This meeting is not subject to
Brown Act noticing requirements.
The agenda is subject to change.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Water Supply Planning Committee Members:
Robert S. Brower, Sr. Chair
Jeanne Byrne
David Pendergrass

Alternate:
Andrew Clarke

Staff Contact
David J. Stoldt, General Manager

After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda, they will be made available at 5 Harris Court, Building G, Monterey, CA during normal business hours. In addition, such documents may be posted on the District website at mpwmd.net. Documents distributed at the meeting will be made available in the same manner.

AGENDA
Water Supply Planning Committee
Of the Monterey Peninsula Water Management District
****
Tuesday, May 24, 2016, 10:00 am
MPWMD Conference Room, 5 Harris Court, Bldg. G, Monterey, CA

Call to Order

Comments from Public - *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

Action Items – *Public comment will be received.*

1. Consider Adoption of Committee Meeting Minutes of December 11, 2015, and also January 20, March 3 and April 8, 2016

Discussion Item – *Public comment will be received.*

2. Discuss Monterey County General Plan Requirements for Carmel Valley Alluvial Aquifer
3. Discuss Possible District Water Entitlement Ordinance
4. Update on Aquifer Storage and Recovery Project Activities
5. Update on Pure Water Monterey Project
6. Update on California American Water Desalination Project
7. Update on Alternative Desalination Project

Suggestions from the Public on Water Supply Project Alternatives (15 min limit)

Set Next Meeting Date

Adjournment

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please send a description of the 5PM on Thursday, May 19, 2016. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

U:\staff\Board_Committees\WSP\2016\20160524\WSP-Agenda-May-24.docx

WATER SUPPLY PLANNING COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES OF DECEMBER 11, 2015 AND ALSO JANUARY 20, MARCH 3 AND APRIL 8, 2016

Meeting Date: May 24, 2016

From: David J. Stoldt,
General Manager

Prepared By: Arlene Tavani

SUMMARY: Attached as **Exhibits 1-A through 1-D** are draft minutes of the Water Demand Committee meeting listed below.

RECOMMENDATION: The Committee should review the minutes and adopt them by motion.

EXHIBITS

1-A Draft Minutes of the December 11, 2015 Committee Meeting
1-B Draft Minutes of the January 20, 2016 Committee Meeting
1-C Draft Minutes of the March 3, 2016 Committee Meeting
1-D Draft Minutes of the April 8, 2016 Committee Meeting

EXHIBIT 1-A

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
December 11, 2015

Call to Order The meeting was called to order at 9 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair
David Pendergrass

Committee members absent: Jeanne Byrne

Staff members present: David Stoldt, General Manager
Larry Hampson, Planning & Engineering Division Manager
Joe Oliver, Water Resources Division Manager
Arlene Tavani, Executive Assistant

District Counsel present David Laredo

Comments from the Public: No comments.

Action Items

1. Consider Adoption of November 2, 2015 Committee Meeting Minutes
On a motion by Pendergrass and second of Brower, the November 2, 2015 Committee meeting minutes were approved on a unanimous vote of 2 – 0 by Brower and Pendergrass. Byrne was absent.

2. Consider Development of Recommendation on Groundwater Lease with City of Seaside for Santa Margarita ASR Facilities
On a motion by Pendergrass and second of Brower, the committee recommended that the Board of Directors approve the groundwater lease according to the terms described as Alternative 2 in the handout Stoldt distributed to the committee. Alternative 2 assumes a reduced lease payment from that requested by the City of Seaside. The motion was approved unanimously on a vote of 2 – 0 by Brower and Pendergrass. Byrne was absent. No public comment was directed to the committee on this item.

Discussion Items

3. Update on Seaside Basin Groundwater Sustainability Meeting
Stoldt reported that on November 19, 2015, staff met with representatives from the Monterey County Water Resources Agency, Seaside Basin Watermaster, Marina Coast Water District and California American Water (Cal-Am) to discuss the Sustainable Groundwater Management Act (SGMA) and how it relates to the Seaside Groundwater

Basin. Stoldt explained that the Department of Water Resources Bulletin 118 depiction of the Seaside Groundwater Basin is outdated and needs to be modified to better comport with the more recent technical and regulatory settings attendant to the basin. As an eligible agency under SGMA, the Water Management District offered to lead the effort on boundary modification through the DWR's process. At the November meeting, the stakeholders determined that the boundaries could be modified as described below, and depicted in handouts 1, 2 and 3. After the stakeholders have reviewed the proposal again, and indicated approval, the Water Management District could make a formal request for modification to the DWR.

Proposed Modification: The Bulletin 118 boundary is shown in handout 1 (**DWR-118-boundary.pdf**) and is labeled "Salinas Valley Seaside Area". The modification that the group achieved consensus on is shown in handout 2 (**Plate1-Seaside-Basin-modif-regional.pdf**). This modification inserts the adjudicated Seaside Basin boundary and removes the remainder area in the southwest portion of the DWR boundary, as this area is not hydrogeologically linked to the aquifer system in the Seaside Basin. The remainder area to the north of the Seaside Basin has been renamed "Salinas Valley Marina Area". A more detailed view of the proposed basin boundary modification is shown in handout 3 (**Plate2-Seaside-Basin-modif-local.pdf**), and this map includes the internal Seaside Basin subarea boundaries as described in the adjudication decision.

During the public comment period on this item, **Luke Coletti** asked if new wells planned for the Del Monte Golf Course will be located in the section of the basin to be removed from the DWR Bulletin 118 map. *Staff responded that those wells are not in that area.*

4. Update on Pure Water Monterey Project

Stoldt stated that he met with representatives from HDR regarding the Externalities Study of the Pure Water Monterey Project (PWM) that is underway, and determined that there are social and environmental benefits associated with the project. Stoldt reviewed the outcome of discussions with Cal-Am on the cost structure for the project. He stated the following. (a) In 2013, Cal-Am filed estimated desalination project costs with the courts. Those cost estimates have been utilized to develop a cost comparison between the 9.6 mgd Desal plant, and a 6.4 mgd desal plant with PWM. (b) By December 15, 2015, Cal-Am must submit to the CPUC updated estimates of costs for the proposed desalination project. (c) An application has been submitted to the state for 1% financing of the PWM project. If 1% financing is obtained, the project will be eligible for Proposition 1 grant funds. (d) The water purchase agreement is still under negotiation. Cal-Am has demanded joint and several responsibility; which the Water Management District and the Monterey Regional Water Pollution Control Agency (PCA) will not agree to. (e) The cost estimates for PWM compared favorably to the 2013 cost projections for the two desalination project options. (f) The 2015 cost updates indicate that 9.6 mgd project costs have not changed significantly, but the 6.5 mgd numbers have shifted. Cal-Am proposes the same structure for the 9.6 mgd plant and the 6.5 mgd plant, which allows future expansion if necessary, but also increases the cost for the 6.5 mgd plant. Therefore the desalination project cost difference has narrowed in comparison to PWM.

During the public comment period on this item, **Luke Coletti** stated that cost savings will be achieved due to power generated from methane gas by the Monterey Regional Waste Management District.

5. Update on SWRCB Hearing re Pacific Grove Water Project

Stoldt reported that in November 2015, the City of Pacific Grove was granted low-interest State Revolving Loan funds and grants for development of the Pacific Grove Water Project. The loans/grants were approved with a condition that prohibits the allocation of water from the project for new uses, until the State Water Resources Control Board (SWRCB) gives consent to use the water for new connections. The Water Management District disagrees with that condition and will be in contact with the Executive Director of the SWRCB. The Water Management District will present Ordinance No. 168 to the Board of Directors that would establish a water entitlement of 66 acre-feet of water from the project for the City of Pacific Grove; a 9 acre-feet allocation to the District; and 13 acre-feet permanently suspended from use to benefit the Carmel River. The goal is to establish the entitlement so that it is available to the City of Pacific Grove when the SWRCB authorizes use of the water for new connections.

Luke Coletti addressed the committee during the public comment period on this item. He stated that the Water Management District should review video from the SWRCB hearing on the Pacific Grove Water Project to learn that the SWRCB supports the restrictions on allocation of water from the project. He asked if the Water Management District understands the ruling to mean that allocation of water from the District's 9 acre-feet allotment is also restricted. *Brower responded that no decision has been made on that issue.*

6. Update on California American Water Desalination Plant

Stoldt reported that Cal-Am must file documents regarding project costs on December 15, 2015 and on January 22, 2016 regarding project sizing. Cal-Am plans to design the plant based on maximum daily and monthly water needs. Also the 10-year average use.

Luke Coletti addressed the committee during the public comment period on this item. He asked if the Water Management District had an opinion on Cal-Am's slant well test results, considering that they had not extended the well out to the ocean as originally designed. *Hampson stated that the Water Management District has questioned project feasibility due to difficulties Cal-Am encountered in drilling the test well.* **Brian LeNeve** stated that the well could draw in saltwater at a higher rate due to its location.

7. Update on Los Padres Dam

The California Public Utilities Commission (CPUC) authorized Cal-Am to co-fund $1 million from the 2015-2017 general rate case to develop a long-term plan on Los Padres Dam. The reimbursement agreement between the Water Management District and Cal-Am to do that work has been executed. The first study to be done is development of a plan for downstream volitional fish passage. The cost to develop the study could be $25 to $50 million.

Brian LeNeve addressed the Board during the public comment period on this item. He asked what plans had been made for improvements at the existing fish ladder, considering that one of the mitigation measures for extending the CDO was to improve the fish ladder. *Hampson stated that Cal-Am will request a one-year extension in its rate filing to fund the fish passage studies, so there is time to study improvements or alternatives to the existing trap and truck operations.*

8. Update on Alternative Desalination Project
No report.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: January 20, 2016 at 9 am

Adjournment: The meeting was adjourned at 10:25 am.

U:\staff\Board_Committees\WSP\2016\20160524\01\Item-1-Exh-A.docx

EXHIBIT 1-B

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
January 20, 2016

Call to Order The meeting was called to order at 9:03 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair
Jeanne Byrne
David Pendergrass

Committee members absent: None

Staff members present: David Stoldt, General Manager
Larry Hampson, Planning & Engineering Division Manager
Joe Oliver, Water Resources Division Manager
Arlene Tavani, Executive Assistant

District Counsel present David Laredo

Comments from the Public: George Riley stated that there is a weakness in California-American Water's plan for 20 year replacement of slant wells for the Monterey Peninsula Water Supply Project desalination facility, and an engineering response is needed.

Action Items

1. Consider Adoption of December 11, 2015 Committee Meeting Minutes
Minutes were not presented for action. Item deferred to the next meeting of the committee.

2. Consider Development of a Recommendation to the Board on Adoption of Resolution 2016-01 to Initiate the Proposed Basin Boundary Modification Request to Recognize the Adjudicated Seaside Groundwater Basin with the California Department of Water Resources under the Sustainable Groundwater Management Act
On a motion by Pendergrass and second of Byrne, the committee recommended that the Board of Directors adopt Resolution 2016-01, and direct the General Manager to proceed with filing an Initial Notification to the Department of Water Resources regarding the basin boundary modification request to recognize the adjudicated Seaside Basin in the DWR's Bulletin 118. The motion was approved on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

During the public comment period on this item, George Riley asked if subsequent jurisdictional boundary changes by LAFCO would exclude the Water Management District's participation in a groundwater management plan. Stoldt responded that the Water Management District would be involved regardless of LAFCO boundary changes.

3. Update on Status of Los Padres Dam – Review and Comment on Draft Los Padres Dam Fish Passage Feasibility Assessment Study Plan

Hampson presented the report on this item. The committee discussed the issue and recommended the following. The Water Management District should prepare a Request for Qualifications (RFQ) on preparation of a downstream volitional fish passage study. The Water Management District should take the lead role in coordination of a stakeholders group, but a list of participants will not be specified in the RFQ. The document will state, "Members of organizations with interest or expertise will be invited to participate in the group." One of the qualifications for responsive consultants is that the firm must name a person on the team that has experience working with the Department of Safety of Dams. The final scope of work will reflect National Marine Fisheries Service and Fish and Wildlife Service comments. The scope of work will be incorporated into a formal Request for Proposals.

