# CHAPTER I

# INTRODUCTION

## A. INTRODUCTION

This chapter provides an overview of the responsibilities of the Monterey Peninsula Water Management District, summarizes the project description, outlines the purposes of the California Environmental Quality Act and this Environmental Impact Report, and describes the contents and organization of this EIR.

## B. PROJECT SUMMARY AND OVERVIEW

The Monterey Peninsula Water Management District (MPWMD or "District") was created by the California Legislature in 1977 and ratified by the voters within the MPWMD boundaries (Figure I-1) in 1978. In creating the MPWMD, the Legislature declared that "there is a need for conserving and augmenting the supplies of water by integrated management of ground and surface water supplies, for control and conservation of storm and wastewater, and for promotion of the reuse and reclamation of water" (*Water Code Appendix §118-2*).

The District has three primary responsibilities. The first is to manage the development of potable water supplies and the delivery of this water to users in the Monterey Peninsula area. The second is to protect the Monterey Peninsula area from drought impacts. And the third is to protect the environmental quality of the Monterey Peninsula area's water resources, including the protection of instream fish and wildlife resources. The relationship among these three responsibilities is complex, and the responsibilities sometimes conflict with one another. Ultimately, the District must balance competing interests so as to satisfactorily, if not optimally, achieve each of its three primary responsibilities.

While it continues to pursue development of new water resources, the MPWMD must carefully manage the Monterey Peninsula area's currently limited water supplies. The District does this principally by regulating the amount of water that can be produced and delivered by public and private water distribution systems within the boundaries of the MPWMD.

The MPWMD's *Rules and Regulations* defines a water distribution system as "all works within the District used for the collection, storage, transmission or distribution of water from the source of supply to the connection of a system providing water service to two or more connections including all water-gathering facilities and water-measuring devices, but excluding the user's piping." This definition excludes private wells, which the District regulates only during water supply emergencies.

The District's basic authority to regulate the creation or expansion of water systems in the Monterey Peninsula area is set out in the *California Water Code Appendix* as follows:

> *No person, owner, or operator shall establish, extend, expand, or create a water distribution system unless and until the approval of the board is first obtained in writing. For the purposes of such approval, the board may adopt such rules and regulations and establish such forms for such applications as are necessary and proper. The board may provide by ordinance for exceptions to the requirement for approval for systems furnishing domestic water to three or fewer parcels or lots in the district* (Water Code Appendix §118-363).

This broad authorization is implemented through a system of permits under Rule 20 of the District's *Rules and Regulations*. Section B of Rule 20 specifically provides for the issuance of permits for the expansion or extension of water distribution systems as follows:

