort to identify potential growth based on currently available information. Ultimately, the extent and type of growth that could be facilitated under the proposed modification will largely depend on market conditions and other land use and planning factors. Moreover, the proposed modification would not

³ Estimated water use for large lot residential is typically approximately 0.5AFY. Small lot residential uses typically have a demand of approximately 0.25 AFY.

facilitate any additional growth or development beyond existing planned levels and it would not directly, in and of itself, cause new development to occur.

5.2.4 Potential Environmental Effects Associated With Growth

The proposed modification would accommodate potential growth and development within Cal-Am's service area within the City. While the proposed modification would remove an obstacle to development (lack of available water supply), thereby potentially accommodating growth and development, the project would not, in and of itself, directly cause new unplanned growth or development. As a result, the environmental effects of growth would be secondary or indirect effects of the proposed modification. Indirect effects associated with growth could result in a variety of environmental effects, such as increased demands for public services, increased traffic and noise, and potential impacts to air quality, among other potential impacts. While the extent of potential indirect effects are contingent upon the type and location of development that would ultimately be served under the proposed modification, the following section includes a general evaluation of the potential effects that could occur based on the assumptions outlined in the preceding sections.

This SDEIR represents a good faith effort to disclose the potential secondary effects of the proposed modification, based on currently available information. While this analysis is inherently speculative because actual development or projects that would use water made available by the proposed modification are unknown, it is based on reasonable assumptions concerning the nature and type of development that could be served under the proposed modification. In addition, it is important to recognize that the specific individual effects of future development served under the proposed modification would be addressed at the time each specific use is proposed. The potential effects of individual uses, or projects, served under the proposed modification would be addressed as part of the standard development review process. This process would include project-level analysis of site-specific development proposals, which would include an evaluation of consistency with local plans and policies, an evaluation of potential environmental impacts under CEQA, and identification of project-specific conditions of approval, if necessary. As a result, more detailed analysis would be conducted as part of the standard development review process.

The proposed modification may also accommodate the development of existing, previously approved projects, including projects that are waiting for water allocations from MPWMD. Impacts associated with existing approved projects were previously subject to the standard development review process, including a project-level CEQA evaluation. As a result, the environmental effects associated with those projects have already been evaluated and the proposed modification would not result in any new impacts beyond those previously identified in the project-level environmental analysis. The proposed modification is not anticipated to result in any potential secondary effects associated with the facilitation of existing, previously approved development beyond those effects identified at the time of project-level review. For this reason, the following analysis does not evaluate potential secondary effects associated with the facilitation of existing, approved, development.

The following consists of an evaluation of the type of effects that could occur in connection with the growth accommodating elements of the project.

5.2.5 Aesthetics

The proposed modification could result in potential indirect aesthetic-related effects by accommodating growth and development within the proposed place of use (POU). The extent of potential indirect impacts would be contingent upon site-specific and project-specific factors, but could include potential impacts to scenic vistas, scenic resources within view of a designated state scenic highway (i.e., State Route 1), and existing visual quality/character of the area due to the construction of new structures and uses. In addition, indirect impacts could also include increased lighting and glare.

Potential visual impacts due to potential growth-inducement would be addressed through a site-specific evaluation and the standard development review process. All development activities proposed on existing lots of record would be subject to existing City or County requirements (i.e., General Plan and Zoning Ordinances) and project-specific environmental review; in addition, these projects would also be required to comply with project-specific conditions of approval, as well as any mitigation measures identified during project-level CEQA review. As a result, potential indirect effects would be less-than-significant.

5.2.6 Agricultural Resources

The City's General Plan does not identify any agricultural resources within Cal-Am's existing service area in the City. As a result, the proposed modification would not result in any indirect effects to agricultural resources.

5.2.7 Air Quality

The proposed modification could indirectly affect air quality due to the potential growth accommodating nature of the proposed modification. The extent of potential indirect effects would be contingent upon project-specific factors, but could include increased vehicular emissions and construction-related PM10 and diesel emissions. Indirect effects would be potentially significant if they would exceed applicable Monterey Bay Unified Air Pollution Control District (MBUAPCD) CEQA thresholds of significance. According to MBUAPCD, a project would result in a potentially significant air quality effect if it would:

- Emit 137 or more of volatile organic compounds (VOC) or oxides of nitrogen (NO_x);
- Directly emit 550 lbs./day of Carbon Monoxide (CO);
- Generate traffic that significantly affects levels of service;
- Directly emit 82 lbs./day or more of PM10 on site during operation of construction;
- Generate traffic on unpaved roads of 82 lbs./day or more of PM10; or
- Directly emit 150 lbs./day or more of Oxides of Sulfur (SO_x).

The proposed modification would provide a supplemental water supply that would allow the development of existing lots of record, expansion of existing uses, residential and commercial remodels, and similar purposes. Water made available under the proposed modification would not be used for new residential or commercial subdivisions, new large-scale commercial development, or projects that are inconsistent with existing site zoning and general plan designations.

As a result, the project could result in indirect impacts associated with the development that could cause temporary increases in air quality emissions during construction in connection with

ground-disturbing activities and the operation of heavy equipment. These effects would be temporary in nature and would not exceed applicable MBUAPCD thresholds. Moreover, potential indirect effects would be addressed on a project-specific basis through standard construction best management practices, applicable conditions of approval, and project-specific mitigation (if applicable) identified during the development review process. As a result, potential secondary effects would be less-than-significant.

5.2.8 Biological Resources

The proposed Project could indirectly affect biological resources due to growth inducement. The extent of potential effects would, however, be contingent upon site-specific and project-specific features. Potential biological effects could include impacts to sensitive species, riparian habitat, wetlands, migratory fish or wildlife or result in potential conflicts with local ordinances protecting biological resources. No impacts would occur due to potential conflicts with a Habitat Conservation Plan or Natural Community Conservation Plan since there are no adopted plans within the project area.

Potential biological impacts would be addressed on a project-by-project basis through the standard development review process, which would include site-specific environmental review under CEQA. This process would entail the evaluation of potential effects to biological resources under CEQA and the imposition of project-level mitigation measures to address potential effects, if necessary. While the proposed modification would indirectly foster growth by allowing municipal use under the proposed modification, the extent of potential effects would be dependent on site-specific factors and would be addressed through future project-level review at the time a specific intended use is proposed. As a result, the proposed modification would have less-than-significant indirect impacts on biological resources.

5.2.9 Cultural Resources

The proposed modification could result in indirect effects to cultural resources. The extent of potential indirect effects would be contingent upon site-specific and project-specific features, but could include impacts to historical resources, archaeological resources, paleontological resources, or result in the disturbance of human remains.

Development activities could also affect previously unknown or buried cultural resources. Grading and excavation related activities during construction could result in potential adverse effects to archaeological resources or result in the disturbance of human remains. Remodels or expansions may also affect existing structures, which could be historically significant.

While the proposed modification could indirectly affect cultural resources by accommodating development, those effects would be addressed at the time a specific project or use is identified and would be evaluated on a project-by-project basis as part of the standard development review process. As a result, potential indirect effects would be less-than-significant.

5.2.10 Geology And Soils

The proposed modification could result in potential indirect impacts to geology and soil resources. The extent of potential indirect impacts would be contingent upon site-specific and project-specific features, but could include the exposure of persons or structures to geological hazards (i.e., liquefaction, lateral spreading, soil constraints, landslides, etc.). In addition, the

proposed modification could also result in indirect construction effects, including increased erosion due to ground disturbing activities. Potential indirect effects associated would be addressed through a site-specific evaluation and standard development review process. Moreover, all future uses served under the proposed modification would also be required to comply with all applicable building code requirements intended to address potential geologic hazards and any project-specific conditions of approval. As a result, potential indirect effects would be less-than-significant.

5.2.11 Hazards And Hazardous Materials

The proposed modification could result in potential indirect effects due to hazards and hazardous materials. While the extent of potential indirect impacts would be contingent upon site-specific and project-specific features, the proposed modification could result in potential indirect effects due to potential hazardous material use, accidental release of a hazardous material, hazardous emissions, and other similar impacts. Potential secondary impacts would be primarily associated with the temporary use of potentially hazardous materials (e.g. oils, solvents, etc.) during construction-related activities. These activities could involve the use or storage of a hazardous material. Potential indirect effects associated with the proposed modification would be addressed through the standard development review process and associated environmental review, including the implementation of standard conditions of approval and site-specific mitigation. Potential secondary effects would also be addressed through the implementation of standard construction Best Management Practices (BMPs). These would be less-than-significant effects.

