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MPWMD

6 April 2009

Henrietta Stern, Project Manager  
Monterey Peninsula Water Management District  
5 Harris Court, Building G  
Monterey, CA 93940

**RE: MONTEREY BAY SHORES ECORESORT WATER SUPPLY  
SUBSEQUENT EIR SCOPE OF WORK**

Dear Ms. Stern,

David J. Powers & Associates, Inc. (DJP&A) is pleased to offer the attached scope of work for preparation of a Subsequent EIR (SEIR) to the Monterey Bay Shores Resort Final EIR (SCH#97091005, certified by City of Sand City December 4, 1998), as amended by the EIR Addendum prepared for City of Sand City December 2008. The Subsequent EIR will focus solely on water supply issues for the Monterey Bay Shores Resort project that are within the regulatory authority of the Monterey Peninsula Water Management District (MPWMD). The SEIR will be prepared in accordance with the California Environmental Quality Act (CEQA) and the requirements of the MPWMD.

We have prepared the attached scope of work, based upon DJP&A's knowledge of the proposed project, information provided by MPWMD staff, consultation with appropriate technical experts, and DJP&A's past experience with projects of similar magnitude. In addition to preparing both the original Monterey Bay Shores EIR and Addendum, DJP&A prepared the EIR for the Sand City Desalination Facility project.

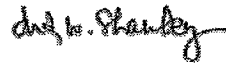
For over 35 years, DJP&A has provided professional consulting services to public agencies and private developers in all areas of environmental planning. Working Principals of David J. Powers & Associates have a combined tenure with the firm of over 120 years. Through all of this experience, we have the expertise and ability to prepare environmental review documents for a wide variety of projects, all meeting applicable California state law and local regulations.

David J. Powers & Associates, Inc. honors a basic philosophy of providing each client with objective and thorough research, accurate identification of project impacts, and a carefully written analysis of those impacts with appropriate mitigation. The company has often been selected for projects with critical time schedules, requiring strong management and organizational control.

Ms. Henrietta Stern  
Monterey Bay Shores Water Supply SEIR Scope of Work  
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Thank you for your consideration of our proposal for this work. Please contact me or Will Burns, our project manager, if you have any questions or require additional information. If this scope is acceptable to you, it can be attached as the scope for your standard agreement. We look forward to working with you on this project.

Sincerely,



Judy W. Shanley  
President

/attachments



## SCOPE OF WORK

### MONTEREY BAY SHORES ECORESORT WATER SUPPLY

April 6, 2009

David J. Powers & Associates (DJP&A) proposes to prepare a Subsequent Environmental Impact Report (SEIR) focused on the water supply related issues involving the Monterey Bay Shores Ecoresort project, described below, in accordance with the California Environmental Quality Act (CEQA), Section 15162, and the requirements of the Monterey Peninsula Water Management District (MPWMD). The SEIR will provide an objective determination of the environmental impacts resulting from supplying potable water to the Monterey Bay Shores Ecoresort project site.

#### BACKGROUND

The City of Sand City has prepared an Addendum to the Final Environmental Impact Report for the Monterey Bay Shores Resort to address the impacts of a revised project on approximately 39 acres adjacent to Monterey Bay. The property owner, Security National Guaranty, Inc., and California American Water (CAW) are co-applicants for a Water Distribution System permit from the Monterey Peninsula Water Management District. The permit would allow CAW to supply potable water to the proposed resort. The initial permit application was denied based on the potential for water from the Carmel River to be used on the project site and the need for additional environmental review to address the impacts related to supplying water to the proposed ecoresort.

#### Project Description

The Monterey Bay Shores Ecoresort would include development of a 161-room hotel, 46 visitor-serving residential condominium units (rental pool) located south of the reception area, 42 visitor-serving condominium units (rental pool), and 92 residential condominium units. Auxiliary facilities proposed include a restaurant and bar, wellness spa, and conference and meeting rooms. The resort also includes open space, public access trails, and dune and habitat restoration areas. The proposed development would be located centrally on the project site and oriented toward Monterey Bay. The proposed development has made an effort to reduce water consumption through the use of rainwater and treated graywater for irrigation purposes.