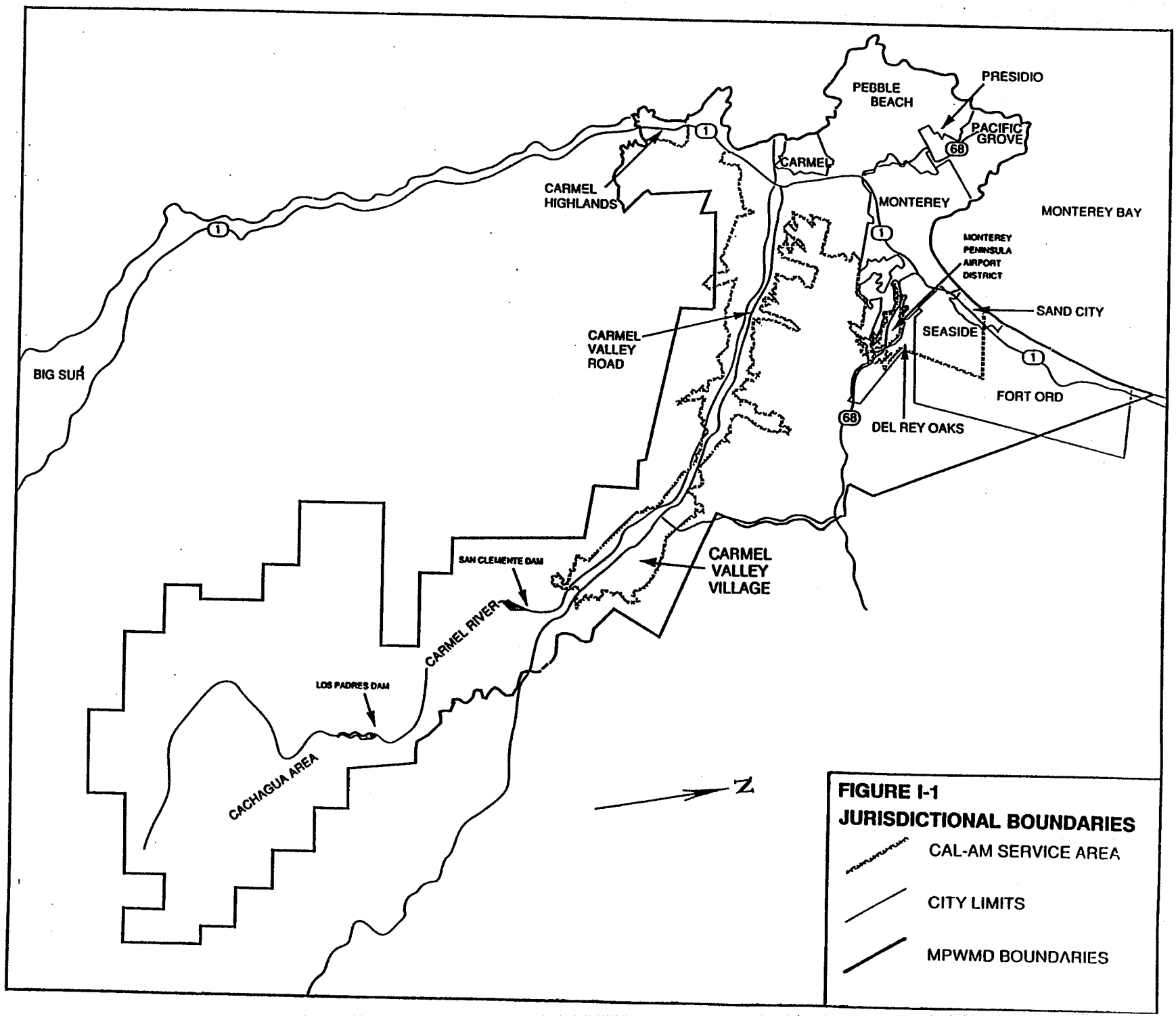
> *Permits to Expand/Extend a Water Distribution System*
>
> *Before any person expands/extends a water distribution system, such person shall obtain a written permit from the District or the District's delegated agent. The addition of any connection to a water distribution system and/or the intensification of use of an existing connection shall be deemed an expansion or extension of that system. Any change in use, size, location, or relocation of a connection or water-measuring device which may allow an intensification of use or increased water consumption, or any permit transfer pursuant to Rule 28 which may allow an intensification of use or increased water consumption, shall be deemed an expansion or extension of that system. A proper applicant for such an expansion/extension permit may be either the owner or operator of the water distribution system, the prospective user of the proposed connection as the real party in interest, or any agent thereof.*

Accordingly, the District requires that any person seeking to develop a new use, expand an existing use, or change an existing use first obtain a permit from the District.

All the water distribution systems regulated by the District derive water from one or more of five sources: the Carmel River, the Carmel Valley Aquifer, the Seaside Coastal Groundwater Subbasin, the Seaside Inland Groundwater Subbasin, and the Carmel Valley Upland Formation. The first three of these sources are known collectively as the Monterey Peninsula Water Resource System (MPWRS) (Figure I-2).