George Riley addressed the committee during the public comment period on this item. He requested that the "stakeholder" group be identified as a "study" group.

4. Consider Development of a Recommendation to the Board of Directors on an Agreement with the United States Geological Survey to Calibrate the Carmel River Basin Simulation Model

On a motion by Pendergrass and second of Byrne, the committee recommended that the Board of Directors authorize an expenditure of $50,000 to contract with the United States Geological Survey for calibration of the Carmel River Basin Simulation Model. The motion was adopted on a vote of 3 – 0 by Pendergrass, Byrne and Brower. No comments were directed to the committee during the public comment period on this item.

Discussion Items

5. Report from Joe Oliver on Aquifer Storage and Recovery

Oliver reported that 73 acre-feet of Carmel River water have been injected over the past 5 days. The maximum amount of water to be injected per year under both permits would be 6,326 acre-feet. However, at this time pipeline, storage, and treatment capacity are insufficient to operate at the maximum level.

6. Report from David Stoldt on Drought Recovery Plan RFP

Stoldt reported that the Water Management District received a Bureau of Reclamation (Bureau) grant for development of a Drought Contingency Plan for Northern Monterey County, which is critical for eligibility to receive future Bureau grants for the Pure Water Monterey Project. The Water Management District is coordinating with other agencies on development of both a Basin Management Study and Drought Contingency Plan. Staff will request funding of approximately $180,000 to $200,000 from the Board for completion of the Drought Contingency Plan, which will provide the local match to

the $200,000 Bureau of Reclamation grant. No comments were directed to the committee during the public comment period on this item.

7. Update on Pure Water Monterey Project
No report.

8. Update on California American Water Desalination Project
California American Water maintains that the project will be completed by May 2019. However, no dates are set for hearings on the EIR or other subsequent milestones. All water rights needed for Pure Water Monterey (PWM) have been noticed, and the protest period ends in mid-February. Staff from the Office of Ratepayer Advocates have stated that PWM may be preferable due to its certainty, even if the project costs are not equal to the costs of Cal-Am desal.

George Riley addressed the committee during the public comment period. He stated that community members have expressed concerns about PWM water quality. He questioned the cost of Cal-Am facilities associated with PWM, and requested that the Water Management District prepare a comparison of Cal-Am Desal and PWM project costs. He stated that if Cal-Am's desal project is delayed, the only water supply options are PWM and the two alternative desalination projects, DeepWater Desal and the People's Desalination Project.

9. Update on Alternative Desalination Project
No report.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: The meeting was scheduled for March 3, 2016 at 9 am.

Adjournment: The meeting was adjourned at 10:25 am.

U:\staff\Board_Committees\WSP\2016\20160524\01\Item-1-Exh-B.docx

EXHIBIT 1-C

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
March 3, 2016

Call to Order The meeting was called to order at 9:05 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair
Jeanne Byrne
David Pendergrass

Committee members absent: None

Staff members present: David Stoldt, General Manager
Larry Hampson, Planning & Engineering Division Manager
Joseph Oliver, Water Resources Division Manager
Arlene Tavani, Executive Assistant

District Counsel present David Laredo

Comments from the Public: No comments.

Action Items

1. Provide Direction to Staff on Consulting Team for North Monterey County Drought Contingency Plan

On a motion by Pendergrass and second of Byrne, the committee voted to recommend that the Board of Directors hire the consulting team of Bryant & Associates, Brown and Caldwell, Carollo Engineers and Data Instincts to execute the North Monterey County Drought Contingency Plan for an amount of $225,000, and to proceed without a Request for Qualifications. The motion was approved on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

George Riley addressed the Board during the public comment period. He asked if the area south of Salinas would be included in the plan. Stoldt stated that in the next round of funding opportunities, the Monterey County Water Resources Agency may submit an application for that area.

Discussion Items

2. Discuss Finance Plan for Utilization of User Fee and Water Supply Charge Funds

Stoldt stated that four questions have been posed to outside counsel. (1) The 7.125% component pre-dated prop 218, could it be re-implemented without the 218 process? (2)

Could the Water Management District continue to collect the 1.2% dedicated to Aquifer Storage and Recovery (ASR)? (3) Requested confirmation that the 7.125% water supply charge could be used for any purpose. (4) As the funding needs of the Water Management District change, could the authorized level of user fee and water supply charge be maintained while suspending collection of a portion of those funds? Stoldt recommended that two surcharges listed on the California American Water (Cal-Am) bill that are paid to MPWMD for activities it carries out on behalf of Cal-Am, be replaced with one surcharge paid directly to the Water Management District for its mitigation and conservation activities. The surcharge should be calculated as a percentage of the total water-service-related charges. Stoldt noted that Ordinance No. 152 contains a sunset provision. The Water Management District could sunset the water supply charge, but he recommended that it should not be de-authorized in case the funds are needed at a later date.

Public Comment: **Brian LeNeve** asked for clarification of the user fee and water supply charges. Stoldt responded that 1.2% of any user fee is set aside for ASR, and that he recommends replacement of the two current user fees with one, but the amount has not been determined. **George Riley** stated that the Ordinance No. 152 Oversight Panel recommended that the user fee and water supply charge remain in effect, and that payment of the Rabobank loan from those funds should be a priority.

3. Update on Seaside Basin Boundary Modification Application for Sustainable Groundwater Management Act (SGMA)

Oliver reported that notification of the request to modify the Seaside Basin Boundary has been submitted to the Department of Water Resources. Staff is preparing additional documents that must be submitted by March 31, 2016.

4. Update on Carmel River Basin (Carmel Valley Alluvial Aquifer SGMA Process)

Stoldt reported that there are other basins in California that consist of surface water flowing in a known and defined channel. The Water Management District's preference was that the Department of Water Resources remove the Carmel Valley Alluvial Aquifer from its purview – which would mean there would be no need for a Groundwater Management Plan for that area.

5. Update on ASR Activities

The project has injected 270 acre-feet of Carmel River water. As of March 3, 2016, flow is insufficient for ASR operations to be conducted. If additional rainfall is received, injection/recovery could start-up again.

6. Update on Pure Water Monterey Project

Stoldt distributed a document that listed an estimate of the project costs with and without Cal-Am facilities.

7. Update on California American Water Desalination Project

Laredo reported that the California Public Utilities Commission has scheduled hearings on April 11 and 12, 2016. Seven issues have been identified for discussion during those hearings.

8. Update on Alternative Desalination Project
No discussion.

Suggestions from the Public on Water Supply Project Alternatives: No comments received.

Set Next Meeting Date: The meeting was scheduled for April 5, 2016 at 9 am

Adjournment: The meeting was adjourned at 10:45 am.

U:\staff\Board_Committees\WSP\2016\20160524\01\Item-1-Exh-C.docx

EXHIBIT 1-D

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
April 8, 2016

Call to Order The meeting was called to order at 10:30 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair
Jeanne Byrne
David Pendergrass

Committee members absent: None

Staff members present: David Stoldt, General Manager
Larry Hampson, Planning & Engineering Division Manager
Arlene Tavani, Executive Assistant

District Counsel present David Laredo

Comments from the Public: No comments.

Action Items

1. Consider Development of Recommendation to the Board on Items Related to Integrated Regional Water Management Program

A. Approve Revised MOU for Integrated Regional Water Management in the Monterey Peninsula, Carmel Bay and South Monterey Bay

B. Authorize Execution of MOA for Integrated Regional Water Management Planning and Funding in the Central Coast Region

C. Authorize Expenditure for Assistance with Proposition 1 Grant Program Coordination

On a motion by Byrne and second of Pendergrass, the committee recommended that the Board of Directors approve items A and B; and for C, authorize a contract in the amount of $25,000 with Gutierrez Consultants. The motion was approved unanimously on a vote of 3 – 0 by Byrne, Pendergrass and Brower. No comments were directed to the Board during the public comment period on this item.

2. Consider Development of Recommendation to the Board on Contract for Preparation of Los Padres Dam Fish Passage Study

On a motion by Byrne and second of Pendergrass, the committee recommended that the Board of Directors approve a contract with HDR in the amount of $310,000 for preparation of the Los Padres Dam Fish Passage study. The motion was approved on a

vote of 3 – 0 by Byrne, Pendergrass and Brower. The committee also suggested that a tour of the Los Padres Dam and other project sites in Carmel Valley be scheduled for the committee, or the full Board.

Public Comment: **Ian Crooks**, California American Water, advised the committee that HDR was well qualified as they also bid on downstream fish passage facilities constructed by Cal-Am.

3. Consider Development of Recommendation to the Board on Items Related to Bureau of Reclamation Watersmart Program

A. Consider Authorization of Contract for Assistance with Preparation of the Salinas and Carmel River Basins Study

B. Authorize the General Manager to Enter Into a Grant Agreement with the United States Bureau of Reclamation

On a motion by Pendergrass and second of Byrne, the committee recommended that the Board of Directors: (A) authorize a contract with Brown & Caldwell in the amount of $45,000 for preparation of the Salinas Carmel River Basin study; and (B) authorize participation in a grant agreement with the United States Bureau of Reclamation to fund the Salinas and Carmel River Basins Study. No comments were directed to the committee during the public comment period on this item.

4. Consider Recommendation to the Board Regarding a Finance Plan for Utilization of User Fee and Water Supply Charge Funds

Pendergrass offered a motion that was seconded by Byrne to recommend that the Board of Directors adopt the finance plan presented by staff in the bulleted list on page134 of the committee packet. The motion was approved on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

Public Comment: **George Riley** encouraged the committee to carefully develop a plan to explain the financing proposal to the public.

Discussion Items

5. Discuss Possible District Water Entitlement Ordinance

Stoldt discussed with the committee the concept of a water entitlement ordinance. The issue was deferred to a future meeting. During the public comment period on this item, George Riley advised the committee to move slowly and carefully on development of this concept.

6. Update on Seaside Basin Boundary Modification Application for Sustainable Groundwater Management Act (SGMA)

Stoldt reported that the Water Management District filed for a Seaside Basin Boundary modification. The California State Department of Water Resources responded that the application was incomplete and requested letters of support for the boundary modification from all affected jurisdictions.

7. Update on Carmel River Basin (Carmel Valley Alluvial Aquifer) SGMA Process

The California State Department of Water Resources has agreed that a groundwater management plan should not be required for the Carmel River Alluvial Aquifer. The

Water Management District is awaiting a formal declaration from the state.

8. Update on ASR Activities
Stoldt reported that as of April 7, 2016, 699.18 acre-feet of water has been produced by the Aquifer Storage and Recovery Project in the current injection season.

9. Update on Pure Water Monterey Project
Referred to the next committee meeting.

10. Update on California American Water Desalination Project
Referred to the next committee meeting.

11. Update on Alternative Desalination Project
Referred to the next committee meeting.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: The meeting was scheduled for May 12, 2016 at 9 am.

Adjournment: The meeting was adjourned at 11:55 am.

U:\staff\Board_Committees\WSP\2016\20160524\01\Item-1-Exh-D.docx

WATER SUPPLY PLANNING COMMITTEE

ITEM: DISCUSSION

2. DISCUSS MONTEREY COUNTY GENERAL PLAN REQUIREMENTS FOR CARMEL VALLEY ALLUVIAL AQUIFER

Meeting Date: May 24, 2016

From: Dave Stoldt,
General Manager

Prepared By: Larry Hampson

SUMMARY: Monterey County adopted a General Plan Update on October 26, 2010 that includes a standard of review requiring proof of a long-term sustainable water supply when a discretionary permit is required. The policy in Chapter 5, Public Service Element (**Exhibit 2-A**), PS-3.1, exempts the first single family dwelling on an existing lot of record; however, the standard does apply to commercial and residential projects such as the proposed Rancho Cañada Village and the Carmel Rio Road Subdivision project, which both rely on the Carmel River as their water supply. There are several factors to take into account in making a determination of a long-term water supply. Two of the key factors involved in determining whether the Carmel Valley Alluvial Aquifer (CVAA) can be considered a long-term sustainable water supply include the following from Policy PS-3.2:

> "e. Cumulative impacts of existing and projected future demand for water from the source, and the ability to reverse trends contributing to an overdraft condition or otherwise affecting supply; and
> f. Effects of additional extraction or diversion of water on the environment including on instream flows necessary to support riparian vegetation, wetlands, fish or other aquatic life, and the migration potential for steelhead, for the purpose of minimizing impacts on the environment and to those resources and species."