5.2.12 Hydrology And Water Quality

The proposed modification could result in potential hydrology and water quality impacts due to the introduction of impervious surfaces, increased storm water runoff, temporary increases in erosion and sedimentation during construction, and potential impacts to water quality due to the use of hazardous materials during construction. Potential indirect impacts to hydrology and water quality would be addressed through the standard development review process, including compliance with all applicable conditions of approval and any additional project-specific mitigation measures, including requirements to implement standard construction-phase BMPs. These would be less-than-significant effects.

5.2.13 Land Use And Planning

The proposed modification would not result in any secondary land use or planning effects. The proposed modification would not result in any zoning or general plan changes because only projects consistent with applicable plans and ordinances would qualify for water made available under the proposed modification. Accordingly, the secondary effects associated with the proposed modification would not result in any conflicts with applicable General Plan policies adopted for the purposes of avoiding or mitigating adverse environmental effects. In addition, the potential growth accommodated by the proposed modification would not cause the physical division of an existing community or result in a conflict with an adopted Habitat Conservation Plan (HCP). Moreover, all future uses served under the proposed modification would be subject to the standard development review process, which would ensure consistency with local plans and policies.

5.2.14 Mineral Resources

No known mineral resources are located within Cal-Am's existing service area in the City. As a result, the proposed modification would not result in any secondary effects to mineral resources.

5.2.15 Noise

The proposed modification could result in potential noise-related effects due to growth inducement. The extent of potential effects would be contingent upon the nature of development and site-specific and project-specific factors, but could include localized increases in noise in connection with the construction and operation of new, expanded, or modified uses. Short-term, construction-related noise effects could be significant, depending on timing of construction and proximity to other receptors. The potential indirect noise-related effects associated with growth would be addressed on a project-by-project basis through the standard development review process. Potential secondary noise-related effects due to growth would, therefore, be less-than-significant.

5.2.16 Population And Housing

While the proposed modification would facilitate growth and development by removing an existing obstacle to growth to potentially allow the development of existing lots of record, minor expansion of uses, commercial and residential remodels, and similar development, the secondary effects of the proposed modification would not induce population growth beyond previously-planned levels. The proposed modification would not directly or indirectly displace a substantial number of housing or a substantial number of people necessitating the construction of replacement housing elsewhere. Although the proposed modification would potentially induce growth, it would not, in and of itself, cause new development to occur. In addition, any future uses served under the proposed modification would be subject to project-level analysis by the City.

5.2.17 Public Services

The proposed modification could result in potential effects to public services by accommodating growth. While the extent of potential effects would be contingent upon the nature of development and site-specific and project-specific factors, the development of existing lots of record could increase demands for police and fire protection services, schools, and other public facilities. Potential indirect effects would be addressed on a project-by-project basis through a site-specific evaluation and the standard development review process and associated environmental review. The proposed modification would have less-than-significant secondary impacts.

5.2.18 Recreation

The proposed modification could result in potential impacts to recreation by accommodating development. The extent of potential effects would be contingent upon the nature of development, but could include the physical deterioration of existing facilities due to increased demand and use of existing recreational facilities. As a result, the proposed modification could indirectly require the expansion of existing facilities, which could affect the environment, to accommodate the increase demand for recreational uses. Potential secondary effects would be addressed on a project-by-project basis through the standard development review process,

including the payment of applicable development impact fees to mitigate impacts. The proposed modification would have less-than-significant secondary impacts.

5.2.19 Transportation/Traffic

The proposed modification could result in potential secondary effects by removing an existing obstacle to growth. Potential growth induced by the proposed modification could cause localized traffic-related effects. The extent of potential impacts would be contingent upon the nature of development and site-specific and project-specific factors. Potential indirect impacts to traffic associated with the development of existing lots of record would be addressed through the standard development review process, including the payment of applicable regional transportation impact fees and other applicable impact fees.

5.2.20 Utility And Service Systems

The proposed modification could potentially indirectly affect existing utilities and service systems by removing an existing obstacle to growth. The extent of potential impacts would be contingent upon the nature of the development and site-specific and project-specific factors, but could include an increase in the demand for utilities (e.g., wastewater, solid waste, landfills, etc.). Potential indirect impacts to utilities would be addressed through the standard development review process, payment of applicable development impact fees, implementation of standard conditions of approval, and project-specific mitigation (if necessary) identified during the project-level CEQA review process.

5.3 CUMULATIVE IMPACTS

There are no new cumulative impacts as a result of the proposed modification. The proposed modification would not result in any direct environmental impacts; it 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 non-potable water supply produced by the PGLWP. In addition, no physical improvements or ground-disturbing activities would occur in connection with the proposed modification. However, the proposed project could result in indirect environmental effects; these effects are evaluated within the context of the growth-inducement analysis identified Section 5.2, Growth Inducing Impacts.

5.4 UNAVOIDABLE ADVERSE IMPACTS

There is no new significant unavoidable environmental impact as a result of the proposed modification.

5.5 SIGNIFICANT IRREVERSIBLE AND IRRETRIEVABLE COMMITMENT OF RESOURCES

There is no new significant unavoidable environmental impact as a result of the proposed modification. The proposed modification would not change the facilities addressed in the 2014 Certified EIR for the proposed modification. As stated in the 2014 Certified EIR, “Compliance with all applicable building codes, as well as City policies, and the mitigation measures identified in this EIR would ensure that all natural resources are conserved to a feasible extent.”

SECTION 6.0 REFERENCES AND PREPARERS

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

California Public Resources Code Section 21081.6. Available online at: <http://law.onecle.com/california/public-resources/21081.6.html>

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

City of Pacific Grove Local Water Project Facility Plan Report WRF No. 3316-010, June 23, 2014

Metcalf and Eddy, Wastewater Engineering, Treatment, Disposal, Reuse. Third Edition. 1991.

Monterey Peninsula Water Management District, 2012-2013 Annual Report for the MPWMD Mitigation Program, May 2014.

Monterey Peninsula Water Management District Rule 20.B, 21, 23, 24. Available online at: <http://www.mpwmd.dst.ca.us/rules/2011/20111222/TOC.htm>

Monterey Regional Water Pollution Control Agency (MRWPCA), 2014. Available online at: http://www.mrwPCA.org/about_facilities_water_recycling.php.

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

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

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

State Water Resources Control Board Order 95-10, 1995. Available online at: http://www.waterboards.ca.gov/waterrights/board_decisions/adopted_orders/orders/1995/wro95-10.pdf

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APPENDIX A

Notice of Preparation and related documents

June 4, 2015

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

Note: This NOP & Notice of Public Scoping Meeting is being re-circulated because of a change in the date of the Scoping Meeting. The Public Scoping Meeting will be held on June 22nd, 2015 at 5:30p.m. in the City of Pacific Grove's City Council Chambers.

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. as a part of its regularly scheduled City Council Meeting. 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