This EIR analyzes the cumulative impacts of the extraction of water from the MPWRS and the delivery of this water to users in the Monterey Peninsula area. More specifically, however, this EIR focuses on the California-American Water Company (Cal-Am), which supplies approximately 92 percent of the water delivered by water distribution systems to users in the Monterey Peninsula area, and the role of the Monterey Peninsula Water Management District in regulating the Cal-Am system. Cal-Am, an investor-owned private utility, currently supplies water to public and private customers within part or all of the following jurisdictions: Carmel-by-the-Sea, Del Rey Oaks, City of Monterey, Pacific Grove, Sand City, Seaside, and Monterey County. Cal-Am is the only supplier within the district that serves more than one jurisdiction (see Chapter III, Section B.6).

As a framework for the issuance of water meter permits and the equitable distribution of water among jurisdictions within Cal-Am's service area, the MPWMD in 1981 established a procedure for annually setting a limit on the total amount of water available to Cal-Am and a limit on how much Cal-Am water each jurisdiction could use during the following year. Under this procedure the District adopted a water supply capacity limit for the Cal-Am system and a formula for distributing water to jurisdictions within the Cal-Am service area. The same water supply capacity limit and distribution formula adopted in 1981 have been reaffirmed annually by the District ever since. The District's Allocation Program does not govern how water is used within the various jurisdictions, but most jurisdictions have established their own internal policies and procedures for allocating water among various uses.


PEBBLE BEACH
PRESIDIO
PACIFIC GROVE
CARMEL
CARMEL HIGHLANDS
MONTEREY
MONTEREY BAY
MONTEREY PENINSULA AIRPORT DISTRICT
SAND CITY
SEASIDE
CARMEL VALLEY ROAD
BIG SUR
FORT ORD
DEL REY OAKS
SAN CLEMENTE DAM
CARMEL VALLEY VILLAGE
CARMEL RIVER
LOS PADRES DAM
CACHAGUA AREA
N
FIGURE I-1
JURISDICTIONAL BOUNDARIES
CAL-AM SERVICE AREA
CITY LIMITS
MPWMD BOUNDARIES