The MPWMD policy on water use from the CVAA adopted by the Board of Directors on August 18, 2006 (**Exhibit 2-B**) ensures that a discretionary permit for well water use from the CVAA does not result in a long-term increase in production. However, the policy does not assure that impacts from diversion are reduced over the long-term, including impacts to streamside resources, impacts on steelhead migration, or the availability of flow to support aquatic species during dry periods.

RECOMMENDATION: The Committee should review the two policies, discuss the inconsistencies between the two, consider current Carmel River Basin conditions, and provide direction to staff.

DISCUSSION BY MPWMD STAFF:

Monterey County General Plan

Policy Goal PS-3 (beginning on p. PS-8 in **Exhibit 2-A**) introduces several criteria and standards by which to prove that new development has a long-term sustainable water supply. Recently, staff at the Monterey County Planning Department and the Monterey County Water Resources Agency (MCWRA) contacted MPWMD staff to discuss these General Plan requirements as they apply to future discretionary permits that may rely on the Carmel River for their water supply. These include two current proposed developments – the Rancho Cañada Village project and the Carmel Rio Road Subdivision project. Both projects rely on existing riparian rights in the CVAA for their water supply as there is no public supply available for these projects.

A key factor in making a determination of a long-term water supply for a discretionary permit is whether there are data to support the determination. MCWRA and Monterey County staff have both pointed out that use of Carmel River water is subject to a Cease-and-Desist Order from the State Water Resources Control Board and that the CVAA is seasonally overdrafted. Thus, the current condition of the basin strongly suggests that depending on the Carmel River as a long-term sustainable water supply would not meet the requirements of the Monterey County General Plan for discretionary permits.

Another factor in making a determination that the Carmel River may not meet the General Plan requirement for a long-term sustainable water supply is that there is no document that describes how the Carmel River is either a sustainable water supply or what steps will be taken to make it a sustainable supply.

MPWMD staff notes that currently, there are several documents that characterize the watershed and propose actions to enhance the resources of the river. There are also local, State, and Federal requirements limiting use of Carmel River resources. But, there is no formal plan that either MPWMD or Monterey County has adopted that uses the factors described in PS-3.2 and PS-3.3 and describes goals, policies, or requirements for future projects that would result in the Carmel River being determined to be a long-term sustainable supply.

District Policy on Carmel Valley Alluvial Aquifer Well Use

The District policy concerning alluvial wells was developed in 2006 as a result of objections from the California Department of Fish and Wildlife (previously, the California Department of

Fish and Game) and the National Marine Fisheries Service (NMFS) about MPWMD approving use of any quantity of *additional* extractions from the alluvial aquifer. Here is a relevant section of the Background information from the October 16, 2006 MPWMD Board packet, Item 12 concerning the District's alluvial well policy:

> "The [CDFG and NMFS] agency representatives stated that an EIR with overriding considerations should be prepared for [Water Distribution System Permit] applications that result in increased water use, and a Negative Declaration would be appropriate for applications that result in no greater use than documented historical use."

District Counsel and the Board of Directors focused on compliance with CEQA concerning new or amended permits for well water use. In addition, use of a 10-year production record (or other demonstrated record, as appropriate) is required when setting a production limit for a Water Distribution System (WDS) permit or amendment for wells in the alluvial aquifer. This follows the protocol used by the SWRCB in Order 95-10 to determine Cal-Am's non-drought average production from the Carmel River[1]. So, for example, for a conversion of land use that includes new connections to an existing WDS system (e.g., a previously permitted well on the property), as long as the production limit does not exceed the 10-year average, the District would issue a WDS permit amendment to allow new connections for the change in use. It should be noted that no new wells or expansion of facilities that would result in an increase in production from the CVAA can currently be permitted – whether on a single lot or for a subdivision or for an intensification of use – unless impacts can be fully offset.

The District's current policy ensures that no new impacts would occur from a discretionary permit; however, the policy does not significantly reduce or reverse ongoing impacts to aquatic species from diversions based on existing water rights. It is noted that NMFS issued a paper in 2002 with recommendations of minimum instream flows to protect steelhead had a stated intent to "…provide information for developing long-term solutions for resolving ongoing impacts to steelhead and water supply needs for the Carmel River Valley." The paper also recognized that "…such [flow] conditions [from June 1 through November 30] may be impractical given historic authorized diversion practices and the perfection of water rights by many parties in Carmel Valley." [2] The District did not choose to include the instream flow recommendation from NMFS that SWRCB subsequently deemed to be protective of public trust resources in issuing appropriative water rights permits for Carmel River diversions.

---

[1] See p. 6, footnote 1 in SWRCB Order 95-10.

[2] See p. 25, "Instream Flow needs for Steelhead in the Carmel River, Bypass flow recommendations for water supply projects using Carmel River waters," National Marine Fisheries Service, Southwest Region, June 3, 2002.

Carmel River Flows and Well Production

Despite releases from storage at Los Padres Reservoir that augment natural flow, current well production along the Carmel River results in a seasonal overdraft almost every year during the dry period and portions of the lower 14 miles of the Carmel River go dry as a result. Currently about 40% of the total production (Cal-Am and non-Cal-Am) is under a Cease-and-Desist Order (CDO) from the State Water Resources Control Board, which is likely to curtail the unauthorized diversions by the end of 2021. The remaining diversions are taken under a combination of riparian, pre-1914, and appropriative rights. **Table 1** below summarizes existing Carmel River runoff, CVAA production for Water Years 2014 and 2105 (October 1 through September 30), and proposed future diversions in the dry season.

Table 1

Comparison of Carmel River Annual Runoff with Carmel Valley Alluvial Aquifer Production

Water Year	Annual Flow at Don Juan Bridge in Garland Park (AF)	Cal-Am production (AF)	Non-Cal-Am production (AF)	Total production (AF)
2014	5,600	7,782	2,454	10,236
2015	21,550	7,013	2,171	9,184
Annual Average Runoff (WY1992-2015)	74,509			
Annual Median Runoff	53,570			
Dry Season Median Runoff	4,034			-
Dry Season Average Runoff	4,964			
Estimated current dry season diversions		4,200	1,320	5,520
Estimated future dry season diversions		600	1,320	1,920

Notes

1. Flow at Don Juan Bridge based on WY1992 to WY2015.
2. Estimated future production based on Cal-Am testimony for the Monterey Peninsula Water Supply Project and an estimated non-Cal-Am production of 2,200 AFY with 60% occurring in the dry season (June 1 through November 30).

Based on existing knowledge of the effects of Carmel River diversions on the resources of the Carmel River, it is clear that Carmel River diversions during certain periods can affect instream flows for winter steelhead migration and in dry periods reduce the availability and/or quality of aquatic habitat. **Table 1** shows that WY2014 was critically dry and was among the lowest years for runoff on record. As can be seen, production in WY2014 was nearly double the runoff and in WY2015, production was more than 40% of the annual runoff. MPWMD estimates that approximately 60% of the water produced from the CVAA occurs in the dry period (June 1 through November 30). Well production in the CVAA results in annual dewatering of up to about nine miles of the Carmel River during dry periods. For the period 1987 through 2015, there were two years when the river flowed continuously throughout the water year to the lagoon (1998 and 2011). Previous to that, the river likely flowed throughout the 1983 water year (largest annual flow on record).

Table 1 shows what has been known for several decades – that on average annual flow greatly exceeds annual demand for municipal supply. Thus, although the aquifer is seasonally dewatered, in most years the aquifer is fully recharged and the river flows to the ocean. However, the table also clearly shows the seasonality of flow and the limited availability of river flow in the dry season.

Future Operations in the Carmel Valley Alluvial Aquifer

A large step toward long-term sustainability will be taken when Cal-Am completely cease its unauthorized diversions. However, this is not likely to occur until about 2021. At that time, the total production from the CVAA is likely to drop into a range of about 5,500 AFY to 6,000 AFY. Because Cal-Am proposes to take much of its authorized diversions during the winter, total production by Cal-Am and non-Cal-Am wells in the dry season is likely to be about one-third of the future annual production total or about 1,870 AF to 2,160 AF; however, even this lowered production will result in a substantial portion of dry season flows being diverted downstream of Don Juan Bridge (River Mile 10.8). It should be noted that historical dry season flows at Don Juan Bridge include the effect of seasonal releases from storage at Los Padres Reservoir.

In a near-term step toward sustainability, recently Cal-Am announced a funding agreement with a group that will buy a portion of the Rancho Cañada golf course. The land would be converted into open space and water rights associated with the land would be permanently dedicated for instream beneficial uses.

In addition, the proposed Pure Water Monterey project would provide 3,500 AFY in 2018 for injection in the Seaside Groundwater Basin and subsequent recovery for use in the Cal-Am main system. This would offset Carmel River diversions on a one-for-one basis and make a significant difference in the number of miles of river that are dewatered annually.

Thresholds for Sustainability

Beginning with water rights Permit 20808-A issued to MPWMD and Cal-Am on November 30, 2007, the SWRCB began including a modified version of the NMFS' instream flow recommendations as a permit condition to meet in order to protect public trust resources. The requirements have been simplified and the most current Table of instream flows is attached as **Exhibit 2-C**. These requirements effectively prevent reliance on the Carmel River as an uninterruptible water source for new water rights permits issued by SWRCB. There are some years when no excess flows would be available for diversion during the winter and, if the allowed season of diversion is all year, there are periods almost every year when no excess flows would be available for diversions during the dry period (i.e., June 1 through November 30).

Projects such as Rancho Cañada Village present a potential win-win situation for the Carmel River and the property owner. The proposed project would permanently retire a portion of the existing water use, thus benefitting flow in the river and its streamside resources. In return, the property owner would receive the right to change the land use from an existing golf course to a mix of commercial and residential use. The project would help to "…reverse trends contributing to an overdraft condition." However, it is clear that during dry periods, water use associated with the project is likely to reduce the aquifer level and flow in the river. A key concern would be whether this production could be offset or minimized to the extent that it does not present an impediment to the long-term sustainability of the Carmel River environment.

A threshold of "no impact" to the environment for water use associated with a discretionary permit could result in no change to land use and missed opportunities to reverse current trends in water use. MPWMD and Monterey County should work toward a solution that recognizes that under certain conditions water use from the Carmel River for discretionary permits may have some negative impacts. Expressing a plan to minimize the impact and mitigate for adverse consequences would represent a step in the direction of long-term sustainability.

EXHIBITS

2-A Chapter 5 Public Service Element from the 2010 Monterey County General Plan Update
2-B MPWMD Protocol for wells in the Carmel Valley Alluvial Aquifer
2-C Example table of instream flow requirements included in SWRCB permits

EXHIBIT 2-A

The Public Services Element addresses critical infrastructure and service issues, including water supply and conservation, water quality, parks, wastewater collection and disposal, solid waste management, and key social services such as schools, libraries and medical care. Police and fire protection services are addressed in the Safety Element.

The geographic location and configuration create a variety of climatic conditions within the County. The adjoining ocean creates a Mediterranean climate characterized by year-round moderate temperatures, short winter rainy seasons, and cool dry summers. Areas further inland experience more extreme temperatures with less precipitation. While allowing predictably dry weather for tourism throughout much of the year, rainfall patterns require reservoir and groundwater storage to meet year-round commercial and domestic water needs.

Monterey County is underlain with aquifers that provide a high quality water source essential for agriculture as well as every other type of land use. Groundwater is the principal source of water in the County, accounting for more than 80% of the total water use. Wells that are used to obtain groundwater are operated by many different entities (cities, special assessment districts, investor-owned utilities, mutual water companies and individual property owners), making ground water resource management difficult. Increases in groundwater pumping practices have resulted in localized overdrafting and have caused salt water intrusion in the Pajaro and Salinas River groundwater basins.