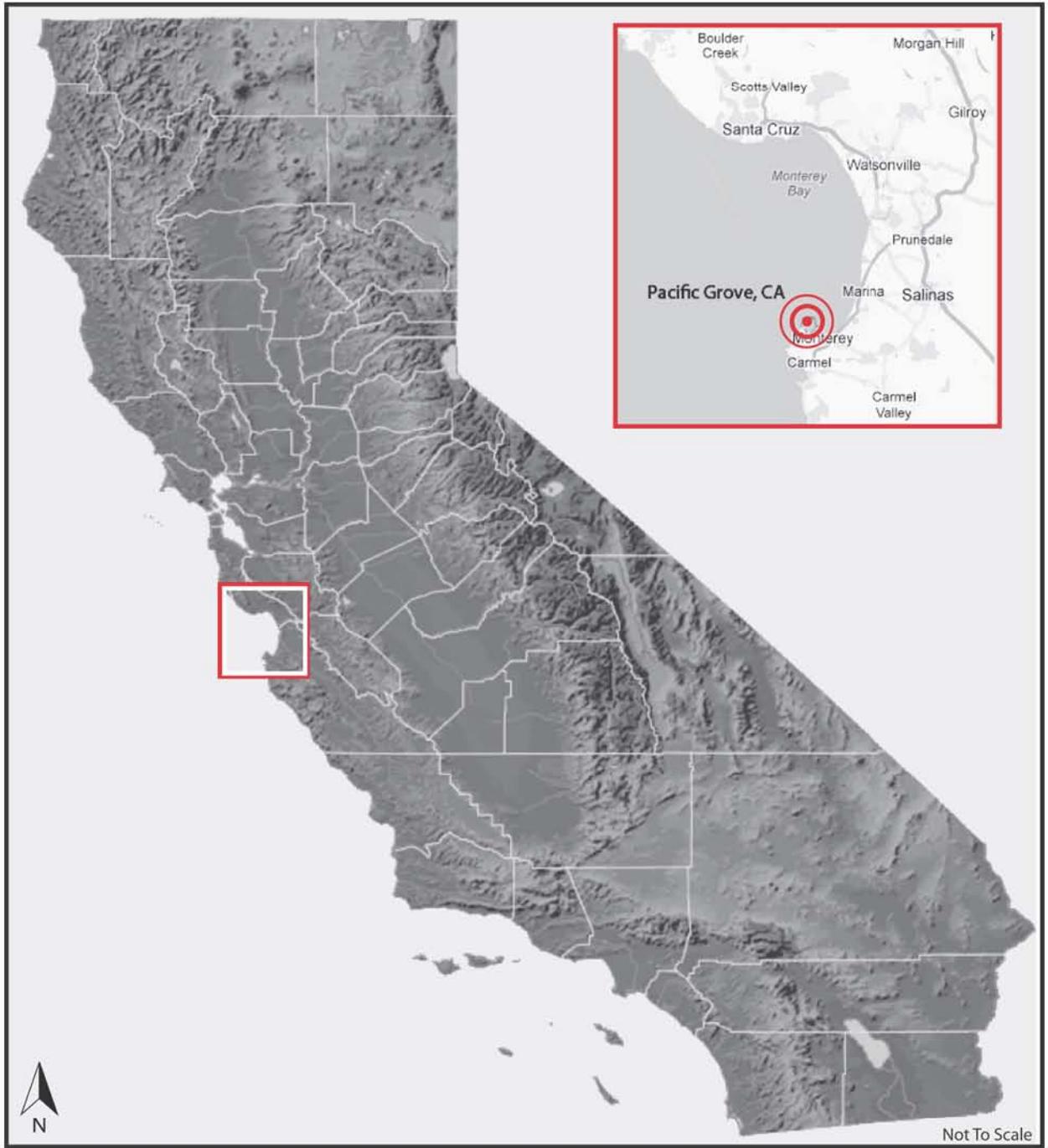
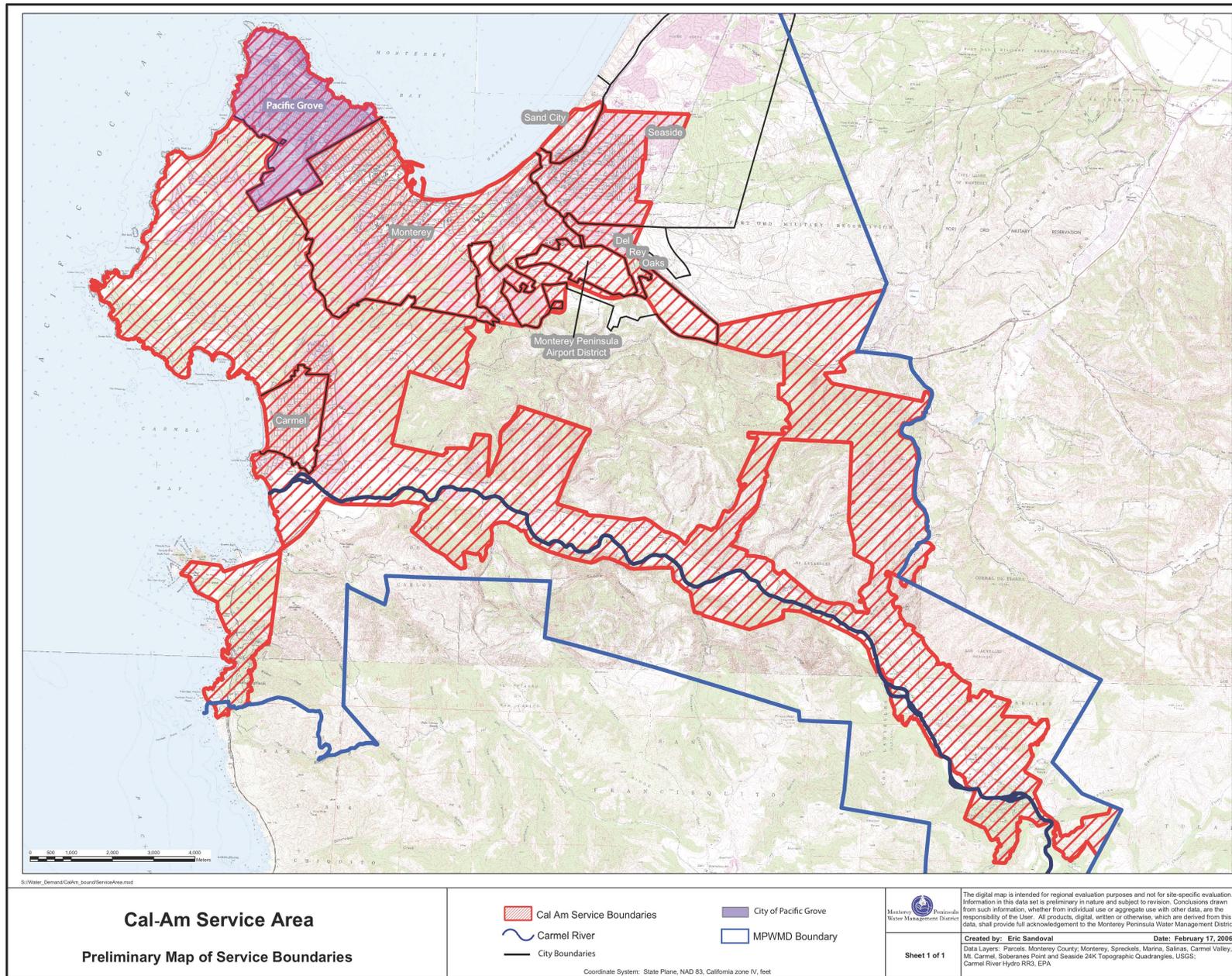


Figure 1 – Project Location



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

Figure 2 – Cal-Am Service Area

APPENDIX A2- NOP 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@stamplaw.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, fredrichm@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

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Luke Coletti ljc@groknet.net

APPENDIX A3- Comments on the Notice of Preparation

From: **Daniel Gho** dgho@cityofpacificgrove.org
Subject: Fwd: Draft EIR - City of Pacific Grove - Local Water Project
Date: June 16, 2015 at 12:24 PM
To: James Brezack jbrezack@brezack.com

Please see email below from Robert. I can reply or do we just handle this in the EIR?

Daniel Gho
City of Pacific Grove Public Work Superintendent
831-648-5722

----- Forwarded message -----

From: **Cervantes, Roberto@DWR** <Roberto.Cervantes@water.ca.gov>
Date: Tue, Jun 16, 2015 at 12:16 PM
Subject: RE: Draft EIR - City of Pacific Grove - Local Water Project
To: Daniel Gho <dgho@cityofpacificgrove.org>
Cc: Caleb Schneider <cschneider@cityofpacificgrove.org>

Hi Daniel,

I have reviewed the City's Notice of Preparation and have one question: Does the City propose to build an above-ground structure (like a dam) to impound the subject 90 acre-feet of water?

Thanks

r

Roberto Cervantes PE | Division of Safety of Dams | [916.227.4601](tel:916.227.4601)

From: Caleb Schneider [mailto:cschneider@cityofpacificgrove.org]
Sent: Wednesday, June 10, 2015 9:24 AM
To: Daniel Gho
Subject: Draft EIR - City of Pacific Grove - Local Water Project

To whom it may concern,

Please find attached the Notice of Preparation of a Draft Supplemental Environmental Impact Report (SEIR) and Scoping Meeting for the Pacific Grove Local Water Project (PGLWP). 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.

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 5:30 p.m..

If you have any questions please contact the the Public Works Superintendent Daniel Gho dgho@cityofpacificgrove.org.