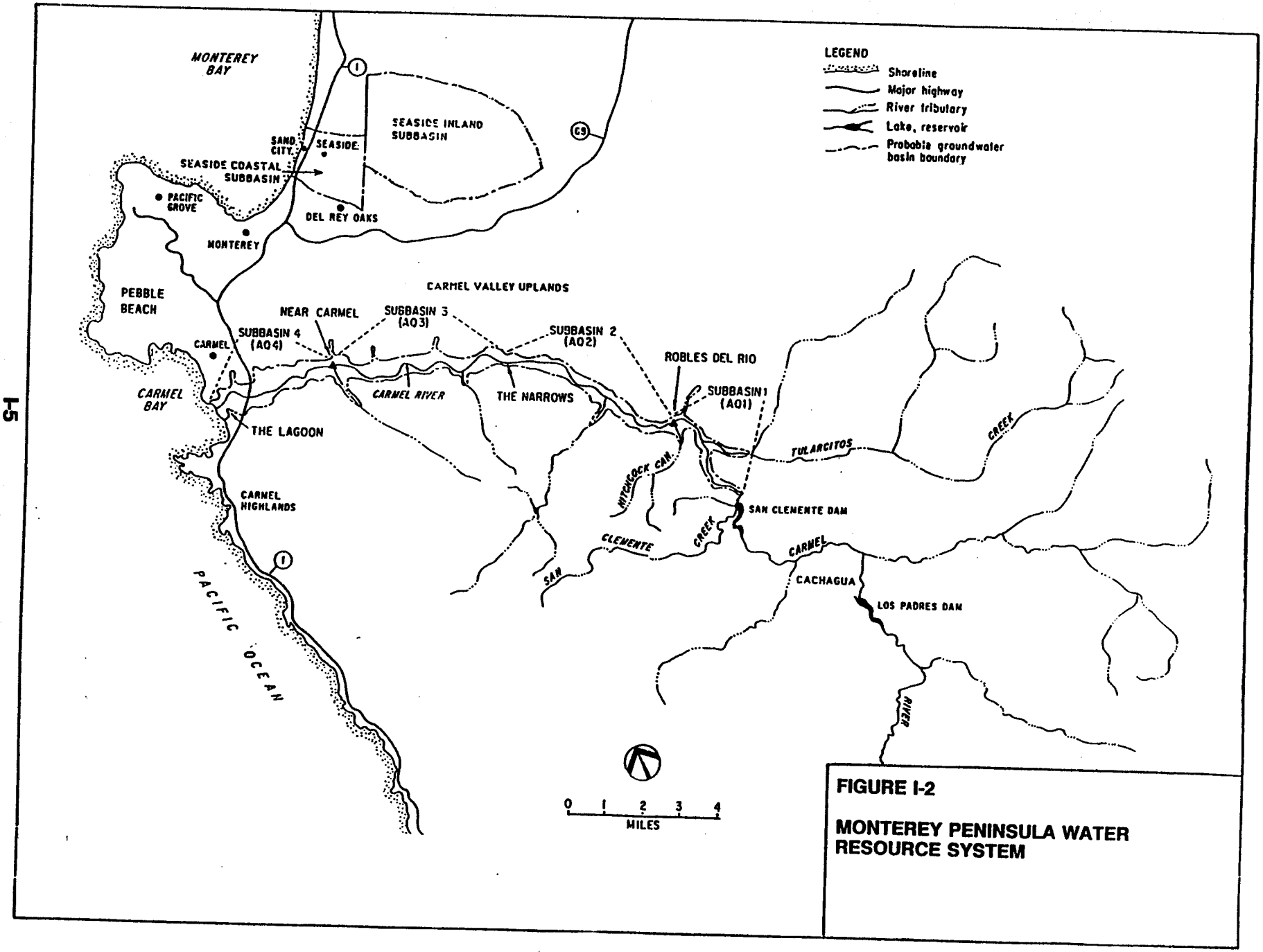



**FIGURE I-2**

**MONTEREY PENINSULA WATER RESOURCE SYSTEM**

For the purposes of this EIR, the District's Water Allocation Program has been defined as a decision-making model containing the following three components:

- A limit on how much total water may be produced annually from the Monterey Peninsula Water Resource System, and a limit on how much of this can be produced by Cal-Am, given the need to protect instream fish and wildlife resources, protect riparian resources, provide for drought protection, and prevent seawater intrusion.

- A scheme for allocating Cal-Am water to each of the jurisdictions within the Cal-Am service area.

- A set of mechanisms for monitoring jurisdictional water use, ensuring jurisdictional compliance with the allocation scheme, and making adjustments to the allocation scheme over time.

The District is currently operating under policies and procedures for each of these components established in previous years. In the future the District will need to continue to monitor the operation of the Allocation Program and make adjustments as conditions and needs change.

This EIR analyzes specific sets of options, alternatives, and administrative mechanisms for each component of the Allocation Program. These are described in detail in Chapter II.

## C. PURPOSES AND REQUIREMENTS OF CEQA

### 1. Purposes of CEQA

Patterned after the National Environmental Policy Act (NEPA) of 1969, the California Environmental Quality Act (CEQA) was enacted by the state legislature in 1970. It applies to state and local agency-initiated plans, projects, and regulations, and to private projects requiring discretionary approval from a state or local agency.

The basic purposes of the California Environmental Quality Act are to:

- Inform governmental decision-makers and the public about the potential, significant environmental effects of proposed activities;

- Identify the ways that environmental impacts can be avoided or significantly reduced;

- Prevent significant, avoidable impacts to the environment by requiring changes in projects through the use of alternatives or mitigation measures when the governmental agency finds the changes to be feasible; and

- Disclose to the public the reasons why a governmental agency approved the project in the manner the agency chose if significant environmental effects are involved (*CEQA Guidelines* §15002).

These purposes are accomplished principally through a declaration of policy concerning environmental protection and a requirement for the preparation and use of an Environmental Impact Report.