There are six water basins within Monterey County: Pajaro Valley, Prunedale, Salinas Valley, Marina-Fort Ord, Carmel, and El Toro. Most of these areas include sub-basins that help further define and localize water issues. *Figure 11* illustrates the boundary lines of the three (3) agencies involved with water management in Monterey County.

Water is necessary for domestic, industrial and agricultural use, recreational uses, as well as sustaining fish and wildlife habitats. Five aquatic areas within Monterey County have been designated by the state as Areas of Special Biological Significance (ASBS) and therefore require special protection (Pacific Grove Marine Gardens Fish Refuge and Hopkins Marine Life Refuge, Point Lobos Ecological Preserve, Carmel Bay, Julia Pfeiffer Burns Underwater Park, and the ocean area surrounding the mouth of Salmon Creek).

Water quality problems are predominately related to waste emissions from point and non-point sources and geologic limitations. Typical point sources are domestic and industrial wastewater sites. Non-point sources are more difficult to address and may include animal husbandry operations, natural mineralization, automobile emissions, and urban runoff. Three principal problems affect the County's groundwater basins (salt water intrusion, nitrate pollution, natural reactions). Suspected sources of nitrate pollution include wastewater discharges, agriculture return water, and on-site wastewater treatment system overloading.

Two means of sewage disposal consist of on-site wastewater treatment disposal systems and wastewater treatment facilities. The on-site wastewater treatment systems are used primarily in rural areas where there is low density residential development. Since groundwater quality is critical for continued operation within the County, higher density development and urban areas generally are required to include wastewater treatment facilities to handle the higher

sewage loads. Monterey County's Health Department reviews and monitors sewage capabilities in conjunction with the Regional Water Quality Control Board (Region 3-Central Coast).

Almost 14% of the County's land area is devoted to parks and recreation facilities operated by various governmental agencies (State Parks, National Parks, National Forests, Federal Bureau of Land Management, and Local Park Agencies/Districts). The County parks system makes up about 10% of the County's total park acreage.

GOALS AND POLICIES
PUBLIC SERVICES

ADEQUATE PUBLIC FACILITIES AND SERVICES (APFS)

GOAL PS-1

ENSURE THAT ADEQUATE PUBLIC FACILITIES AND SERVICES (APFS) AND THE INFRASTRUCTURE TO SUPPORT NEW DEVELOPMENT ARE PROVIDED OVER THE LIFE OF THIS PLAN.

Policies *(Generally applicable unless specifically indicated otherwise in other General Plan policies)*

PS-1.1 Adequate Public Facilities and Services (APFS) requirements shall:

a. Ensure that APFS needed to support new development are available to meet or exceed the level of service of "Infrastructure and Service Standards" (*Table PS-1*) concurrent with the impacts of such development;

b. Encourage development in infill areas where APFS are available, while acknowledging the rights of property owners to economically viable use of existing legal lots of record throughout the county; and

c. Seek to achieve acceptable level of service (LOS) standards through improvements funded by fair share impact fees and planned capital improvements (CIFPs).

PS-1.2 The County shall develop and adopt Capital Improvement and Financing Plans (CIFPs) and implementing ordinances that:

a. Define benefit areas (geographical or functional) to be included in a CIFP. Benefit areas could include Planning Areas, Community Areas, or the County as a whole, as well as, functional areas such as roadway improvements, water, or wastewater infrastructure.

b. Identify and prioritize the improvements to be completed in the benefit areas over the life of the General Plan. (also see *Policies LU-2.30, C-1.2, PS-3.9*)

c. Estimate the cost of the improvements over the life of the General Plan.

d. Identify the funding sources and mechanisms for the CIFP.

e. Provide an anticipated schedule for completion of the improvements.

CIFPs may refer to and incorporate Plans and fee programs existing as of the date of the adoption of the General Plan. Construction costs and land values shall be adjusted annually and the CIFP shall be reviewed every five (5) years in order to evaluate the effectiveness of meeting the infrastructure needs. A general county-wide CIFP shall be completed within 18 months from the adoption of the County Traffic Impact Fee (*Policy C-1.2*). CIFPs for Community Areas shall be completed concurrent with the Community Plan.

CIFPs for Rural Centers shall be completed prior to the approval of new development.

PS-1.3 No discretionary application for new development shall be approved unless the County finds that APFS for that use exist or will be provided concurrent with the development.

PS-1.4 New development shall pay its fair share of the cost of providing APFS to serve the development.

PS-1.5 Improvements shall be installed concurrently with each phase of new development in accordance with an infrastructure phasing plan. An infrastructure phasing plan, if needed, shall be approved in concept at the time of project approval.

PS-1.6 Only those developments that have or can provide adequate public services and facilities shall be approved.

Table PS-1

Infrastructure and Service Standards
for Creation of New Residential and Commercial Lots
(This table does not apply to existing legal lots of record.)

Major Land Groups	***Maximum Emergency Response Time for Fire, Sheriff, and Ambulance***	***Road Intersection Level of Service, Improvements***	***Water***	***Sanitation***	***Solid Waste***	***Park Schools***[6]	***Stormwater and drainage***
Rural Standards							
Public Lands	45 min. [1]	LOS D	Individual Wells Permitted in Areas with Proven Long Term Water Supply [2,5]	Septic on Lots 1 acre or greater [2]	On-site Garbage and Recycling Pick	N/A	No Net Increase in harmful Run-off from parcel
Agriculture Lands	45 min. [1]	LOS D	Individual Wells Permitted in Areas with Proven Long Term Water Supply [2,5]	Septic on Lots 1 acre or greater [2]	On-site Garbage and Recycling Pick	Consult with local school district	No Net Increase in harmful Run-off from parcel

EXHIBIT 2-A

Rural Lands	45 min. [1]	LOS D	Individual Wells Permitted in Areas with Proven Long Term Water Supply [2,5]	Septic on Lots 1 acre or greater [2]	On-site Garbage and Recycling Pick	Consult with local school district	No Net Increase in harmful Run-off from parcel
Suburban Standards (limited array of public services)							
Rural Centers	12 min. [1] Structural Coverage	LOS D [4]	Public System; Individual Wells Allowed in limited situations [2,5]	Public System; Septic on Lots 1 acre or greater [2]	On-site Garbage and Recycling Pick Up	Neighbor-hood Parks/ Consult with local school district	Drainage Plan Required
Urban Standards (Full array of public facilities, including schools, libraries, parks, childcare, emergency service stations, community centers, transit, storm drainage, curbs, and sidewalks)							
Community Areas	5-8 min. Structural Coverage	LOS D - curb, gutters, sidewalks [3]	Public System	Public System [2]	On-site Garbage and Recycling Pick Up	Neighbor -hood Parks/ Consult with local school district	Drainage Plan Required

Table PS-1 Notes:

[1] If response time exceeds 45 minutes for fire and/or ambulance service, minor subdivision development (including secondary structures) is permissible according to the underlying land use designation and zoning district; however, notice of the emergency service limitations shall be recorded on the Parcel Map. It is recognized that sheriff responses will vary since sheriff services are delivered by both community-based offices as well as patrol officers that travel throughout a beat area. Emergency water supply is required for all new development, per *Policy S-4.14*.

[2] Construction of new on-site septic systems is not permitted for development within existing service area of a regional or subregional wastewater collection and treatment system. Annexation to existing service areas is preferred to construction of new on-site septic systems.

[3] Level of service standards should be flexible within Community Areas so as not to hinder infill development and transit friendly and walkable community design (See *Policy C-1.1(a)*).

[4] Development in Rural Centers may proceed, even if the operating level of service is lower than the applicable LOS standard on adjacent roads, if the certified Housing Element in effect at the time requires that the land in question be made available for development in order to meet the County's Regional Housing Needs Allocation. Development will be required to participate in any applicable regional or local road impact fee program once adopted.

[5] The minimum lot size shall be 2.5 acres if an individual well is proposed as the water source or a well exists or is proposed for other uses and sewage disposal is by means of a septic system. *Table PS-2,* following, is a decision matrix for processing applications for well permits on existing lots of record.

[6] Standards for parks and schools do not apply to commercial or industrial uses

Table PS-2

Decision Matrix for Processing Application for Well Permits on existing lots of record.

Characteristics of Property	Water Connection Existing or Available from the Water System	Not within a Water System or a Water Connection Unavailable
Greater than or equal to 2.5 Acres connected to a Public Sewage System or an on-site wastewater treatment system.	Process Water Well Permit	Process Water Well Permit
Less than 2.5 Acres and connected to a Public Sewage System	Process Water Well Permit	Process Water Well Permit
Less than 2.5 Acres and connected to an on-site wastewater treatment system.	Do not Process Water Well Permit	Process Water Well Permit

WATER QUALITY AND SUPPLY

GOAL PS-2

ASSURE AN ADEQUATE AND SAFE WATER SUPPLY TO MEET THE COUNTY'S CURRENT AND LONG-TERM NEEDS.

Policies

PS-2.1 Coordination among, and consolidation with, those public water service providers drawing from a common water table to prevent overdrawing the water table is encouraged.

PS-2.2 The County of Monterey shall assure adequate monitoring of wells in those areas experiencing rapid growth provided adequate funding mechanisms for monitoring are established in the CIFP.

PS-2.3 New development shall be required to connect to existing water service providers where feasible. Connection to public utilities is preferable to other providers.

PS-2.4 Regulations for installing any new domestic well located in consolidated materials (e.g., hard rock areas) shall be enacted by the County.

PS-2.5 Regulations shall be developed for water quality testing for new individual domestic wells on a single lot of record to identify:

a. Water quality testing parameters for a one-time required water quality test for individual wells at the time of well construction.
b. A process that allows the required one-time water quality test results to be available to future owners of the well.

Regulations pursuant to this policy shall not establish criteria that will prevent the use of the well in the development of the property. Agricultural wells shall be exempt from the regulation.

PS-2.6 A Hydrologic Resources Constraints and Hazards Database shall be developed and maintained in the County Geographic Information System (GIS). The GIS shall be used to identify areas containing hazards and constraints (see *Policy S-1.2*) that could potentially impact the type or level of development allowed in these areas (*Policy OS-3.5*). Maps maintained as part of the GIS will include:

a. Impaired water bodies on the State Water Resources Control Board 303d (Clean Water Act) list.
b. Important Groundwater Recharge Areas
c. 100-year Flood Hazards
d. Hard rock areas with constrained groundwater
e. Areas unsuitable to accommodate an on-site wastewater treatment system
f. Contaminated groundwater plumes and contaminated soil and groundwater sites.
g. Saltwater intrusion

PS-2.7 As part of an overall conservation strategy and to improve water quality, Area Plans may include incentive programs that encourage owners to voluntarily take cultivated lands on slopes with highly erosive soils out of production.

PS-2.8 The County shall require that all projects be designed to maintain or increase the site's pre-development absorption of rainfall (minimize runoff), and to recharge groundwater where appropriate. Implementation shall include standards that could regulate impervious surfaces, vary by project type, land use, soils and area characteristics, and provide for water impoundments (retention/detention structures), protecting and planting vegetation, use of permeable paving materials, bioswales, water gardens, and cisterns, and other measures to increase runoff retention, protect water quality, and enhance groundwater recharge.

PS-2.9 The County shall use discretionary permits to manage construction of impervious surfaces in important groundwater recharge areas in order to protect and manage groundwater as a valuable and limited shared resource. Potential recharge area protection measures at sites in important groundwater recharge areas may include, but are not limited to, the following:

a. Restrict coverage by impervious materials.

b. Limit building or parking footprints.

c. Require construction of detention/retention facilities on large-scale development project sites overlying important groundwater recharge areas as identified by Monterey County Water Resources Agency.

The County recognizes that detention/retention facilities on small sites may not be practical, or feasible, and may be difficult to maintain and manage.