Sincerely,

Caleb Schneider

City of Pacific Grove Public Works
Administrative Technician

831-648-5722 ex 200

cschneider@cityofpacificgrove.org



July 1, 2015

**also e-mailed to: dgho@cityofpacificgrove.org **

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

**SUBJECT: MPWMD COMMENTS ON NOTICE OF PREPARATION OF
DRAFT SUPPLEMENTAL EIR FOR PACIFIC GROVE LOCAL WATER
PROJECT MODIFICATION; Original EIR is SCH# 2014021058**

Dear Mr. Gho:

This letter from the Monterey Peninsula Water Management District (MPWMD or District) is in response to the Notice of Preparation (NOP) of a Draft Supplemental Environmental Impact Report for the Pacific Grove Local Water Project (PGLWP or Project) referenced above. The District serves as a Responsible Agency under CEQA for the Project, and will rely on the certified SEIR for: (1) a new MPWMD ordinance enabling California-American Water (Cal-Am) entitlements to freed potable water for homes and businesses; and (2) issuance of Water Distribution System (WDS) Permit(s) for amendments to the Cal-Am water system, or for any new or amended WDS created by the City of Pacific Grove, pursuant to MPWMD Rules 20 through 22. Areas of District authority include hydrology/water quality, water/utilities, and the MPWMD Mitigation Program for the Carmel River aquatic habitat, dependent species, and riparian corridor. The District has the following comments on the NOP:

Page 2, 3rd full paragraph. The text identifies 125 acre-feet per year (AFY) as the average annual demand that would be freed up as the "in lieu pool" amount. Based on 125 AFY, the NOP describes (in the bottom paragraph) how certain amounts will be allotted to MPWMD, the City and the environment (temporarily). *The 125 AFY should be viewed as a maximum amount for the purpose of impact assessments in the SEIR; actual entitlements approved by MPWMD could be lower.* Please note that MPWMD will review prior water use records for the golf course, cemetery, and other areas before making a decision concerning any water entitlement to the Cal-Am system. MPWMD requests that this information be furnished as soon as possible (prior to the release of the Draft SEIR) so that MPWMD staff may determine water savings associated with the Project. The MPWMD Board will make a final determination after certification of the SEIR by the City.

1 Jim

2 Jim/
John

Page 2, bottom paragraph. The EIR text should more clearly describe how the 125 AFY "in lieu pool" will be dedicated. From the NOP text, it appears that 35 AFY permanently goes to MPWMD. Of the remaining 90 AFY, it appears the City will immediately have access to 60 AFY. It will temporarily dedicate 30 AFY of the 90 AFY to the environment, but once the regional Monterey Peninsula Water Supply Project is completed, that 30 AFY will revert back to

3 Jim/
John

Daniel Gho, Pacific Grove
July 1, 2015
Page 2 of 2

the City. If a lower amount than 125 AFY is recognized by MPWMD, would the water be dedicated in the same or similar proportions?

The SEIR text should clarify whether the numerical values described above are production values (measured by a meter at the water production facility) or metered sales (customer consumption measured by a meter at the home or business). It is important to note that production will always be greater than consumption due to system losses (estimated at 7% for the Cal-Am system), and the SEIR should account for these losses in all its calculations of impacts. The potential future impacts should be based on the net of the future water entitlement.

4 Reena

The District recommends that the SEIR evaluate an alternative that permanently (not temporarily) dedicates a portion of the entitlement water to the environment. A possible amount could be 20% of the 125 AFY (or actual entitlement number recognized by MPWMD). The 20% suggestion is based on the long-term conservation goal of "20% by year 2020."

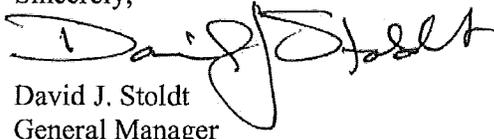
5 John

The SEIR should have subsection(s) on MPWMD's regulatory authority, role, rules that affect water entitlements and WDS Permits, and the special MPWMD ordinance that will be adopted to facilitate the City's plans. For reference, the MPWMD Rules & Regulations are found at: http://www.mpwmd.net/rules/2014/July2014/TOC_20140721.htm. An overview of Water Distribution Systems is found at: <http://www.mpwmd.net/pae/wds/wds.htm>.

6 John

Thank you for your consideration of these comments. My staff and I are available to meet if further coordination is needed. I can be reached at dstoldt@mpwmd.net or 831/658-5650 if you have questions. The District Engineer is Larry Hampson at 831/658-5620 or Larry@mpwmd.net. The staff contact for WDS Permits is Henrietta Stern, Project Manager, at 831/658-5621 or Henrietta@mpwmd.net.

Sincerely,



David J. Stoldt
General Manager

Cc: David Laredo, MPWMD Counsel
Henrietta Stern, MPWMD Project Manager
Larry Hampson, MPWMD District Engineer

July 3, 2015

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

Re: Scoping comments for Draft Supplemental EIR (SCH# 2014021058)

Mr. Gho,

I submit the following comments:

- I. No entitlements and or allocations for water may be issued until either Water Order 2009-0060 is complied with or the City of Pacific Grove has demonstrated that it is no longer using water illegally diverted from the Carmel River.] i
- II. The estimated irrigation demand of 125 afy described in the PGLWP EIR and elsewhere is significantly inflated. For example, the City is seeking an entitlement to 24 afy based on the use of ground water that it collects in a cistern at the golf course. Any "in-lieu" entitlement to potable water must be based on a historic potable water use. This 24 afy for the "fill truck" does not qualify. Because the City's demand is over estimated the cost of non-potable water being produced (currently estimated at \$3,800 per acre-foot) is under estimated. The financial viability of this project all comes down to reliably producing low cost water. This over estimation of demand is therefore a concern.] 2
- III. Any entitlement must be based upon an analysis of historic monthly, metered and billed usage. Therefore, only records provided by the water supplier, Cal-Am, can be used for this analysis. No secondary logs or journals should be used, only metered billing records from the supplier.] 3
- IV. Since the City of Pacific Grove and the MPWMD are beneficiaries of the proposed entitlements, the analysis of historic usage must be preformed by others. There can be no financial connection (conflict of interest) between the beneficiaries and the reporting hydrologist(s). I suggest that a SWRCB hydrologist be used.] 4
- V. There are three 4" water meters servicing the Pacific Grove Municipal Golf Course and one 4" water meter servicing the Pacific Grove El Carmelo Cemetery. The EIR should include the last 10 years worth of monthly, metered water usage for each meter. The public must be provided with these data] 5

- VI. Cal-Am can provide monthly, metered water usage data going back to 1997. The serial numbers of the four meters (currently in place) are as follows:
1. Cal-Am Meter SN: 70015328 (PGMGC FRONT NINE)
 2. Cal-Am Meter SN: 93872012 (PGMGC FRONT NINE)
 3. Cal-Am Meter SN: 70021960 (PGMGC BACK NINE)
 4. Cal-Am Meter SN: 60368502 (EL CARMELO CEMETERY)
- VII. To avoid any bias, intentional "spiking", or skewing of the historic water usage, the analysis should cover a period of no less than seven years. Relying on an analysis that only covers the period when this project was envisioned would be a concern.
- VIII. Only when the historic uncontested usage is determined and plant production verified should any entitlement be granted. Therefore, no entitlement should be immediate. To be statistically significant the performance period of the plant should not be less than two years.
- IX. If the non-potable water being produced by the plant requires that potable water be used for any reason, e.g., to mitigate contamination issues (Chlorides), etc., then only water that was actually saved can be used for determining any entitlements.
- X. All water meters used for determining an "in-lieu" entitlement must be removed at the same time any entitlements are granted.
- XI. The plant should install, record and report the metered intake (waste water) and output (non-potable irrigation water).
- XII. The EIR should report where in the agreement between the City of Pacific Grove (member of the JPA) and the MRWPCA is it entitled to "skim", i.e., divert, waste water from the system.
- XIII. The EIR must analyze the effects of transferring water historically used for irrigation demand into commercial/residential demand. Past billing records for irrigating the 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. This could affect the proposed MPWMD ASR program (which will operate during the "wet months") as well as flowrates that determine favorable Steelhead passage in the Carmel River and lagoon.
- XIV. Pacific Grove should permanently set aside at least 33% of the final uncontested entitlement amount towards the river/system. When developing their reclamation and golf course irrigation project, Pebble Beach Company set aside a portion of their historic use. More recently, the
- 5 cont.
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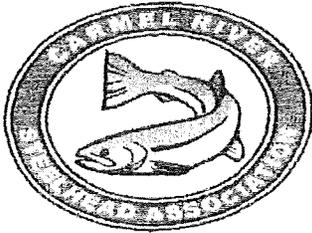
Eastwood/Odello project (Water Right Application No. 30497 - SCH No. 2014031008) is proposing to do the same. The Pacific Grove Local Water Project is the only one that is not proposing a permanent set-aside. If no permanent set-aside is included this would be a concern. Certainly no legitimate conservation, which the City claims in their SWRCB loan application, will have occurred.

13 cont.

- XV. I end my comments by reminding you and others that SWRCB Water Order 2009-0060 (Cease and Desist Order -page 54 section 19.2), 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."

14

Luke Coletti
Pacific Grove, CA



Carmel River Steelhead Association

501 (C)(3) TIN 77-0093979

P.O. Box 1183

Monterey, CA 93942

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

July 3, 2015

RE: Scoping comments Draft Supplemental EIR (SCH# 2014021058)

Dear Mr. Gho:

The Carmel River Steelhead Association (CRSA) would like to offer items to be considered in the scoping phase of the SEEIR. Before I begin our comments I must point out the 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.”**

The CRSA suggestions are as follows:

1: No entitlements for water may be issued until either Water Order 2009-0060 is complied with or the City of Pacific Grove has demonstrated that it is no longer using water illegally diverted from the Carmel River.