#### *Water Supply and Service*

For the purposes of this SEIR, it is assumed that water service would be provided for the ecoresort by the local water utility, CAW, primarily through the pumping of groundwater from the Seaside Groundwater Basin and potentially with water from the Carmel River. The maximum quantities of pumped water and Carmel River water and the timing of withdrawal would be provided by CAW. CAW would provide water service through an operation and maintenance agreement with the



property owner. Water lines would be extended from the Edgewater Shopping Center to the project site and the project site's groundwater allocation (as adjudicated) is presently assumed to be pumped from CAW's existing Paralta well through a subsequent operating agreement. The arrangement with CAW is proposed to minimize impacts to the Seaside Groundwater Basin by making the groundwater withdrawal further inland.

The proposed use of groundwater is consistent with the current management plan for the Seaside Groundwater Basin. In 2006, the Monterey County Superior Court issued a final, binding judgment and decision that (1) adjudicated the legal entitlements to water within the basin; (2) imposed a "physical solution," which is a term in water law referring to a court-imposed management plan to monitor and manage the groundwater for long-term sustainability; and (3) established a "watermaster" to develop, modify and implement the groundwater management plan. In the adjudication, the court confirmed that the current owner of the property, Security National Guaranty, Inc., is entitled to 149 acre-feet of groundwater per year from the basin. Under the judgment, Security National Guaranty, Inc. has priority rights to use its legal entitlement of water.

The State Water Resources Control Board has stated that no Carmel River water should be used to serve the ecoresort; however, given the constraints on Seaside Groundwater Basin pumping and the co-mingling of supplied water within the CAW system, CAW has stated that Carmel River water may at times be used by the ecoresort.

Rainwater would be collected at the ecoresort in cisterns located in the parking garage and retention ponds and used to supplement the CAW-supplied water for all non-potable uses as allowed by the Monterey County Health Department and Regional Water Quality Control Board.

## **SCOPE OF WORK**

The following scope of work was prepared based upon DJP&A's knowledge of the proposed project, information provided by MPWMD staff, consultation with appropriate technical experts, and DJP&A's past experience with projects of similar magnitude. The specific tasks included in this scope of work are outlined below.

### **Task 1.0 SEIR Initiation**

We will attend one (1) kickoff meeting with the MPWMD staff, the applicants, and technical subconsultants to further define the project description and alternatives to be included in the SEIR.

### **Task 2.0 Notice of Preparation**

DJP&A will prepare the SEIR Notice of Preparation (NOP), for circulation by the MPWMD to Responsible Agencies and others, in accordance with the CEQA Guidelines Section 15082. The NOP will include a brief project description, including explanation of the need for the Subsequent EIR, project location map, and discussion of the focused potential environmental effects of the project. The text of the SEIR will incorporate significant and relevant issues raised in the responses to the NOP received during the 30-day NOP circulation period.



### **Task 3.0 Prepare Administrative Draft SEIR**

Task 3.0 consists of preparation of the Administrative Draft SEIR (ADSEIR). DJP&A will prepare the ADSEIR in a format suitable to meet the requirements of the CEQA Guidelines and the MPWMD's procedures for the preparation of environmental documents. The ADSEIR will include a preface/introduction, a summary, and a description of the proposed project. The ADSEIR will describe the environmental setting and will include an in-depth discussion of the project's potential environmental impacts. The ADSEIR will also identify measures to reduce significant impacts, as appropriate.

The ADSEIR will focus on the potentially significant environmental impacts associated with the proposed water supply for the project. The SEIR will also include other required SEIR sections such as cumulative impacts and an evaluation of alternatives to the project. Specifically, the ADSEIR will be prepared, as described below.

#### **3.1 Preface/Introduction**

The SEIR will include a preface explaining the purpose of the SEIR and summarizing the uses of the SEIR.

#### **3.2 SEIR Summary**

The summary of the SEIR will include a brief description of the proposed project and a table outlining the project impacts and mitigation measures. The summary will also describe the alternatives to the proposed project, any known areas of public controversy, and the views of local groups.

#### **3.3 Project Description**

The SEIR will describe the proposed project based on the current application on file with the MPWMD and any additional information provided to DJP&A by the applicants and/or MPWMD. This scope of work assumes that the MPWMD will provide DJP&A with all relevant proposed water supply information for the required permit. Graphics, including maps, tables and charts, will be provided to illustrate the project description, as appropriate.

In accordance with CEQA Guidelines Section 15124, the SEIR will identify the project objectives, and will describe the intended uses of the SEIR.