LONG-TERM WATER SUPPLY

GOAL PS-3

ENSURE THAT NEW DEVELOPMENT IS ASSURED A LONG-TERM SUSTAINABLE WATER SUPPLY.

Policies

PS-3.1 Except as specifically set forth below, new development for which a discretionary permit is required, and that will use or require the use of water, shall be prohibited without proof, based on specific findings and supported by evidence, that there is a long-term, sustainable water supply, both in quality and quantity to serve the development.

This requirement shall not apply to:

a. the first single family dwelling and non-habitable accessory uses on an existing lot of record; or

b. specified development (a list to be developed by ordinance) designed to provide: a) public infrastructure or b) private infrastructure that provides critical or necessary services to the public, and that will have a minor or insubstantial net use of water (e.g. water facilities, wastewater treatment facilities, road construction projects, recycling or solid waste transfer facilities); or

c. development within Zone 2C of the Salinas Valley groundwater basin, provided the County prepares or causes to be prepared a study for the Board of Supervisors regarding Zone 2C, to be completed no earlier than October 31, 2017 and no later than March 31, 2018 that does the following:

1) evaluates existing data for seawater intrusion and groundwater levels collected by Monterey County Water Resources Agency as of the date the study is commenced;
2) evaluates the total water demand for all existing uses and future uses designated in the General Plan EIR for the year 2030;
3) assesses and provides conclusions regarding the degree to which the total water demand for all uses designated in the General Plan for the year 2030 are likely to be reached or exceeded;
4) evaluates on an annual basis during the study period groundwater elevations and the seawater intrusion boundary;
5) based on historical data and the data produced by the study, evaluates and provides conclusions regarding future trends and any expected movement of groundwater elevations and the seawater intrusion boundary;
6) should the study conclude that i) total water demand for all uses designated in the General Plan for the year 2030 is likely to be exceeded; or ii) groundwater elevations are likely to decline by the year 2030 and iii) the seawater intrusion boundary is likely to advance inland by the year 2030, the study shall make recommendations on measures the County could take to address any or all of those conditions; and
7) addresses such other matters as the Board of Supervisors determines are appropriate.

Within two months following the completion of the study, the Board of Supervisors shall hold an open and noticed public hearing on the results of the study. If the study reaches the conclusions for Zone 2C identified in subsection 6) i or 6) ii and 6) iii, the Board of Supervisors shall adopt one or more measures identified in the study, or other appropriate measures, to address the identified conditions. This exception for Zone 2C shall be a rebuttable presumption that a Long Term Sustainable Water Supply exists within Zone 2C, and the presumption shall remain in effect until and unless the study reaches the conclusion for Zone 2C identified in subsection 6) i or 6) ii and 6) iii. Development in Zone 2C shall be subject to all other policies of the General Plan and applicable Area Plan.

Following completion of the study described herein, and the adoption of measures as may be recommended in the study, if any, the County shall prepare a report to the Board of Supervisors every five (5) years for Zone 2C that examines the degree to which a) total water demand for all uses predicted in the General Plan EIR for year 2030 will be reached; or b) groundwater elevations, the seawater intrusion boundary have changed since the prior reporting period; and c) other sources of water supply are available.

(Amended by Board Resolution 13-028)

PS-3.2 Specific criteria for proof of a Long Term Sustainable Water Supply and an Adequate Water Supply System for new development requiring a discretionary permit, including but not limited to residential or commercial subdivisions, shall be developed by ordinance with the advice of the General Manager of the Water Resources Agency and the Director of the Environmental Health Bureau. A determination of a Long Term Sustainable Water Supply shall be made upon the advice of the General Manager of the Water Resources Agency. The following factors shall be used in developing the criteria for proof of a long term sustainable water supply and an adequate water supply system:

a. Water quality;
b. Authorized production capacity of a facility operating pursuant to a permit from a regulatory agency, production capability, and any adverse effect on the economic extraction of water or other effect on wells in the immediate vicinity, including recovery rates;
c. Technical, managerial, and financial capability of the water purveyor or water system operator;
d. The source of the water supply and the nature of the right(s) to water from the source;
e. Cumulative impacts of existing and projected future demand for water from the source, and the ability to reverse trends contributing to an overdraft condition or otherwise affecting supply; and
f. Effects of additional extraction or diversion of water on the environment including on in-stream flows necessary to support riparian vegetation, wetlands, fish or other aquatic life, and the migration potential for steelhead, for the purpose of minimizing impacts on the environment and to those resources and species.
g. Completion and operation of new projects, or implementation of best practices, to renew or sustain aquifer or basin functions.

The hauling of water shall not be a factor nor a criterion for the proof of a long term sustainable water supply.

PS-3.3 Specific criteria shall be developed by ordinance for use in the evaluation and approval of adequacy of all domestic wells. The following factors shall be used in developing criteria for both water quality and quantity including, but not limited to:

a. Water quality.
b. Production capability.
c. Recovery rates.
d. Effect on wells in the immediate vicinity as required by the Monterey County Water Resources Agency or Environmental Health Bureau.
e. Existing groundwater conditions.
f. Technical, managerial, and financial capability of the water purveyor of a water system.

g. Effects of additional extractions or diversion of water on in-stream flows necessary to support riparian vegetation, wetlands, fish, and other aquatic life including migration potential for steelhead, for the purpose of minimizing impacts to those resources and species.

This policy is not intended to apply to replacement wells.

(Amended by Board Resolution 13-028)

PS-3.4 The County shall request an assessment of impacts on adjacent wells and in-stream flows for new high-capacity wells, including high-capacity urban and agricultural production wells, where there may be a potential to affect existing adjacent domestic or water system wells adversely or in-stream flows, as determined by the Monterey County Water Resources Agency. In the case of new high-capacity wells for which an assessment shows the potential for significant adverse well interference, the County shall require that the proposed well site be relocated or otherwise mitigated to avoid significant interference. The following factors shall be used in developing criteria by ordinance for use in the evaluation and approval of adequacy of all such high-capacity wells, including but not limited to:

a. Effect on wells in the immediate vicinity as required by the Monterey County Water Resources Agency or Environmental Health Bureau.

b. Effects of additional extractions or diversion of water on in-stream flows necessary to support riparian vegetation, wetlands, fish, and other aquatic life including migration potential for steelhead, for the purpose of minimizing impacts to those resources and species.

This policy is not intended to apply to replacement wells.

(Amended by Board Resolution 13-028)

PS-3.5 The Monterey County Health Department shall not allow construction of any new wells in known areas of saltwater intrusion as identified by Monterey County Water Resources Agency or other applicable water management agencies:

a. Until such time as a program has been approved and funded that will minimize or avoid expansion of salt water intrusion into useable groundwater supplies in that area; or

b. Unless approved by the applicable water resource agency.

This policy shall not apply to deepening or replacement of existing wells, or wells used in conjunction with a desalination project.

PS-3.6 The County shall coordinate and collaborate with all agencies responsible for the management of existing and new water resources.

PS-3.7 A program to eliminate overdraft of water basins shall be developed as part of the Capital Improvement and Financing Plan (CIFP) for this Plan using a variety of strategies, which may include but are not limited to:

a. Water banking;
b. Groundwater and aquifer recharge and recovery;
c. Desalination;
d. Pipelines to new supplies; and/or
e. A variety of conjunctive use techniques.

The CIFP shall be reviewed every five (5) years in order to evaluate the effectiveness of meeting the strategies noted in this policy. Areas identified to be at or near overdraft shall be a high priority for funding.

PS-3.8 Developments that use gray water and cisterns for multi-family residential and commercial landscaping shall be encouraged, subject to a discretionary permit.

PS-3.9 A tentative subdivision map and/or vesting tentative subdivision map application for either a standard or minor subdivision shall not be approved until the applicant provides evidence of a long-term sustainable water supply in terms of yield and quality for all lots that are to be created through subdivision.

PS-3.10 In order to maximize agricultural water conservation measures to improve water use efficiency and reduce overall water demand, the County shall establish an ordinance identifying conservation measures that reduce agricultural water demand.

PS-3.11 In order to maximize urban water conservation measures to improve water use efficiency and reduce overall water demand, the County shall establish an ordinance identifying conservation measures that reduce potable water demand.

PS-3.12 The County shall maximize the use of recycled water as a potable water offset to manage water demands and meet regulatory requirements for wastewater discharge, by employing strategies including, but not limited to, the following:

a. Increase the use of treated water where the quality of recycled water is maintained, meets all applicable regulatory standards, is appropriate for the intended use, and re-use will not significantly impact beneficial uses of other water resources.
b. Work with the agricultural community to develop new uses for tertiary recycled water and increase the use of tertiary recycled water for irrigation of lands currently being irrigated by groundwater pumping.
c. Work with urban water providers to emphasize use of tertiary recycled water for irrigation of parks, playfields, schools, golf courses, and other landscape areas to reduce potable water demand.

d. Work with urban water providers to convert existing potable water customers to tertiary recycled water as infrastructure and water supply become available.

PS-3.13 To ensure accuracy and consistency in the evaluation of water supply availability, the Monterey County Health Department, in coordination with the MCWRA, shall develop guidelines and procedures for conducting water supply assessments and determining water availability. Adequate availability and provision of water supply, treatment, and conveyance facilities shall be assured to the satisfaction of the County prior to approval of final subdivision maps or any changes in the General Plan Land Use or Zoning designations.

PS-3.14 The County will participate in regional coalitions for the purpose of identifying and supporting a variety of new water supply projects, water management programs, and multiple agency agreements that will provide additional domestic water supplies for the Monterey Peninsula and Seaside basin, while continuing to protect the Salinas and Pajaro River groundwater basins from saltwater intrusion. The County will also participate in regional groups including representatives of the Pajaro Valley Water Management Agency and the County of Santa Cruz to identify and support a variety of new water supply, water management and multiple agency agreement that will provide additional domestic water supplies for the Pajaro Groundwater Basin. The County's general objective, while recognizing that timeframes will be dependent on the dynamics of each of the regional groups, will be to complete the cooperative planning of these water supply alternatives within five years of the adoption of the General Plan and to implement the selected alternatives within five (5) years after that time.

PS-3.15 The County will pursue expansion of the Salinas Valley Water Project (SVWP) by investigating expansion of the capacity for the Salinas River water storage and distribution system. This shall also include, but not be limited to, investigations of expanded conjunctive use, use of recycled water for groundwater recharge and seawater intrusion barrier, and changes in operations of the reservoirs. The County's overall objective is to have an expansion planned and in service by the date that the extractions from the Salinas Valley groundwater basin are predicted to reach the levels estimated for 2030 in the EIR for the Salinas Valley Water Project. The County shall review these extraction data trends at five year intervals. The County shall also assess the degree to which the Salinas Valley Groundwater Basin (Zone 2C) has responded with respect to water supply and the reversal of seawater intrusion based upon the modeling protocol utilized in the Salinas Valley Water Project EIR. If the examination indicates that the growth in extractions predicted for 2030 are likely to be attained within ten years of the date of the review, or the groundwater basin has not responded with respect to water supply and reversal of seawater intrusion as predicted by the model, then the County shall convene and coordinate a working group made up of the Salinas Valley cities, the MCWRA, and other affected entities. The purpose will be to identify new water supply projects, water management programs, and multiple

agency agreements that will provide additional domestic water supplies for the Salinas Valley. These may include, but not be limited to, expanded conjunctive use programs, further improvements to the upriver reservoirs, additional pipelines to provide more efficient distribution, and expanded use of recycled water to reinforce the hydraulic barrier against seawater intrusion. The county's objective will be to complete the cooperative planning of these water supply alternatives within five years and to have the projects on-line five years following identification of water supply alternatives.

WASTEWATER TREATMENT

GOAL PS-4

ENSURE ADEQUATE TREATMENT AND DISPOSAL OF WASTEWATER.

Policies

PS-4.1 New development shall assure that adequate wastewater treatment facilities are completed concurrent with new development.

PS-4.2 Developers shall construct or contribute their fair share to the funding of new or expanded wastewater treatment facilities needed to serve their development.

PS-4.3 The County shall pursue all available public and private financing sources and techniques to fund wastewater treatment facilities.