2: Other non-Cal Am projects that have created water have left a sizable part of the water created for the benefit of the environment. Pebble Beach saved around 800 acre feet of water but only received a credit of less than 400 acre feet. The proposed Eastwood/Odello (Mal Paso LLC) has a Water License for 131.8 acre feet of water and it is proposed to be divided into 85.6 acre feet for new development and 45.6 acre feet for the benefit of the river. CRSA believes the City of P.G. should follow the path set by Pebble Beach and Eastwood and leave at least 30% of the water for the benefit of the river environment. That would leave 70% of the water for entitlements.

3: The EIR must show the meters and metered amount of water being saved. From what I can figure out and from reading earlier documents, it does not look like PG is actually using 125 acre feet of water at this time. Water that is claimed to be “in lieu water” should be actual replaced Cal Am water and only that amount should be available for future entitlements and only after the CDO is complied with.

4: Any future entitlements should only be given after it is proven that the project can produce a specific number of acre feet of water and not be given on projected acre feet of water.

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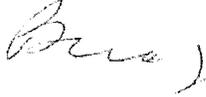
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5: Any future entitlements must be for water actually saved. In the case of Pebble Beach, it was found that the reclaimed water was not sufficient in quality and Cal Am water was still needed periodically to "flush" the golf courses. It is not known what the quality of the P.G. Small Water Project will be, and until it is proven that no Carmel River water will be needed, no entitlements can be determined.

6

Sincerely;



Brian LeNeve
President CRSA



July 3, 2015

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

ELECTRONIC SUBMISSION VIA dgho@cityofpacificgrove.org

Re: Scoping Comments on NOTICE OF PREPARATION OF A DRAFT
SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

To Whom It May Concern:

The Surfrider Foundation Monterey Chapter appreciates this opportunity to provide public comments in response to the NOTICE OF PREPARATION OF A DRAFT SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT. 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 will protect and preserve a healthy coastal environment.

Overview

It is stated that 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.*"

It is motivated because "*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 ...*"

The subject of the SEIR is the proposed modification:

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).

The Monterey Chapter of Surfrider Foundation offers the following comments regarding the environmental impacts of the proposed modification to the PGLWP:

The proposed modification supposes that there is potable water available that will be freed, whereas the motivation for the original project is the shortage of potable water. The environmental benefits that the project would create disappear if the shortage is simply moved to another use. The PGLWP does not create any potable water. It allows uses that do not require potable water to continue. In the current condition of shortage of potable water, non-potable uses such as those proposed to be served by the PGLWP are considered less essential than those requiring potable water, and as such are likely to be cut under the continued water deficit. The modification is claiming water that does not exist. Reducing a deficit creates nothing new.

As the proposed modification changes the essential nature of the project from one that would reduce potable use to one that shifts potable water from an existing use to new uses, one has to consider changes to the premises and conclusions of the previously certified final EIR for the PGLWP (2014 Certified EIR, State Clearinghouse Number 2014021058) dated November 19, 2014. As an example, claims that the PGLWP reduces any impacts assigned to the existing production and use of potable water would be negated to the extent that the production and use of that water continues, even though assigned to a new user or use. One can no longer submit claims against the baseline, since the proposed modification is to leave the baseline AS IS.

The deficit will continue until a new potable supply is found. The proposed Monterey Peninsula Water Supply Project (MPWSP) is planned to replace the current overdraft of Carmel River waters with a desalination plant, along with ground water recharge with recycled water. The proposed MPWSP is restricted to supplying this replacement water with some additional water for lots of record. There is no surplus potable water created to serve new uses. The proposed MPWSP carries significant economic and environmental costs. The proposed modification, ignores those costs and claims "freed potable water" as if some reservoir of pristine water exists that can be drawn from with no consequences.

Legal Requirements Under CEQA

The California Environmental Quality Act ("CEQA") was enacted to further legislative policies including the maintenance of a quality environment for the people of California now and in the future, and preventing environmental

damage. (Cal. Pub. Res. Code § 21000) CEQA further declares that policies of the State include: taking "all action necessary to protect, rehabilitate, and enhance the environmental quality of the state" (Cal. Pub. Res. Code § 21001(a)); taking all action necessary to provide the people of this state with clean air and water, enjoyment of aesthetic, natural, scenic, and historic environmental qualities (Cal. Pub. Res. Code § 21001(b)); and preventing the elimination of fish or wildlife species due to man's activities, and insuring that fish and wildlife populations do not drop below self-perpetuating levels (Cal. Pub. Res. Code § 21001(c)).

CEQA requires the preparation of an Environmental Impact Report ("EIR") for projects that may have significant effect(s) on the environment, the purpose of which is "to identify the significant effects on the environment of a project, to identify alternatives to the project, and to indicate the manner in which those significant effects can be mitigated or avoided." (Cal. Pub. Res. Code § 21002.1(a)) The lead agency shall be responsible for considering the effects, both individual and collective, of all activities involved in a project. (Cal. Pub. Res. Code § 21002.1(d)) Therefore, under CEQA, an EIR must consider all significant effects on the environment from the project, including any irreversible effects; any cumulative effects from the project; and any feasible mitigation measures to mitigate or avoid those effects. (Cal. Pub. Res. Code § 21100; 14 Cal. Code Regs. § 15130.) The EIR requirement is the heart of CEQA. (County of Inyo v. Yorty, 32 Cal. App. 3d 795.)

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Any person may submit comments to the lead agency to assist in preparing the draft EIR, and the lead agency must consider all information and comments received. (14 Cal. Code Regs. § 15084).

5

Therefore, in conclusion, pursuant to CEQA's mandates, the City of Pacific Grove, as lead agency for the Pacific Grove Local Water Project, must consider these comments submitted by the Surfrider Foundation on the SEIR, and must prepare an SEIR which considers the affected environment, all feasible project alternatives, all significant project impacts, including cumulative impacts, consistency with other laws, and all feasible mitigation measures.

6

Affected Environment

Additionally, due to the Project's location in and near the coast, the EIR must consider the potential for and effects of sea level rise, as well as other climate change-related effects, in the Project area, and the Project must be consistent with the California Coastal Act and the California Coastal Commission's Sea Level Rise Policy Guidance (available at: <http://www.coastal.ca.gov/climate/slrguidance.html>). Specifically, the Project - both in terms of infrastructure construction and operations - must minimize coastal hazard risks without the use of bluff retaining or shoreline protection devices that would substantially alter natural landforms, and must avoid or minimize impacts to coastal resources, including public access, recreation, marine resources, agricultural areas, sensitive habitats, archaeological

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resources, and scenic and visual resources in conformity with Coastal Act requirements.

} 7 cont

Alternatives

The SEIR must consider all feasible alternatives of and to the modification. This should include considering a "no modification alternative" and whether the un-modified project can meet the project needs.

} 8

Additional alternatives with respect to certain Project attributes that must also be considered are discussed below.

Significant Environmental Impacts

The SEIR must include all significant environmental impacts from the proposed modification. The proposed modification will likely have multiple significant impacts on precious natural resources due to its waste discharges, energy use, and greenhouse gas emissions. Thus, these impacts must be analyzed.

} 9

Energy Use / Greenhouse gas emissions

The EIR must determine the Project's net energy consumption and resulting greenhouse gas ("GHG") emissions (i.e. the amount of energy consumption and GHG's which are new, or increased above baseline conditions). This calculation must take into account that the Project creates a new need for energy. The EIR must determine whether these impacts are significant, and analyze specific mitigation measures to address them. Precise greenhouse gas mitigation measures must be incorporated into the EIR and may not be deferred to a later date. This could include development of a conservation plan, determination as to whether and how much renewable energy will be available, and the production of a clear menu of options and a calculation of potential emissions reductions from each option.

Measures such as requiring installation of solar photovoltaic panels throughout the site, use of the most energy efficient technologies and engineering processes for the Project's operation, use of low or zero-emission construction vehicles, and ride sharing programs and employee shuttle programs to and from the Project site are potential measures that could be incorporated. Numerous agencies and organizations have documented feasible and effective greenhouse gas mitigation options. The lead agencies must consider all of the applicable measures listed in the following documents, and must adopt all feasible measures to reduce the Project's impacts. "[A]gencies should not approve projects as proposed if there are . . . feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects." (Cal. Pub. Res. Code § 21002.)