#### **3.4 Consistency**

This section of the SEIR will evaluate the consistency of the project with existing plans, policies, and regulations governing water use on the Monterey Peninsula.

#### **3.5 Environmental Setting, Impacts, and Mitigation Measures**

In accordance with CEQA Guidelines Section 15125, the SEIR will clearly describe the environmental setting for the project and surrounding area, as it relates to water supply, and will



emphasize any particularly sensitive environmental characteristics. The SEIR will identify the thresholds/criteria for significance for each technical subject area.

The SEIR will assess the potentially significant impacts resulting from the project's water use. Indirect effects of water pumping, including impacts to biological resources and utilities, will also be evaluated in the SEIR. The SEIR will identify mitigation measures for impacts resulting from the additional pumping required to provide water to the project site. The SEIR will contain maps, photographs, tables, and other graphics to illustrate and summarize the information presented in the SEIR.

The SEIR will address all issues required by CEQA and the MPWMD. A brief description of the primary issues to be addressed in the SEIR is presented below.

#### *Hydrology and Water Quality*

The SEIR will identify the hydrologic impacts of the project on the Seaside Groundwater Basin assuming use of the proposed Paralta Well. This discussion will be based on a technical memorandum prepared by *Todd Engineers*. *Todd Engineers* will develop a calibrated three-dimensional numerical model to evaluate hydrologic impacts of the proposed water supply plan. The project's potential to result in impacts due to increased drawdown and accelerated seawater intrusion, and impacts to existing users "ability to pump" will be addressed and mitigation measures will be identified, as necessary.

#### *Biological Resources*

The proposed ecoresort may result in seasonal water use from the Carmel River through CAW's water distribution system. Water withdrawals from the Carmel River have been limited by the State Water Resources Control Board due to concerns regarding steelhead trout and California red-legged frogs. The project's contribution to impacts on these species, as well as impacts to potential riparian habitat will be addressed in the SEIR based on a memorandum prepared by *H.T. Harvey & Associates*.

#### *Utilities and Service Systems*

The SEIR will describe the existing and proposed water supply facilities necessary to serve the project site. The SEIR will identify any impacts resulting from new water facilities that would serve the project site. Mitigation measures will be identified to reduce impacts resulting from any required new facilities.

### **3.6 Cumulative Impacts**

The SEIR will include a discussion of the cumulative impacts of the project when compared with past, present, and reasonably foreseeable projects, in conformance with CEQA Guidelines Section 15130. The cumulative analysis will include discussion of the pending SWRCB Cease and Desist Order, pending action by the Watermaster to reduce CAW's allowed extractions from the Seaside Basin, and additional Alternative Producers requesting CAW service instead of pumping their own wells.



### 3.7 Alternatives

The SEIR will evaluate possible alternatives to the proposed project, based on the results of the environmental analysis and known potential alternate sources of water supply. The alternative discussion will consider a reasonable range of feasible alternatives and will focus on those alternatives that could feasibly accomplish most of the basic purposes of the project and could avoid or substantially lessen one or more of the significant environmental effects (CEQA Guidelines Section 15126.6). Project alternatives may also be considered if identified for purposes other than reducing significant environmental impacts. DJP&A will coordinate with the MPWMD staff and the applicants to identify the alternatives to be analyzed in the SEIR. It is anticipated that the alternatives to be evaluated in the SEIR could include the following:

- No Project Alternative – Subject to discussion with MPWMD staff.
- On-site Pumping Alternative – This alternative assumes an operating and maintenance agreement with CAW (or another licensed operator) will be entered into for service of the project by pumping groundwater from the owner's existing on-site well, in accordance with the Monterey County Superior Court judgment, as described above, which gives Security National Guaranty, Inc. a priority right to its 149-acre feet annual production. This alternative may also analyze pumping from the brackish Aromas Dune formation to be treated by an on-site desalination facility.
- Desalination Supply Alternative – This alternative will analyze the potential for the project to rely in part on water from the Sand City Desalination Plant.
- Darwin or Military Well Pump Alternative – This alternative will analyze the potential for the project to be supplied by a CAW pump operating year-round.
- Alternate Private Well Alternative – This alternative will analyze the potential for the Monterey Bay Shores Ecoresort to contract with a private well operator, other than CAW, to pump water from the Seaside Groundwater Basin to supply the resort.