## 2. Environmental Protection Policy

The State's basic policy declaration regarding environmental protection is set out in the *California Public Resources Code* as follows:

> *The Legislature finds and declares that it is the policy of the state that public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects, and that the procedures required by this division are intended to assist public agencies in systematically identifying both the significant effects of proposed projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects. The Legislature further finds and declares that in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof* (Public Resources Code §21002).

## 3. EIR Requirement

The second main component of CEQA is the requirement for the preparation of an Environmental Impact Report (EIR). This document is the state equivalent to the Environmental Impact Statement (EIS) required under the federal National Environmental Policy Act. CEQA states that "all local agencies shall prepare, or cause to be prepared by contract, and certify the completion of an environmental impact report on any project they intend to carry out or approve which may have a significant effect on the environment" (*Government Code* §21151).

The *CEQA Guidelines* requires that a Draft EIR be prepared and subjected to public review. Following public review, a Final EIR must be prepared that responds to comments received during the public review process.

The *CEQA Guidelines* requires that the Draft EIR contain the following information:

- Description of the proposed project (§15124)
- Description of the environmental setting (§15125)
- Analysis of the environmental impacts of the proposed project
  - The significant environmental effects of the proposed project (§15126(a))
  - Any significant environmental effects which cannot be avoided if the proposal is implemented (§15126(b))
  - Mitigation measures proposed to minimize the significant effects (§15126(c))
  - Alternatives to the proposed action (§15126(d))
  - The relationship between local short-term uses of man's environment and the maintenance and enhancement of long-term productivity (§15126(e))
  - Any significant irreversible environmental changes which would be involved in the proposed action should it be implemented (§15126(f))

- The growth-inducing impact of the proposed action (§15126(g))

Among the alternatives that must be evaluated in the Draft EIR is the "no project" alternative (§15126(d)).

The *CEQA Guidelines* requires that the Final EIR contain the following information:

- The Draft EIR or a revision of the draft (§15132(a))
- Comments and recommendations received on the Draft EIR either verbatim or in summary (§15132(b))
- A list of persons, organizations, and public agencies commenting on the Draft EIR (§15132(c))
- The responses of the lead agency to significant environmental points raised in the review and consultation process (§15132(d))
- Any other information added by the lead agency (§15132)

CEQA, however, does more than merely require the preparation of an environmental document. It is action-forcing as well. CEQA places a responsibility on public agencies to avoid or minimize environmental impacts where feasible. When an EIR demonstrates that a project would result in one or more significant adverse impacts, the government agency must respond in one of the following ways:

- Change the proposed project
- Impose conditions on the approval of the project
- Adopt plans or ordinances to control a broader class of projects to avoid the adverse changes
- Choose an alternative way of meeting the same need
- Disapprove the project
- Find that changing or altering the project is not feasible
- Find that the unavoidable significant environmental impacts are acceptable given the project's beneficial effects

**4. Types of EIRs**

The precise format of the EIR is not dictated by CEQA or the *CEQA Guidelines*. Several types of EIRs are described in the *CEQA Guidelines*, although lead agencies are free to establish their own format. Generally, two types of EIRs are used: the Project EIR and the Program EIR. The Project EIR is the most commonly used and addresses the environmental effects of a single project. A Program EIR is used where a series of actions can be characterized as one large project. These actions may be related geographically, as logical parts in a chain of contemplated

actions, in connection with issuance of rules, regulations, plans, or other general criteria to govern the conduct of a continuing program, or as individual activities carried out under the same authorizing statutory or regulatory authority and having generally similar environmental effects which can be mitigated in similar ways (*CEQA Guidelines* §15168).

## D. PURPOSE, SCOPE, AND HISTORY OF THIS EIR

### 1. Purpose of this EIR

The purpose of this Environmental Impact Report is three-fold:

- To assist the District in making decisions about how much total water can or should be produced annually from the Monterey Peninsula Water Resource System and how much of this water can or should be produced by Cal-Am.