} 10

Governor's Office of Planning and Research. 2008. Technical Advisory. CEQA and Climate Change: Addressing Climate Change through California

Environmental Quality Act (CEQA) Review. See Attachment 3, "Examples of GHG Reduction Measures." Available: <http://www.opr.ca.gov/docs/june08-ceqa.pdf>

California Air Pollution Control Officers Association (CAPCOA). 2008 (January). CEQA & Climate Change. Evaluating and Addressing Greenhouse Gas Emissions from Projects Subject to the California Environmental Quality Act. See page 79, "Mitigation Strategies for GHG." Available: <http://www.capcoa.org/wp-content/uploads/downloads/2010/05/CAPCOA-White-Paper.pdf>.

California Air Pollution Control Officers Association (CAPCOA). 2010 (August). Quantifying Greenhouse Gas Mitigation Measures. A Resource for Local Government to Assess Emission Reduction from Greenhouse Gas Mitigation Measures. Available: <http://www.capcoa.org/wp-content/uploads/2010/11/CAPCOA-Quantification-Report-9-14-Final.pdf>.

Attorney General of the State of California. 2008 (December). The California Environmental Quality Act. Addressing Global Warming Impacts at the Local Agency Level. Available: http://ag.ca.gov/globalwarming/pdf/GW_mitigation_measures.pdf.

10 cont.

Cumulative Impacts

As provided above, CEQA requires an EIR to fully disclose and analyze a project's cumulative impacts. CEQA defines "cumulative impacts" as "two or more individual effects which, when considered together, are considerable or which compound or increase other environmental impacts." CEQA Guidelines § 15355(a). "[I]ndividual effects may be changes resulting from a single project or a number of separate projects." Id. "Cumulative impacts can result from individually minor but collectively significant projects taking place over a period of time." CEQA Guidelines § 15355(b). The cumulative impacts concept recognizes that "[t]he full environmental impact of a proposed . . . action cannot be gauged in a vacuum." *Whitman v. Bd. of Supervisors* (1979) 88 Cal. App. 3d 397, 408.

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Therefore, this EIR must thoroughly discuss any other potential projects and existing facilities, and their effects, which, when considered with this Project's impacts, will be significant.

Feasible Mitigation Measures

The EIR must consider and fully analyze all mitigation measures, and the Project must include all feasible measures to mitigate impacts. (14 Cal. Code Regs. §15021(a)(2); 40 CFR 1500.2(f).) "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors. (Cal. Pub. Res. Code § 21061.1). The required mitigation measures must "minimize significant effects on the environment, including, but not limited to, measures to reduce the wasteful, inefficient, and unnecessary

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consumption of energy." (Cal. Pub. Res. Code § 21100(b)(3).) A lead agency for a project has authority to require feasible changes in any or all activities involved in the project in order to substantially lessen or avoid significant effects on the environment, consistent with applicable constitutional requirements such as the "nexus" and "rough proportionality" standards established by case law (14 Cal. Code Regs. §15021, citing Nollan v. California Coastal Commission (1987) 483 U.S. 825, Dolan v. City of Tigard, (1994) 512 U.S. 374, Ehrlich v. City of Culver City, (1996) 12 Cal. 4th 854.)

12 cont

These measures cannot be duplicative of another project's mitigation measures which are already required, or current marine life protection measures already in place in the region, but must be new measures to mitigate the Project's environmental impacts to less than significant levels.

Compliance With Existing Law

The Project must be consistent with all existing laws, and the EIR must address the Project's consistency. Specifically, the EIR must address how this Project will be consistent with the Marine Life Protection Act, and related Marine Protected Area regulations; the National Marine Sanctuaries Act of 1972, and related Monterey Bay National Marine Sanctuary (MBNMS) regulations; and the California Ocean Plan.

13

Conclusion

The Surfrider Foundation Monterey Chapter appreciates the opportunity to provide these comments. The foregoing matters are significant issues, which warrant inclusion and in-depth analysis in the Draft EIR. This Project must be carried out such that our ocean and coastal resources are protected to the maximum extent possible for generations to come, and NEPA and CEQA demand that all feasible alternatives, impacts, cumulative impacts, and mitigation measures be considered with respect to this DeepWater Desal Monterey Bay Regional Water Project.

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Sincerely,

Antony Tersol
Vice-Chair, Monterey Chapter
Surfrider Foundation

APPENDIX A4- Newspaper Notice

**CITY OF PACIFIC GROVE NOTICE
OF PUBLIC SCOPING MEETING
Monday, June 22, 2015, 5:30 p.m.**



The City of Pacific Grove will hold a public scoping meeting at the Pacific Grove City Hall City Council Chambers, 300 Forest Avenue, Pacific Grove, California. **The meeting purpose is to solicit input and comments from public agencies and the general public on the scope of the Draft Supplemental Environmental Impact Report (SEIR) being prepared for the Pacific Grove Local Water Project (PGLWP).**

Notice is hereby given of preparation of a Supplemental Draft 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).

Copies of the NOP 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.ci.pg.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

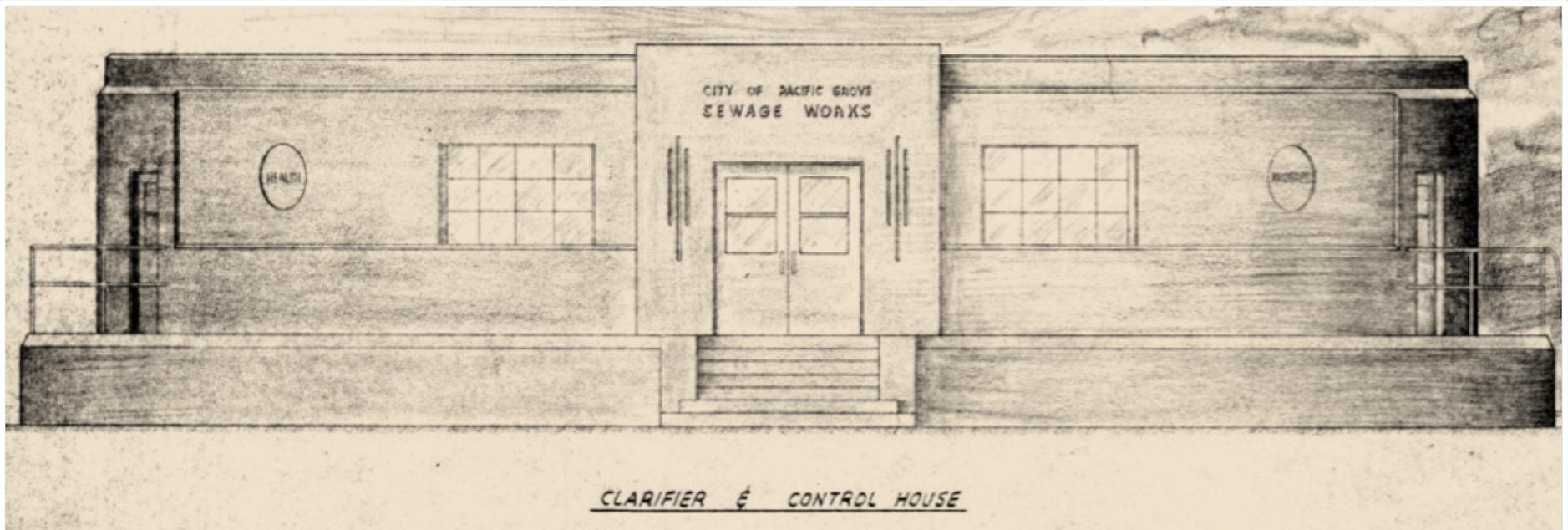
The City of Pacific Grove does not discriminate against persons with disabilities. The Pacific Grove City Hall is an accessible facility. A limited number of devices are available to assist those who are hearing impaired.

Publication Date: June 12, 2015

Pacific Grove Local Water Project Modification

Supplemental EIR Public Scoping Meeting

Monday June 22, 2015



Welcome & Introductions



Agenda

- 1) Welcome and Introductions
- 2) What is CEQA?
- 3) Purpose of CEQA Scoping Meeting
- 4) Description of Proposed Project
- 5) Potential Environmental Impacts
- 6) Project Schedule – Timeline and Milestones
- 7) Contact Information

Comments and Questions

What is the California Environmental Quality Act (CEQA)?

- 1970 State of California environmental law
- Purpose of CEQA:
 - Provide information to decision makers and public about environmental consequences of actions
 - Evaluate the project's anticipated physical environmental effects
 - Provide the public with an opportunity to comment on the environmental issues
 - Obligation to avoid or reduce harm to the environment when feasible (“mitigation”)

Purpose of the Notice of Preparation (NOP)

- Formally begins environmental review process.
- Indicates to community that a Supplemental Environmental Impact Report (SEIR) will be prepared.
- Solicits community input regarding issues and concerns to be discussed in the SEIR.