PS-4.4 The County shall encourage groundwater recharge through the use of reclaimed wastewater, not including primary treated wastewater, in accordance with federal, state, and local laws, regulations and ordinances.

PS-4.5 New development proposed in the service area of existing wastewater collection, treatment, and disposal facilities shall seek service from those facilities unless it is clearly demonstrated that the connection to the existing facility is not feasible.

PS-4.6 New independent wastewater treatment facilities shall not be allowed unless it is clearly demonstrated that connection to a regional facility is not feasible.

PS-4.7 Specific criteria for new wastewater treatment facilities and proof of the adequacy of existing facilities to service new development shall be developed as part of the implementation of this Plan. Criteria may include but are not limited to the following:

a. Service area.
b. Demand for service.
c. Wet weather storage.
d. Recycling of treated wastewater and the proper handling of brine.

e. Existing groundwater conditions.
f. Effect of recharge on existing groundwater.
g. Technical, managerial, and financial capability of the wastewater treatment provider, including long-term capability to operate the system in an acceptable manner, professional qualifications of the staff, and long-term financial stability.
h. Sludge Removal.

The County prefers wastewater systems to be owned and operated by public service providers rather than private entities, when feasible

PS-4.8 Consistent with *Table PS-1*, specific criteria for sewage disposal systems to serve individual uses when new lots are being created and where connection to a wastewater treatment facility is not feasible shall be developed as part of the implementation of this Plan. Criteria may include but are not limited to the following:

a. Minimum lot size.
b. Location of wells.
c. Soils testing.
d. Areas for backup and repair of leaching systems.
e. Existing groundwater conditions.
f. Effect of recharge on existing groundwater.

PS-4.9 The adequate provision of new or expanded wastewater treatment facilities that meet Regional Water Quality Control Board waste discharge requirements shall be assured, to the satisfaction of the County and Regional Water Quality Control Board, prior to the approval of new residential subdivision maps or zone changes.

PS-4.10 Alternative on-site wastewater treatment systems may be considered for repairs to existing systems and new systems on existing lots of record. Approval of said systems shall be at the discretion of the Director of Environmental Health. The design and operation of the alternative on-site wastewater treatment system must conform to Monterey County Code 15.20 and the Central Coast Basin Plan.

PS-4.11 All new wastewater treatment facilities or expansion/major remodel of existing facilities shall be encouraged to use or upgrade to tertiary treatment standards to minimize any health threat to waters of the federal, state, and County. This policy shall not apply to on-site wastewater treatment systems.

PS-4.12 The County Health Department, Environmental Health Bureau, shall develop On-site Wastewater Management Plans (OWMP) for areas with high concentrations of development that are served primarily by individual sewage systems such as El Toro, Prunedale, Carmel Highlands, and Carmel Valley.

PS-4.13 Wastewater treatment and disposal for community areas and rural centers shall be through the consolidation of services into Regional or Sub-regional facilities. Subdivisions shall be required to consolidate wastewater collection and treatment

and disposal systems, connecting to existing systems where feasible. The County shall not allow the use of package plants when connection to a regional facility is feasible.

RECYCLING

GOAL PS-5

MAXIMIZE THE AMOUNT OF SOLID WASTE THAT IS DIVERTED FROM LOCAL LANDFILLS THROUGH RECYCLING, COMPOSTING AND SOURCE REDUCTION.

Policies

PS-5.1 Programs to reduce the amount of waste generated in the County, to the maximum extent feasible and in accordance with state law and regulations adopted by the California Integrated Waste Management Board, shall be supported, including programs such as:

a. increased recycling,
b. establishment of yard waste collection services for businesses and residents in all Community Areas and Rural Centers, and
c. encouraging the participation of residents and businesses in other waste diversion programs.

PS-5.2 The designation, development, and maintenance of efficient, environmentally-compliant, and cost-effective disposal sites shall be supported.

PS-5.3 Programs to facilitate recycling/diversion of waste materials at new construction sites, demolition projects, and remodeling projects shall be implemented.

PS-5.4 The maximum use of solid waste source reduction, reuse, recycling, composting, and environmentally-safe transformation of wastes, consistent with the protection of the public's health and safety, shall be promoted.

PS-5.5 The County shall promote waste diversion and recycling and waste energy recovery as follows:

a. The County shall adopt a 75% waste diversion goal.
b. The County shall support the extension of the types of recycling services offered (e.g., to include food and green waste recycling).
c. The County shall support waste conversion and methane recovery in local landfills to generate electricity.
d. The County shall support and require the installation of anaerobic digesters or equivalent technology for wastewater treatment facilities.

PS-5.6 The County will review its Solid Waste Management Plan on a five (5) year basis and institute policies and programs as necessary to exceed the wastestream

reduction requirements of the California Integrated Waste Management Act. The County will adopt requirements for wineries to undertake individual or joint composting programs to reduce the volume of their wastestream. Specific mitigation measures to reduce the impacts of future solid waste facilities are infeasible because the characteristics of those future facilities are unknown.

SOLID WASTE

GOAL PS-6

ENSURE THE DISPOSAL OF SOLID WASTE IN A SAFE AND EFFICIENT MANNER.

Policies

PS-6.1 Efficient, cost-effective solid waste disposal sites and diversion programs shall be a requirement for future waste disposal contracts with the County.

PS-6.2 All new and expanded solid waste facilities shall be located in areas where potential environmental impacts can be mitigated and where the facilities can be rendered compatible with surrounding land uses.

PS-6.3 New solid waste facilities, or the expansion portion of an existing facility, shall be protected from encroachment and incompatible uses.

PS-6.4 To protect the public from potential health hazards from landfills, the County shall adopt an ordinance or development standards for land use development within 1,000 feet of an open or closed solid waste facility.

PS-6.5 New development projects shall provide for handling of waste in a manner that conforms to State-mandated diversion and recycling goals. Site development plans shall include adequate solid waste recycling collection areas.

EXHIBIT 2-A

EDUCATIONAL FACILITIES

GOAL PS-7

PROMOTE A RANGE OF EDUCATIONAL OPPORTUNITIES WITHIN EXISTING AND FUTURE POPULATION CENTERS.

Policies

PS-7.1 The need to reserve sites for future schools in or near areas of development shall be considered and addressed, in consultation with the affected districts, in the County's planning and development review processes.

PS-7.2 School siting shall be encouraged in locations that establish schools as focal points in a community. New school sites should be located so that they are served by adequate infrastructure including vehicle, pedestrian, and bicycle access.

PS-7.3 The cost-effective use of multi-purpose school facilities during off-school hours for community meeting space and recreation space shall be encouraged.

PS-7.4 The incorporation of joint-use opportunities in the planning and design of new school facilities and the remodeling of existing facilities shall be encouraged.

PS-7.5 Collaboration between education and business to ensure future employees enter the workplace with the needed qualifications shall be promoted.

PS-7.6 The development and coordination of partnerships among the business community and educational institutions shall be encouraged.

PS-7.7 Programs to provide meaningful work experience to qualified high school and college students shall be encouraged.

PS-7.8 New development shall assist in land acquisition and financial support for school facilities, as required by state law. Where school districts have adopted appropriate resolutions, written confirmation from the school district that applicable fees and contributions have been paid or are ensured to the satisfaction of the district shall be required prior to the issuance of building permits. The County shall, as a condition of approval of development projects, require the project applicant to pay the fees required by statute (Government Code section 65996, as it may be periodically amended) to mitigate the impact of the proposed development on school facilities.

EXHIBIT 2-A

HEALTH AND MEDICAL SERVICES

GOAL PS-8

PROMOTE THE AVAILABILITY OF HEALTH AND MEDICAL SERVICES, PARTICULARLY IN RURAL AREAS.

Policies

PS-8.1 Programs that provide a full range of health care from local and regional health care programs for Monterey County residents, including preventive care, primary care, hospitals, and long-term care services, shall be promoted.

PS-8.2 Programs to promote access to health care and support the establishment of needed health care services in areas with high population concentrations, such as cities, Community Areas, and Rural Centers, shall be supported. Where services do not exist, medical transportation programs to address the unmet transportation needs of residents shall be coordinated with the Transportation Agency of Monterey County.

PS-8.3 Programs for the routine inspection of food, water systems, sewage disposal, public housing, institutions, labor camps, swimming pools, recreation facilities, locations of hazardous substances, and noise hazards shall be established or maintained.

PS-8.4 Public health nurse services at levels that meet the health needs of the County's rural residents shall be supported.

PS-8.5 The Family Practice and Residency Program at Natividad Medical Center shall be supported.

PS-8.6 Resources for the following public health programs shall be provided:

a. Communicable disease prevention, surveillance and control;
b. Periodic community health assessment;
c. Immunization;
d. Maternal health;
e. Child abuse and neglect;
f. Wellness and developmental examinations
g. Wellness and health promotion
h. Injury prevention
i. Nutrition
j. Prenatal care
k. Drug and alcohol abuse prevention and treatment
l. Prevention and early diagnosis of mental illness;
m. Treatment for acute and chronic mental illness
n. child health screening;

PS-8.7 The County shall promote compact, mixed use development utilizing the concepts of the walkable community, which are designed to encourage physical activity and fitness by permitting walking and bicycle riding to shopping, work, and entertainment venues as an alternative to the use of motor vehicles.

SOCIAL SERVICES

GOAL PS-9

ASSIST RESIDENTS TO PROVIDE THE SUBSISTENCE NEEDS OF THEMSELVES AND THEIR FAMILIES.

Policies

PS-9.1 Community crisis facilities shall be accessible throughout the County and the County shall encourage bilingual staffing in appropriate locations.

PS-9.2 Safe home environments and the reduction of child abuse shall be promoted through public awareness programs and other measures.

PS-9.3 The County shall promote making services accessible to seniors and disabled and secure the necessary funding for special transit programs.

PS-9.4 The County shall promote meeting the needs of the elderly and establish adult day care facilities or other services that maintain older persons in an independent setting.

PS-9.5 The County shall promote establishing senior citizen multi-use centers in those areas demonstrating need. Such facilities should be geographically accessible in those areas demonstrating need and shall encourage bilingual staffing, where appropriate.

PS-9.6 The County shall promote increasing capacity to store and retrieve social services data and provide computer linkage with other related county departments.

LIBRARY SERVICES

GOAL PS-10

INCREASE EDUCATIONAL, INFORMATIONAL, AND LEISURE OPPORTUNITIES IN THE COUNTY BY PROVIDING ADEQUATE LIBRARY SERVICES.

Policies

PS-10.1 The County shall reserve sites for future library facilities in major growth areas.

PS-10.2 The County shall encourage delivery of library services to all areas and residents of the County.

PS-10.3 The County shall support cooperation and collaboration among neighboring counties to enhance the quality and delivery of library services.

PS-10.4 The County shall pursue additional funding for library services, including state funds and private contributions.

PS-10.5 The County shall promote expanded access to library facilities and services as needed, including to the aged and disabled, and to persons distant from population centers.

PARK AND RECREATION FACILITIES

GOAL PS-11

MAINTAIN AND ENHANCE THE COUNTY'S PARKS AND TRAILS SYSTEM IN ORDER TO PROVIDE RECREATIONAL OPPORTUNITIES, PRESERVE NATURAL SCENIC RESOURCES AND SIGNIFICANT WILDLIFE HABITATS, AND PROVIDE GOOD STEWARDSHIP OF OPEN SPACE RESOURCES.

Policies

PS-11.1 Priority shall be given to the acquisition of land and development and maintenance of new parks in areas that are deficient in park services and in rapidly growing areas. Evaluation of this need shall include consideration of the costs for development of facilities as well as on-going management and maintenance. After evaluation of regional needs, locations where park acquisition should be pursued in concert with willing property owners shall be identified.

PS-11.2 Park acquisition, development, and maintenance guidelines based upon acreage, population, parkland ratios, and consideration of natural resource values that will provide adequate park and recreation facilities for existing and future residents shall be established. Broad public participation in the development of these guidelines shall be assured.