- To assist the District in making decisions about how Cal-Am water should be allotted among the jurisdictions within Cal-Am's service area.

- To assist the District in making decisions how the District's Water Allocation Program should be administered and how adjustments to the Allocation Program should be made in the future.

To accomplish these purposes, this document has been structured as a Program EIR. As such, it will be used as the environmental document for a range of decisions by the District Board concerning water supply, water distribution, and monitoring jurisdictional water use and compliance within the District's Allocation Program. Ultimately, this document provides an assessment of the cumulative impacts of the District's issuance of individual water meter permits.

It should be noted that this EIR does not assess the environmental impacts of any new water supply or reclamation project that is currently being considered by the MPWMD or which may be considered in the future. The impacts of such projects will be evaluated through the preparation of separate environmental documents.

### 2. Scope and History of this EIR

This EIR analyzes the environmental, social, and economic impacts of total water production from the Monterey Peninsula Water Resource System, but focuses particularly on the impacts of the District's Water Allocation Program for the Cal-Am system. As noted earlier, this program includes the following three components:

- A limit on how much total water may be produced annually from the Monterey Peninsula Water Resource System, and a limit on how much of this can be produced by Cal-Am, given the need to protect instream fish and wildlife resources, protect riparian resources, provide for drought protection, and prevent seawater intrusion.

- A scheme for allocating Cal-Am water to each of the jurisdictions within the Cal-Am service area.

- A set of mechanisms for monitoring jurisdictional water use, ensuring jurisdictional compliance with the allocation scheme, and making adjustments to the allocation scheme over time.

For the purposes of this EIR, the following eight jurisdictions would be subject to the District's Water Allocation Program for the Cal-Am system:

- City of Carmel-by-the-Sea
- City of Del Rey Oaks
- City of Monterey (excluding Monterey Research Park/Ryan Ranch)
- City of Pacific Grove
- City of Sand City
- City of Seaside (excluding Fort Ord and the area within the Seaside Municipal Water District)
- County of Monterey (including the unincorporated communities of Pebble Beach, Carmel Highlands, and Carmel Valley, but excluding Carmel Valley Village, Cachagua, Carmel Uplands, and the Highway 68 corridor)
- Monterey Peninsula Airport District

The Monterey Peninsula Water Management District's current Allocation Program was originally adopted and put into effect in April 1981. At that time, the MPWMD Board declared that the Allocation Program was categorically exempt from the provisions of CEQA. The Allocation Program operated without challenge until 1986, when the City of Carmel-by-the-Sea requested that its allocation be increased and suggested that the program should be subjected to environmental review under CEQA. Carmel-by-the-Sea was granted an additional 100 acre-feet of water per year as part of an "interim allocation" (all other jurisdictions were also allowed to "borrow" up to 100 acre-feet per year), and the MPWMD Board on February 9, 1987, initiated the preparation of an EIR. In 1987, the Board retained the consulting firm of Planning Analysis & Development (PAD) to conduct an analysis of a range of options for the Allocation Program. In early 1988, a consulting team headed by J. Laurence Mintier & Associates was retained by the District to expand upon this earlier work and to conduct an analysis of a revised set of options, alternatives, and mechanisms for the Allocation Program and to complete a Draft EIR. The Draft EIR for the Water Allocation Program was released for public review on April 10, 1989.

## E. RELATIONSHIP BETWEEN THE DRAFT AND FINAL EIRS

As a result of verbal and written comments received on the Draft EIR during the public review process, the text of the EIR has been expanded and comprehensively revised. The major changes include the following:

- Expansion of the scope of the analysis to include the cumulative impacts of total water production from and total development potential associated with the Monterey Peninsula Water Resource System.
- Inclusion of a fifth water supply option (16,700 acre-feet), which represents current (1988) Cal-Am production assuming a nine percent conservation savings.

- Relabelling of Supply Option IV (17,500 acre-feet) as the "Minimum Acceptable Fish Protection Production Level" option and Supply Option V (16,700 acre-feet) as the "Least Environmentally Damaging Production Level" that was analyzed in this EIR.