Purpose of This CEQA Scoping Meeting

- Receive additional input from the public & interested agencies on the environmental issues that the Draft SEIR should address.
- The City has chosen to hold this meeting to enhance public participation as part of the project's review under CEQA.
- Today's meeting is NOT intended as a forum to discuss the merits of the proposed project.

Opportunities to Comment

- You are encouraged to comment tonight at this meeting.
- Written comments will be accepted instead of or in addition to verbal comments.
- Please limit comments to the environmental issues to be analyzed in the SEIR.
- NOP Comment Period will end on July 3, 2015, @5:00 p.m.
- 45-day Draft SEIR Comment Period (July – August 2015).
- City Council Hearing (August, 2015)



Supplemental Environmental Impact Report (EIR)

- Informational document based on facts, not speculation.
- Studies are prepared and conclusions of significance made in accordance with CEQA Guidelines
- Non-biased process that neither supports nor opposes the project.

SEIR Steps

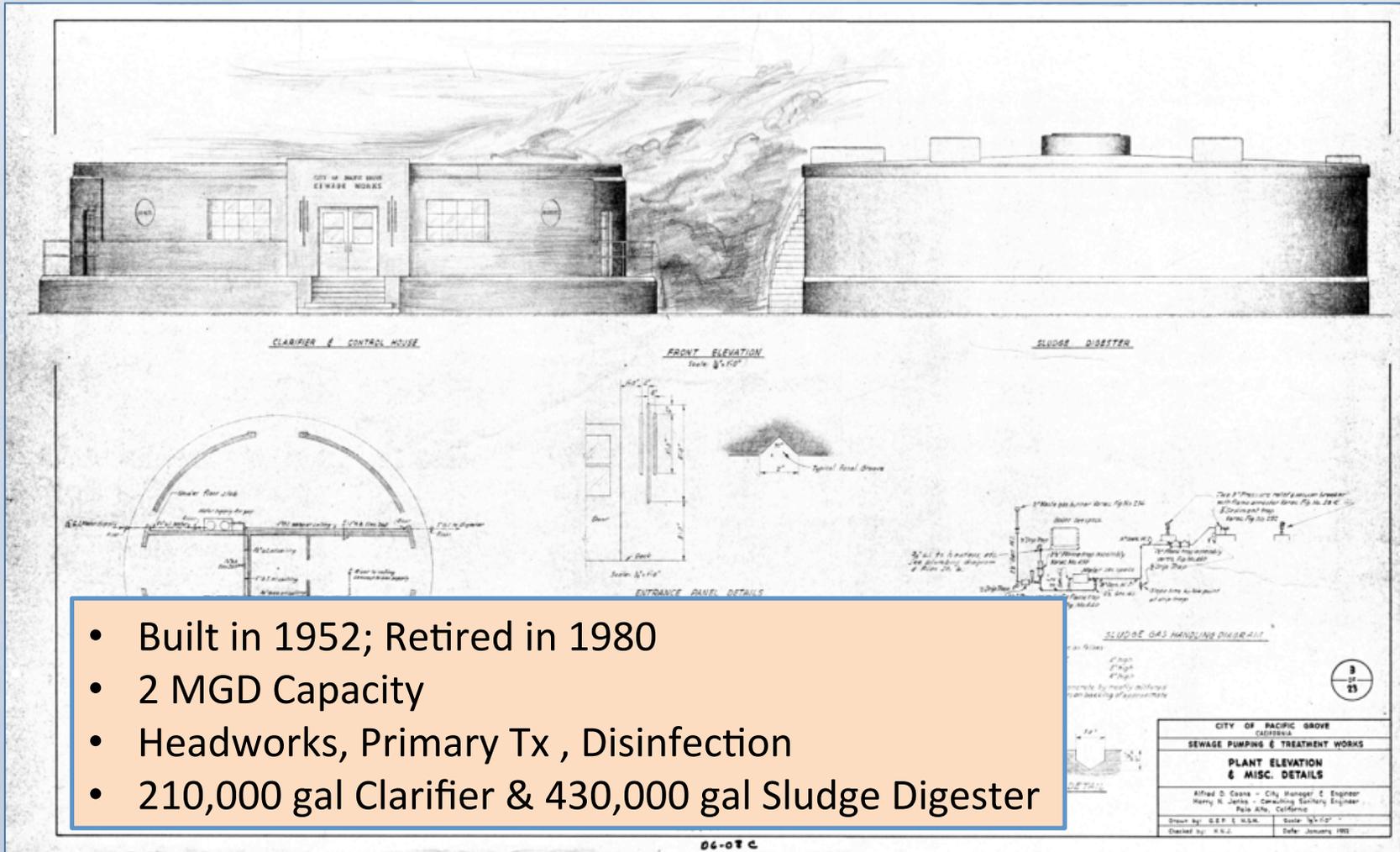
- ✓ Notice of Preparation
- ✓ 30-Day Notice of Preparation Comment Period
- ✓ Public Scoping Meeting
- Preparation of Supplemental Draft EIR
- 45-Day Public Comment Period
- Preparation of Response to Comments & Final EIR
- Public Hearing Process
 - Certification of Final SEIR
 - Adoption of Findings of Fact
 - Adoption of Mitigation Monitoring & Reporting Program

Overview of Modification to the PGLWP

1. Water Supply to the Peninsula is in Critically Short Supply.
2. Cal-Am Must Replace 10,730 AFY From the Carmel River.
3. Pacific Grove Proposed its Local Water Project to Create 125 AFY of New Non-Potable Water to Irrigate Golf Course & Cemetery.
4. Project Modification is to Apply to MPWMD for Entitlements to a Portion of the Potable Water That Results From the LWP.



Existing Pt. Pinos Facilities

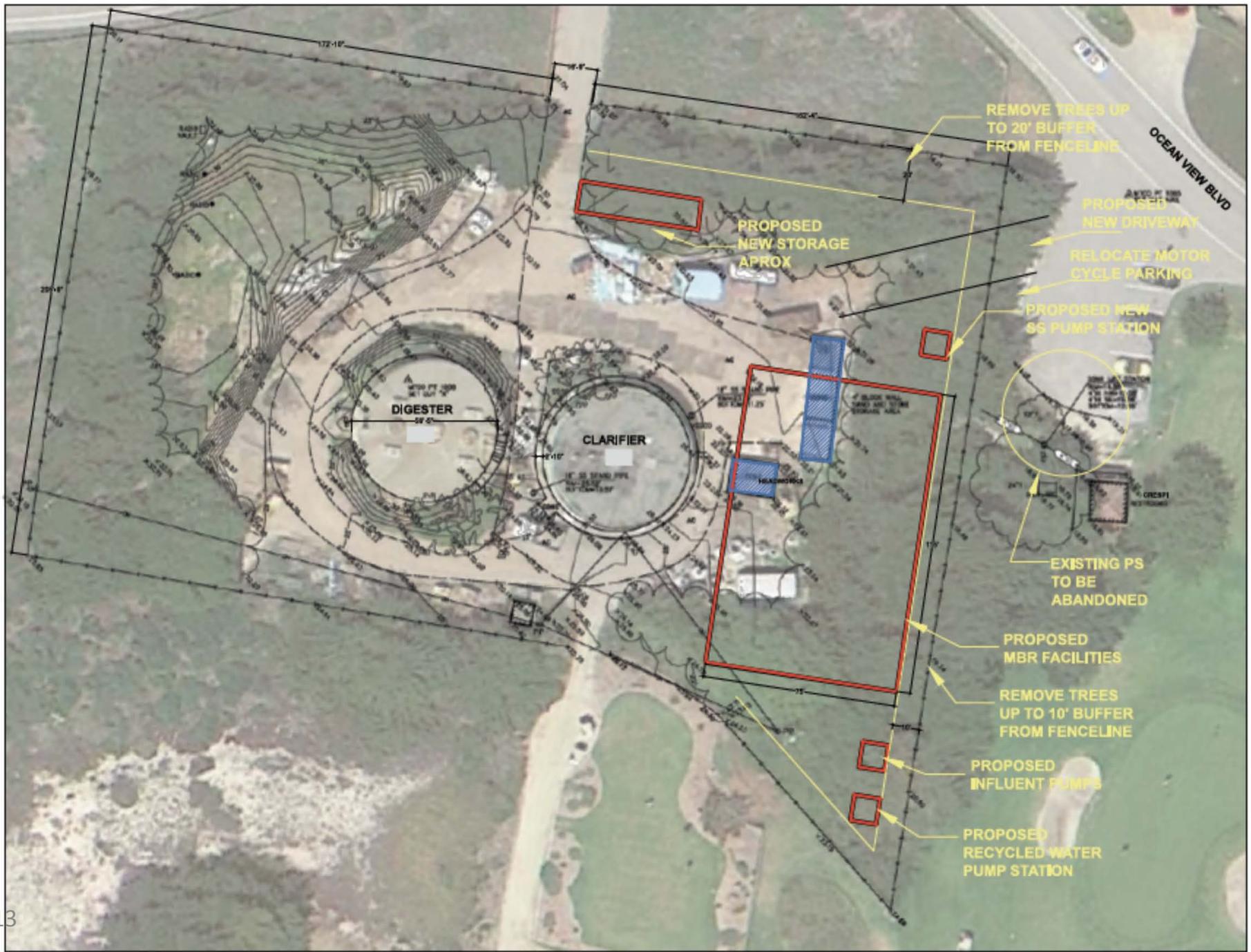


- Built in 1952; Retired in 1980
- 2 MGD Capacity
- Headworks, Primary Tx , Disinfection
- 210,000 gal Clarifier & 430,000 gal Sludge Digester



Project Overview





PE

Potential Environmental Impacts

Based upon potential significant environmental effects, an EIR will be prepared to further evaluate issues identified during planning.