#### Task 4.0 Prepare Draft SEIR/Revise ADSEIR

Upon completion of the Administrative Draft SEIR, DJP&A will submit an electronic copy and up to five (5) copies of the Administrative Draft SEIR to the MPWMD for review and comment. DJP&A will revise the ADSEIR per the comments received from the MPWMD and will print up to five (5) copies of the "Screencheck" SEIR for review.

Upon approval of the document by the MPWMD, up to 50 copies of the Draft SEIR will be reproduced and submitted to the MPWMD for circulation to the public and project applicants. This scope of work also includes providing a copy of the Draft SEIR in PDF format, for posting on the MPWMD's website.

#### Task 5.0 Preparation of Final SEIR

Upon completion of the Draft SEIR circulation period, DJP&A will prepare the Administrative Final SEIR (AFSEIR) in the form of an amendment to the Draft SEIR. The AFSEIR will contain the following:

1. List of persons and agencies commenting on the Draft SEIR;
2. Responses to comments on the Draft SEIR;



3. Revisions to the SEIR text, as necessary;
4. Copies of letters received on the Draft SEIR.

Five (5) copies of the AFSEIR will be provided to the MPWMD for review and comment. DJP&A will revise the AFSEIR based upon comments received. Upon approval of the AFSEIR by the MPWMD, up to 50 copies of the Final SEIR (FSEIR) will be reproduced for distribution to the public and project applicants. This scope of work includes providing a copy of the FSEIR in PDF format, for posting on the MPWMD's website.

This scope is based on receiving between 25-30 pages of substantive comments. This scope also includes eight hours of work for the project biologists to respond to comments. Due to the complexity of the proposed hydrogeologic analysis substantial time for the hydrogeologist to respond to comments on the Draft SEIR has been included in this scope. We cannot, of course, predict how many comment letters will be received by the MPWMD, or if any supplemental technical analysis will be required to prepare responses. In the event more than 30 pages of substantive comments are received, or more than the identified technical subconsultant time is required to respond to comments, this cost estimate will need to be amended. Any further work needed to prepare the FSEIR will be conducted on a time and materials basis, in accordance with the attached fee schedule.

#### **Task 6.0 Meetings and Public Hearings**

This scope of work includes Principal and/or Project Manager attendance at up to five (5) meetings and/or public hearings on the SEIR, including a public SEIR scoping meeting as required by the CEQA Guidelines. The cost for the meetings includes travel time and preparation time. At the public hearing(s), we will be prepared to present the findings of the SEIR, if requested to do so by the MPWMD staff.

#### **Task 7.0 Project Management and Contract Administration**

DJP&A will provide general SEIR project management, contract administration, and coordination throughout the SEIR process for the project. As necessary, DJP&A will provide the MPWMD with a project schedule and updates on the progress of the environmental impact analysis.





## COST ESTIMATE

The total cost for completion of this scope of work is estimated not to exceed \$180,869, based upon our understanding of the project, in accordance with the estimated budget provided below and the attached fee schedule. Please note that the cost estimate shown below is a not-to-exceed total amount for all tasks combined. DJP&A will complete the SEIR for the not-to-exceed total cost below. Within this not-to-exceed total, actual amounts spent on individual tasks/items may be more or less than the estimates. If we do not need all the time that has been budgeted, we will only charge for the time that we have actually spent completing the work. All costs would be charged on a time and materials basis commensurate with work completed. Our invoices will be submitted on a monthly basis and are payable upon receipt.

<b><i>David J. Powers &amp; Associates Staff Time</i></b>	
Preparation of SEIR	\$ 36,310
Reimbursable expenses (travel, maps, printing/reproduction)	\$ 4,090
<b>DJP&amp;A In-House Subtotal</b>	<b>\$ 40,400</b>
<b><i>Subconsultants<sup>1</sup></i></b>	
H.T. Harvey & Associates (Biology)	\$ 9,787
Todd Engineers (Hydrology)	\$114,239
<b>Subconsultants Subtotal</b>	<b>\$124,026</b>
<b>DJP&amp;A and Subconsultant Subtotal</b>	<b>\$164,426</b>
<b>Contingency 10%</b>	<b>\$ 16,443</b>
<b>ESTIMATED TOTAL BUDGET FOR SEIR</b>	<b>\$180,869</b>

Note: <sup>1</sup>Subconsultant costs include a 15 percent administrative fee.