PS-11.3 In cooperation with other park and public lands agencies, an equitable geographic distribution of neighborhood, community, and regional park facilities commensurate with the needs of the surrounding residents shall be established.

PS-11.4 Park development that includes interpretive and recreational services, including youth camping, shall be encouraged. Maintenance of existing facilities shall be prioritized.

PS-11.5 The County shall encourage full utilization of park and recreation facilities owned and/or operated by other agencies.

PS-11.6 County funding sources and special operating agreements shall be used to make County parks and recreation facilities available and ensure their on-going maintenance.

PS-11.7 Accessibility, in terms of affordability, physical access and hours of operation of the County's park and recreation facilities shall be assured to the maximum extent practicable.

PS-11.8 To join the separated portions of the Lake San Antonio Park, acquisition of the publicly owned lands at the Old Hacienda and the northern Lake San Antonio area shall be sought if Fort Hunter-Liggett is closed.

PS-11.9 A wide range of mechanisms to acquire and maintain parkland, including a variety of funding sources such as land donations, public conveyances from other agencies, and development impact fees shall be utilized.

PS-11.10 Pursuant to the provisions of the State Subdivision Map Act, residential subdivision projects shall be conditioned to provide and maintain park and recreation land and facilities, or pay in-lieu fees, in proportion to the extent of need created by the development.

PS-11.11 Management plans for all County park and recreational areas and facilities, emphasizing protection of environmental resources and best management practices for open space on these lands, shall be prepared and adopted.

PS-11.12 Parks for more active uses shall be distinguished from parks and open space areas rich in biological resources suitable for more passive enjoyment of those resources. Management Plans shall reflect these differences and specify appropriate management for each use.

PS-11.13 New park facilities shall not be opened to public use until adequate, long-term facility management is provided.

PS-11.14 Community Area Plans shall identify adequate sites for park and recreation facilities.

EXHIBIT 2-A

HISTORIC PRESERVATION

GOAL PS-12

IDENTIFY, DESIGNATE, PROTECT, PRESERVE, ENHANCE, AND PERPETUATE THOSE STRUCTURES AND AREAS THAT CONTRIBUTE TO THE HISTORICAL HERITAGE OF MONTEREY COUNTY.

Policies

PS-12.1 The historic preservation plan and a historic preservation ordinance shall be updated and implemented to maintain the necessary tools to protect the County's cultural resources.

PS-12.2 The inventory of cultural resources in unincorporated areas shall be regularly updated.

PS-12.3 Voluntary applications from property owners to qualify appropriate properties and buildings on the National Register of Historic Places and/or the California Register of Historical Resources shall be encouraged and assisted.

PS-12.4 Properties and buildings on the National Register of Historic Places and/or the California Register of Historical Resources shall be designated with a Historic Resource ("HR") overlay on the zoning map.

PS-12.5 The Monterey County Historic Resources Review Board shall:

a. Review and make recommendations on restoration, rehabilitation, alteration, and demolition proposals affecting identified historical and cultural resources.
b. Work for the continuing education of county residents concerning historic resources;
c. Seek financial support from local, state, and federal governments as well as the private sector to protect, preserve, and enhance the County's historic resources;
d. Coordinate its activities with all groups concerned with the preservation of historic resources; and
e. Review projects that involve historic resources on the National Register of Historic Places, California Register of Historical Resources, or the County's Local Register of Historic Resources to assure projects are consistent with good preservation practices.

PS-12.6 The County shall support incentives that will help to preserve historic and cultural resources including but not limited to:

a. provisions of the Mills Act (Government Code sections 50280-50290 and Revenue and Taxation Code sections 439-439.4),
b. mutual covenants,

c. protective covenants,
d. purchase options,
e. preservation easements,
f. building, fire, health and County code modifications; and
g. any other methods deemed mutually agreeable between County and landowner.

PS-12.7 Revenue sources that provide funds for the restoration and enhancement of historic resources shall be identified and pursued.

PS-12.8 Lending institutions shall be encouraged to reinvest in culturally significant neighborhoods.

PS-12.9 Zoning, land use plans, and regulations shall be reviewed and maintained to ensure consistency with the guidelines and requirements of state and federal historic preservation laws.

PS-12.10 Historic landscape, consisting of resource features important to the setting of a designated historic site, such as mature trees and vegetation, walls and fences, within historic neighborhoods, districts, and heritage corridors for which there is an adopted plan shall be protected.

PS-12.11 An active involvement in historic and cultural resource management programs and support for the efforts of the Monterey County's historical organizations to preserve the County's historical resources shall be continued.

PS-12.12 Historical and cultural resources and sites shall be protected through zoning and other regulatory means. New development shall be compatible with existing historical resources to maintain the special values and unique character of the historic properties.

PS-12.13 Repair or rehabilitation of historic structures may be permitted upon determination that the proposed improvements shall not preclude the structure's continued designation as a historic structure or that appropriate mitigation measures have been taken to comply with the Secretary of the Interior's Standards.

PS-12.14 Historic preservation shall be integrated where possible into County programs administered by the Resource Management Agency.

PS-12.15 The special character of designated historic districts and neighborhoods shall be retained.

PS-12.16 Public information programs on the opportunities and programs to preserve historic and cultural resources shall be developed to the extent feasible. The

programs shall also identify the restrictions and limitations associated with listing of historic structures.

PS-12.17 Heritage tourism shall be promoted by highlighting Monterey County's diverse cultural background and the use of historic resources for the enjoyment, education, and recreational use of visitors to Monterey County.

PUBLIC UTILITIES

GOAL PS-13

ENSURE THE EFFICIENT DISTRIBUTION OF PUBLIC UTILITIES BY RESERVING SUFFICIENT LAND OR RIGHTS OF WAY TO PROVIDE UTILITIES FOR THE COUNTY'S CURRENT AND FUTURE NEEDS.

Policies

PS-13.1 The County shall, when planning for development, require utility corridor rights-of-way or other easements of sufficient size to accommodate current and future needs.

PS-13.2 All new utility lines shall be placed underground, unless determined not to be feasible by the Director of the Resource Management Agency.

PS-13.3 Existing utility lines shall be placed underground whenever feasible.

EXHIBIT 2-A

This page intentionally left blank

Figure 11 - Water Management Agencies to be inserted
(8.5” x 11”)

EXHIBIT 2-B

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

MEMORANDUM

Date: August 18, 2006 (revised October 17, 2006)

To: MPWMD Staff and Interested Parties

From: David A. Berger, General Manager

RE: WATER DISTRIBUTION SYSTEM MEMORANDUM #3 – PROTOCOL FOR APPLICATIONS AND REQUESTS INVOLVING WELLS IN CARMEL VALLEY ALLUVIAL AQUIFER

The revised Implementation Guidelines for the Monterey Peninsula Water Management District (MPWMD) Rules and Regulations governing Water Distribution Systems (WDS) are currently being prepared. Due to questions about the protocol to address wells in the Carmel Valley Alluvial Aquifer (CVAA), this memorandum serves as written guidance on this subject to be incorporated into revised Implementation Guidelines when they are completed. This memorandum was reviewed and approved by the MPWMD Board of Directors at its regular meeting of October 16, 2006, and included consideration of comments by the public.

Questions about the CVAA protocol stem from letters to MPWMD from the California Department of Fish & Game (CDFG) and the National Marine Fisheries Service (NMFS or NOAA Fisheries) asserting that additional extractions from the CVAA should not be allowed and that a full California Environmental Quality Act (CEQA) review is required before any decision to approve wells in the CVAA. This memorandum is based on discussions with General Counsel in August 2006, and the August 15, 2006 memorandum from Counsel shown as **Attachment 1**.

The following paragraphs provide specific guidance to MPWMD staff in processing various types of WDS applications and requests that involve wells in the CVAA.

General Guidance (Applicable to All Situations)

A well is first determined to be in the CVAA based on the plan view maps available at the District office pursuant to Rule 11. Current Implementation Guidelines allow staff to determine that a well is not in the CVAA based on the well log, hydrogeologic data, and/or field inspection of the well site. This determination may be made by the District's Hydrogeologist/Water Resources Division (WRD) Manager in the Pre-Application phase, and would be included in the Pre-Application Review letter to the applicant. The District's Hydrogeologist/WRD Manager also has the authority to amend the boundaries of the CVAA on District maps based on scientific evidence and a signed, dated, written rationale.

If the District staff believes the well is an alluvial well, or if there is a question about the alluvial characteristics of the well in the Pre-Application review, the District presumption is that the well is an alluvial well, absent substantial evidence to the contrary as demonstrated by a qualified consultant retained by the applicant. The District's Hydrogeologist/WRD Manager may concur or disagree with the applicant consultant's recommendation with a signed, dated, written determination, including a rationale if the District disagrees with the applicant consultant's recommendation. The District's hydrogeology consultant may assist District staff in this review.

The terms **"actual historical use" or "historical baseline"** is hereby defined as the **arithmetic mean** (often called the "average") of the past 10 years of metered water well production data and/or metered California American Water (Cal-Am) water records, depending on the situation. If 10 years are not available, the average of the available years of data shall be used. The use of a water year (defined as October 1 through September 30 of the following year) is preferred if data are available in this format. Use of a 10-year average is based on MPWMD Rule 40-A-4 as well as consistency with the State Water Resources Control Board (SWRCB) protocol used in Order 95-10. Given that well production reports may be prone to errors due to water meter reporting inaccuracies, District staff may conduct a field inspection of the well, meter and surroundings, and potentially correct readings if there is reasonable cause for such action. District staff may discuss the water production or use history with the property owner as part of the assessment.

The District will serve as the CEQA Responsible Agency for any development project for which discretionary approval is needed by a member jurisdiction (City or County); that jurisdiction will serve as the CEQA Lead Agency. Thus, the District will rely on, and provide input to, the environmental documentation prepared by the Lead Agency. A specific case may warrant an exception to this protocol if the District determines the Lead Agency's environmental documentation does not adequately address water resources and related topics within the District's authority.

For any WDS application for which the District is the CEQA Lead Agency, there will be no CEQA exemptions for any new or amended WDS application for well(s) in the CVAA pursuant to CEQA section 15300.2. Thus, an Initial Study will be performed for all WDS applications in the CVAA. The Initial Study will be circulated for 30 days and noticed through the State Clearinghouse as well as local entities.

As described in **Attachment 2**, a key concern of resource agencies is the cumulative impacts of the combined effects of CVAA extractions by Cal-Am and non-Cal-Am wells. Thus, for all WDS applications and requests for wells in the CVAA described below, the water use history of Cal-Am and non-Cal-Am water use will be considered, as applicable.

The following direction recognizes that there may be exceptions or unusual circumstances which result in a different protocol for permit processing or responding to a WDS request. Any deviation must be approved by the General Manager in consultation with District General Counsel.

As part of the WDS application process, determinations about permit processing protocol are put in writing for each application as a determination by the General Manager. Such staff determinations are subject to appeal to the MPWMD Board pursuant to Rule 70.

Application for New Alluvial Well/WDS

Based on an Initial Study, an Environmental Impact Report (EIR) will be prepared for any application to create a new WDS based on a new alluvial well that results in water extractions from the CVAA greater than the historical baseline within the proposed WDS service area. A Mitigated Negative Declaration may be considered for a situation where a new well would result in total water use no greater than the historical baseline, considering combined Cal-Am and non-Cal-Am use before the proposed project and estimated water use after the project is operational.

Application for Amended WDS Based on Existing Alluvial Well

Based on an Initial Study, an EIR will be prepared for any application to amend an existing WDS based on an existing alluvial well that results in water extractions from the CVAA greater than the historical baseline within the proposed WDS service area. A Mitigated Negative Declaration may be considered for a situation where amendments to the use of an existing well would result in total water use no greater than the historical baseline, considering combined Cal-Am and non-Cal-Am use before the proposed project and estimated water use after the project is operational.