- Elimination of quantified distribution assumptions for Water Distribution Alternative I and inclusion of a sixth water distribution alternative.

- Use of a revised version of the Carmel Valley Simulation Model (CVSIM) to assess water production impacts.

- Addition of a separate volume to the EIR containing all the written and verbal comments on the Draft EIR with each separate comment indexed, a summary of each comment, and a response to each comment.

- Numerous technical and editorial changes in response to comments on the Draft EIR.

## F. ORGANIZATION OF THIS EIR

This final EIR consists of two volumes: *Volume I* contains the revised text of the EIR, and *Volume II* contains comments received on the Draft EIR and responses to the comments. *Volume I* is organized into nine chapters along with an executive summary and various technical appendices, as follows:

### Executive Summary

This section summarizes the basic purposes of CEQA, the objectives of the EIR, the options and alternatives being considered as part of the program, the impacts of the various options and alternatives, and the mitigation measures identified to address any negative impacts resulting from the options and alternatives.

### Chapter I. Introduction

Chapter I is a basic introduction, summarizing the authority and responsibilities of the Monterey Peninsula Water Management District, the project description, the purposes of CEQA and this EIR, and the organization of this EIR.

### Chapter II. Description of the Project and Water Supply Options, Water Distribution Alternatives, and Monitoring/Compliance Mechanisms

Chapter II defines the "project," which includes five annual water supply capacity limit options for the Cal-Am system and corresponding supply capacity limit options for total production from the Monterey Peninsula Water Resource System, six alternatives for allocating water among the eight jurisdictions within Cal-Am's service area, several mechanisms for monitoring jurisdictional water use and compliance with the Allocation Program, and alternatives for reallocating or conserving new water supplies and water freed up by conservation or reclamation.

### Chapter III. Environmental Setting

Chapter III first presents a discussion of the institutional setting for the EIR, describing those local, state, and federal agencies concerned with the Allocation Program and its environmental impacts. Chapter III then describes the natural environmental setting, inventorying surface water

and groundwater resources, riparian vegetation, wildlife, and fishery resources. The chapter then addresses drought conditions, the built environment (land use, population, and employment), water use trends and preferences, and the various public facilities and services indirectly affected by the Allocation Program.

**Chapter IV. Water Supply Impacts**

Chapter IV assesses the impacts of the five water supply capacity limit options on the natural environment, drought conditions, public infrastructure, and socioeconomic conditions.

**Chapter V. Water Distribution Impacts**

Chapter V analyzes the impacts of the six water distribution alternatives on the natural environment, land use, housing, traffic, schools, wastewater facilities, employment, the economy, and fiscal conditions. These impacts are discussed both cumulatively and by jurisdiction as appropriate.

**Chapter VI. Impacts of Monitoring/Compliance Mechanisms and Allocation/Conservation of New Water Supplies**

Chapter VI discusses the impacts of mechanisms currently being used or being considered for monitoring jurisdictional water use and compliance with the Allocation Program. The chapter also discusses alternative approaches for allocating or conserving new water supplies and water freed up by conservation or reclamation.

**Chapter VII. Mandatory CEQA Sections**

Chapter VII addresses three topical issues specifically required by CEQA. These are: (1) the relationship between local short-term uses of the environment and the maintenance and enhancement of long-term productivity; (2) significant irreversible environmental changes resulting from the Allocation Program; and (3) growth-inducing impacts of the Allocation Program.

**Chapter VIII. Bibliography and References**

Chapter VIII lists the various sources of information used by the District and its Consultants in preparing the EIR.

**Chapter IX. Glossary**

Chapter IX consists of a glossary of terms used in this EIR.

**Appendices**

This section includes technical materials which the District feels are essential to a full understanding of the EIR and a list of EIR preparers.

*Volume II* of the Final EIR includes all comments received on the Draft EIR during the public review process with each separate comment indexed, a summary of each comment, and a response to each comment.