This scope of work assumes that no issues arise that would require any additional technical analysis or documentation. In the event that additional technical analysis is required, we could complete that work on a time and materials basis, upon your written authorization.

## ESTIMATED SCHEDULE

DJP&A proposes the following optimum schedule for preparation of the SEIR for this project. DJP&A can commit to maintaining the schedule in the areas which are within our control. Completion of the SEIR, as described in the schedule, is based upon receipt of all necessary project information on schedule. Delays in receiving requested information or responses will result in at least day-for-day delays in the overall schedule. The schedule also assumes that no comments are received during the circulation of the SEIR that raise any new issues, or require additional technical analysis.



<b>TASK/PRODUCT</b>	<b>ESTIMATED TIMEFRAME (weeks)</b>
Receive Authorization to Proceed/SEIR Kickoff meeting	--
DJP&A receives details of water supply timing and volume	Week 1
Completion of biological resources analysis, submittal to DJP&A	Week 5
Completion of groundwater modeling and technical memorandum, submittal to DJP&A <sup>†</sup>	Week 13
MPWMD review of groundwater modeling and technical memorandum complete	Week 16
Administrative Draft SEIR completed and submitted to MPWMD <sup>†</sup>	Week 19
MPWMD review of ADSEIR complete <sup>†</sup>	Week 21
DJP&A completes "screencheck" DSEIR* <sup>†</sup>	Week 25
MPWMD completes review of "screencheck" DSEIR <sup>†</sup>	Week 26
DJP&A submits Draft SEIR to SCH and MPWMD for public circulation	Week 27
Public Circulation of Draft SEIR Period Completed (45 days)	Week 33-34
DJP&A completes Administrative Final SEIR*	Week 37
MPWMD review of AFSEIR complete	Week 39
DJP&A revises AFSEIR, and prints FSEIR for circulation	Week 41
Final SEIR Circulation complete (10 days)	Week 43

<sup>†</sup> This schedule assumes that (1) the groundwater modeling and technical memorandum will be complete 12 weeks after receiving a detailed water supply plan and complete range of alternatives, (2) the ADSEIR will be complete 3 weeks after receiving final comments on the draft groundwater modeling and technical memorandum from the MPWMD Project Manager, (3) the MPWMD Project Manager will provide us with one consolidated set of comments from MPWMD staff on the ADSEIR within four weeks, and (4) all comments on the "Screencheck" DSEIR within one week. This schedule also assumes that a second ADSEIR (prior to the Screencheck) will not be necessary.

\* Assumes that no new technical analysis is required and that a substantial amount of public comments are not received.





**CHARGE RATE SCHEDULE<sup>1</sup>**

PRINCIPAL	\$205.00 PER HOUR
SENIOR ENVIRONMENTAL SPECIALIST	\$180.00 PER HOUR
SENIOR PROJECT MANAGER	\$158.00 PER HOUR
ENVIRONMENTAL SPECIALIST	\$145.00 PER HOUR
PROJECT MANAGER	\$135.00 PER HOUR
ASSISTANT PROJECT MANAGER	\$ 98.00 PER HOUR
RESEARCHER	\$ 82.00 PER HOUR
DRAFTSPERSON/GRAPHIC ARTIST	\$ 77.00 PER HOUR
DOCUMENT PROCESSOR/QUALITY CONTROL	\$ 77.00 PER HOUR
ADMINISTRATIVE MANAGER	\$ 77.00 PER HOUR
OFFICE SUPPORT	\$ 60.00 PER HOUR

MATERIALS, OUTSIDE SERVICES AND SUBCONSULTANTS INCLUDE A 15% ADMINISTRATION FEE.

MILEAGE WILL BE CHARGED PER THE CURRENT IRS STANDARD MILEAGE RATE AT THE TIME COSTS OCCUR.

SUBJECT TO REVISION JULY 2009

<sup>1</sup> David J. Powers & Associates, Inc. provides regular, clear and accurate invoices as the work on this project proceeds, in accordance with normal company billing procedures. The cost estimate prepared for this project does not include special accounting or bookkeeping procedures, nor does it include preparation of extraordinary or unique statements or invoices. If a special invoice or accounting process is requested, the service can be provided on a time and materials basis.