- Aesthetics
- Agricultural Resources
- Land Use & Planning
- Noise
- Air Quality
- Biological Resources
- Cultural Resources
- Population & Housing
- Soils & Geologic Hazards
- Hazards & Hazardous Materials
- Public Services
- Transportation & Traffic
- Hydrology & Water Quality
- Utilities & Service Systems

Major Milestones

1. Permit Applications

1. CCC CDP
2. RWQCB/CDPH WDR
3. Air Quality Construction & Operations
4. Discharge to MRWPCA

2. CEQA-Plus

1. City as Lead Agency
2. Analysis of *largest* potential impacts = ASBS & PGLWP separately.
3. Demand Groups II & III at Programmatic Level

3. SRF & Draft Facility Plan Report

1. Report Sets the Project Up for A Low Interest CWSRF Loan
2. Funding Will Be For Demand Group 1



Contact Information

- Please submit written comments (or e-mail) to:

Daniel Gho, Superintendent

City of Pacific Grove, Public Works Department

2100 Sunset Drive

Pacific Grove, California 93950

dgho@ci.pg.ca.us

- Your Comments Must Include:
 - Your Name, Address, e-mail, or contact number



Discussion

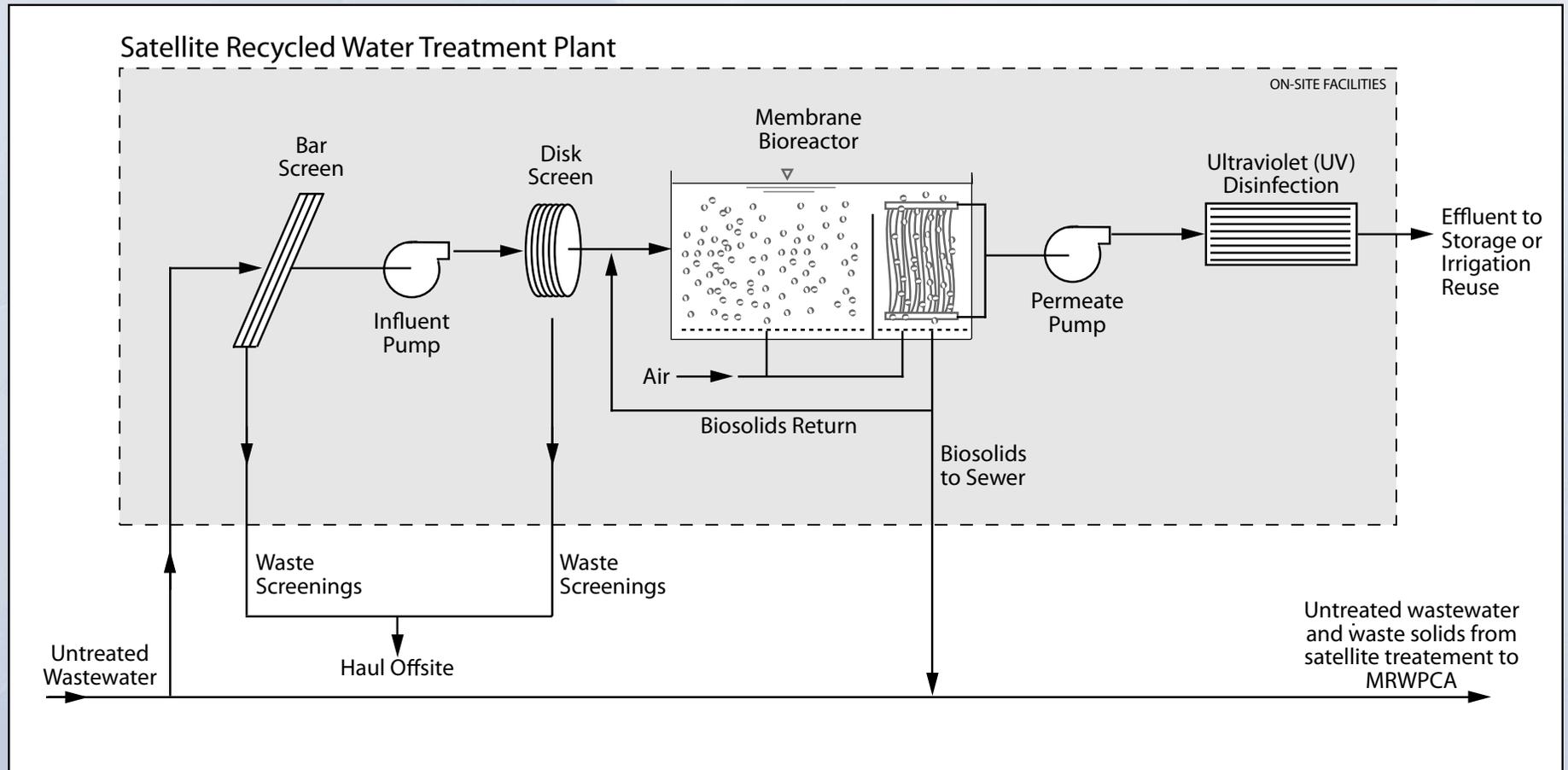


Draft Facilities Plan Report (DFPR) & Grant Funding

- DFPR Prepared & Submitted to State
- Met with SWRCB on Feb 24, 2014
- 50% Reimbursement to be Released
- 100% Reimbursement @ Final Report
- Facilitates SRF Application Process



Proposed Treatment Train



Construction Options



DESIGN - BID - BUILD



DESIGN - BUILD



Construction Contracting

- City Plans to Obtain Design-Build-Operate Entity (D-B-O) Responsible for:
 - Completion of Design Engineering
 - Facility Construction
 - Operations
- Provision of Recycled Water to Demand Group 1

Supporting Technical Analysis

- ✓ Topographic Survey
- ✓ Preliminary Biology
- ✓ Preliminary Cultural & Historic Resources
- ✓ Condition Assessment of Existing Structures
- ✓ Site Geotechnical
- ✓ CCTV of Diversion Pipeline
- ✓ Arborist Tree Survey
- Phase I Environmental Site Assessment
- Section 106 Survey (National Historic Preservation Act)

Timeline & Milestones

#	Info	Title	Expected Start	Expected End	Expected Duration	2013			2014				2015				2016				
						Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
0		Pacific Grove Local Water Project	07/01/2013	11/23/2016	3.7 years	[Red bar spanning from Q2 2013 to Q4 2016]															
1		Notice to Proceed	07/01/2013	07/01/2013	0 hours	[Red diamond at start of Q2 2013]															
2		Facility Planning Grant Report Completion	07/01/2013	02/07/2014	8 months	[Red bar from Q2 2013 to Q1 2014]															
3		Stakeholder Coordination	07/01/2013	10/20/2016	3.6 years	[Red bar from Q2 2013 to Q3 2016]															
6		Design Development	07/01/2013	04/04/2014	10 months	[Red bar from Q2 2013 to Q1 2014]															
9		CEQA Compliance	11/18/2013	04/03/2015	1.5 years	[Red bar from Q4 2013 to Q2 2015]															
27		Regulatory Permitting	07/01/2013	06/04/2015	2.1 years	[Red bar from Q2 2013 to Q2 2015]															
32		Design Bulid Contractor Assistance	04/07/2014	11/23/2016	2.87 years	[Blue bar from Q4 2014 to Q4 2016]															

FPGR
 Draft 1/31/14
 Rvw. Meeting 2/24/14
 Final Report ~3/20/14

D-B-O Selection
 Q2 2015

Commissioning
 Q3 2016