Set System Limit Baseline for Previous Systems

Rule 20 requires that the system limits for previous WDS be established pursuant to Rule 40-A. Rule 40-A-4 provides types of information that can be considered when setting the limit for an existing WDS for which system limits were not previously established, such as a "pre-existing multiple connection WDS" described in Rule 20-C-10. For such a situation, a system capacity (production limit) baseline may be set without CEQA review if the baseline does not exceed the actual historical use. Setting a baseline above actual historical use is possible, pursuant to Rule 40-A-4, but setting such a baseline would require CEQA review as a discretionary action that would allow more water as the baseline than was historically produced. As noted above, there would be no CEQA Exemption for such action.

Attachments

1. August 15, 2006 Memorandum from General Counsel
2. June 7, 2006 and June 9, 2006 letters from CDFG and NMFS

U:\Henri\wp\ceqa\2006\WDS2006\DABmemo_alluvialprocess_101706.doc
Revised by H. Stern pursuant to MPWMD Board approval on 10/16/06

EXHIBIT 2-B

Attachment 1

De LAY & LAREDO

Attorneys at Law
606 Forest Avenue
Pacific Grove, California 93950

Telephone (831) 646-1502
Facsimile (831) 646-0377

Paul R. De Lay
David C. Laredo
Heidi A. Quinn
Frances M. Farina, *of Counsel*

August 15, 2006

TO: Henrietta Stern

FROM: David C. Laredo

RE: Historical Water Use Baseline for Alluvial Wells

You have asked for our informal review of issues relating to baseline water use for alluvial wells in the context of recent letters forwarded by National Marine Fisheries Service (NOAA) and California Department of Fish & Game (CDFG) in relation to an application to create the St. Dunstan's Water Distribution System (WDS).

NOAA and CDFG each submitted letters in response to the District's circulation of an Initial Study and Proposed Negative Declaration under the California Environmental Quality Act (CEQA) for proposed creation of the St. Dunstan's WDS under District Rule 22. These letters assert water is not currently available for expanded use due to State Water Resources Control Board (SWRCB) Order WR 95-10, and due to concerns regarding the Endangered Species Act (ESA) listed steelhead and the California Red Legged Frog. In essence, the contention is made that any increase in water use from the Carmel Valley Alluvial Aquifer cumulatively affects Carmel River flow, in reliance upon CEQA Guideline section 15130 that impacts consist of "an impact which is created as a result of the combination of the project evaluated... together with other projects causing related impacts."

Concerns raised in the context of the proposed expansion of the Cal-Am WDS apply equally to the creation or expansion of any non-Cal-Am WDS that derives its water supply from the Carmel Valley Alluvial Aquifer. It is my conclusion that the baseline water use for any existing alluvial well, including pre-existing Water Distribution Systems (WDS), cannot exceed historical use without further review under the CEQA. Staff may use a rule of reason to quantify the increments of water that fall under the definition of "historical use." By way of example, staff could use the average of the previous 10 years, assuming that data are available, to determine this increment of use. Alternate methodologies may also satisfy this rule of reason, so long as an objective standard is used to quantify actual historical water use.

Staff also holds authority to grant a permit for a quantity of use that exceeds demonstrated historical use pursuant to District Rule 40. Such a discretionary determination can only be made in reliance upon a proper CEQA analysis. This analysis cannot be made pursuant to a CEQA exemption. CEQA exemptions are not available to permit applications that propose a new WDS or increased water use above the historical baseline due to the cumulative impacts issues, including those raised by NOAA and CDFG. CEQA Guideline section 15300.2 (b) states, "All

exemptions for these classes are inapplicable when the cumulative impact of successive projects of the same type in the same place, over time is significant."

It appears that applications that propose water use at or below historical use, however, are allowable under a CEQA mitigated negative declaration (at least in reference to water use impacts) as those projects will not contribute the cumulative impacts of increased water use. Conditions to limit water use so that it does not exceed historical use would justify a finding that "the project will not have a significant effect on the environment" pursuant to section 15075 of the CEQA Guidelines.

An alternate approach that justifies reliance upon a mitigated negative declaration in reference to water use impacts would be based upon the provisions of CEQA Guideline section 15130 that provides, "... a project's contribution to a significant cumulative impact will be rendered less than cumulatively considerable if the project is required to implement or fund a share of a mitigation measure or measures designed to alleviate the cumulative impact." This approach must result in full mitigation of the adverse effect of proposed water use – meaning that the mitigation effort shall fully offset existing water use in an identical or larger quantity as compared to the proposed new water use. The approach to mitigate water use impacts shall not be satisfied, however, if it merely results in some form of payment into a "fund" which does not in fact result in a quantifiable and actual mitigation effort separate and distinct from efforts underway to mitigate Cal-Am's unlawful diversions (e.g., contributing to the existing or planned Cal-Am ASR project cannot provide a mitigation effort for a non-Cal-Am well). Actual mitigations could include, by example, some sort of mitigation bank, restoration project, or reclamation project.

I trust that the summary nature of this memo is helpful to you. If you would like to discuss this matter in further detail, please do not hesitate to contact me.

Sincerely,

De LAY & LAREDO

David C. Laredo

FAXED EXHIBIT 2-B

State of California – The Resources Agency
DEPARTMENT OF FISH AND GAME
http://www.dfg.ca.gov
POST OFFICE BOX 47
YOUNTVILLE, CALIFORNIA 94599
(707) 944-5500

ARNOLD SCHWARZENEGGER, Governor

ATTACHMENT 2

June 7, 2006

RECEIVED
JUN 12 2006
MPWMD

Ms. Henrietta Stern, Project Manager
Monterey Peninsula Water Management District
Post Office Box 85
Monterey, California 93942-0085
Fax: (831) 644-9560
Email: henri@mpwmd.dst.ca.us

Dear Ms. Stern:

Monterey Peninsula Water Management District (MPWMD)
Initial Study and Notice of Intent to
Adopt a Negative Declaration for Application to
Create St. Dunstan's Water Distribution System,
Application #20031208DUN for APN 416-024-014 and 416-522-005,
at 28003 Robinson Canyon Road, Carmel Valley, Monterey County

Department of Fish and Game (DFG) personnel have reviewed the Initial Study and Proposed Negative Declaration (IS/ND) for this project. This project proposes to eliminate CalAm commercial water service to the existing parcels and replace that service with a new Water Distribution System (New Well) operated by St. Dunstan's Church (Applicant). This change is proposed to accommodate the additional water needs of the Applicant due to: 1) expansion of the building from 6,500 square feet to 10,000 square feet; and 2) increase water needed to meet irrigation demands of additional landscaping. Currently the facility uses 1.6 acre-feet (af) of CalAm water, and it has been calculated that the project expansion will require an additional 6 af of water for a total diversion of 7.6 af to be provided by the New Well. Staff discussed this project with MPWMD on May 24, 2006 to confirm that this project intends to divert additional or "new" water from the Carmel Basin on a year-round basis with the highest rate of diversion occurring during the dry season to meet increased landscape irrigation needs.

DFG has previously documented its concerns about the potential impacts to public trust resources resulting from existing and new diversions from the Carmel River and the Carmel Valley Alluvial Aquifer. The adverse impacts to public trust resources, including listed species, resulting from diversions within the Carmel Basin are well documented and are clearly more than just local concern[1].

[1] Considering the significance of the adverse impacts to sensitive resources from over-pumping within the Carmel River Basin, this project meets the requirements of CCR § 15206 (b) 5 for projects of statewide, regional or area wide significance. It, and other projects proposing additional diversions within the Carmel Basin, should not be considered only of "local interest." This would allow circulation through the State Clearinghouse without a reduced review period and ensure that adequate time is allowed for comments to be provided.

The cumulative impacts to resources resulting from pumping are so clearly recognized that restrictions and agreements are already in place to prevent increased pumping. State Water Resources Control Board (SWRCB) Water Right Order 95-10 and a Conservation Agreement with National Marine Fisheries Service (NOAA Fisheries) (intended to reduce adverse impacts to sensitive species by reducing diversions by CalAm from the Carmel Basin) do not allow CalAm to increase its diversion to serve the Applicant's expanded water needs. This has resulted in the project proposal to develop the New Well to satisfy the new demand. However, shifting the increased diversion activity away from the CalAm wells to the Applicant's New Well does nothing to reduce or eliminate the impacts of increasing local diversions especially in the critical dry season. Simply changing who is pumping, to avoid the limitations and restrictions already in place to protect the environment, does not reduce the impacts or support the finding that this new diversion has a less-than-significant impact.

There is substantial evidence in the record that pumping in the vicinity of the proposed project has a significant adverse impact on the environment and the sensitive species it supports. While the IS disclosed that the well would "cumulatively contribute" to extraction from the basin, the impact is dismissed because: 1) the "relatively low water use from the proposed well"; and 2) "the hydrologic regime in dry periods is controlled by much larger well production in the vicinity, including two major CalAm wells." Unfortunately, this sidesteps the issue of why a "new" diversion by the Applicant would not be considered "cumulative considerable" when resource protection agreements in place consider *any* new diversions by CalAm a significant effect on the environment when viewed in connection with the effects of all the other diversions.

In seeking a long-term solution to this problem, NOAA Fisheries, with review by DFG and MPWMD, released a policy paper entitled *Instream Flow needs for Steelhead in the Carmel River; Bypass flow recommendation for water supply projects using Carmel River waters, June 2002* (NOAA document). The NOAA document[2] established specific bypass flows for new projects to ensure that, as the problems of over-pumping in the Carmel Basin are being resolved with CalAm, no new diversions are developed that would be counter to the efforts to restore flows to protect the resources. In addition to prescribing bypass flows to ensure that restoration of flows will occur and be sustained, the document recommends a restriction for the dry season that "no new diversions be permitted, authorized, or otherwise sanctioned for the period June 1 to October 31." Approval of any diversions without inclusion of the mitigation recommendations in the NOAA' document for bypass flows/pumping restriction only serve to increase the over-pumping impacts that the agencies are attempting to reverse. Without the inclusion of appropriate mitigations, any new diversion project represents cumulative considerable effects on the environment.

There are no mitigations proposed to assure that the terms of this well permit would be consistent with achieving the long term goals of resource protection that precludes

---

[2] This document can be found at http://swr.nmfs.noaa.gov/hcd/policies/Carmel%20Flows.pdf

CalAm from serving the facility. The flow preservation/restoration to be provided under WRO 10-95 and the Conservation Agreement restricting the ability of CalAm to serve additional water requests are intended to support public trust resources, not provide water for additional diversions that will perpetuate adverse impacts to these resources while CalAm reduces their impacts. As stated in the IS/ND, the agreements between CalAm and NOAA and between CalAm, NOAA, DFG and MPWMD, focus on preserving year-round river flow as far downstream as possible. However, these efforts are to provide flow to protect the public trust and are not intended to make additional water available for diversions.

In summary, DFG believes that the ND is inappropriate because the proposed project will result in and contribute to the continuation of significant impacts to the environment. No mitigations or project changes are proposed to avoid or reduce the significant impacts of this new water diversion. Potentially feasible project revisions and mitigations could include: 1) delaying expansion until alternative water sources are available; 2) drastically reducing the amount of landscaping water required so that all additional diversions can be eliminated; or 3) permitting pumping at the New Well only when the diversions would follow recommendations in the NOAA document. DFG recommends that this IS/ND be withdrawn and revised to include appropriate analysis and mitigation. Additionally, DFG is concerned that any permitting of individual wells by MPWMD outside the terms of the NOAA recommendation are contrary to the long term solution developed for this basin. These projects should be circulated through the State Clearinghouse to ensure an appropriate review and comment period.

Please also be advised this project will result in changes to fish and wildlife resources as described in the California Code of Regulations, Title 14, Section 753.5(d)(1)(A)-(G). Therefore, a de minimis determination is not appropriate, and an environmental filing fee as required under Fish and Game Code Section 711.4(d) should be paid to the Monterey County Clerk.

If you have questions about these comments, please contact Ms. Linda Hanson, Staff Environmental Scientist, at (707) 944-5562; or Mr. Scott Wilson, Habitat Conservation Supervisor, at (707) 944-5584.

Sincerely,

Robert W. Floerke
Regional Manager
Central Coast Region

cc: See next page

cc: Dr. William Hearn
Ms. Joyce Ambrosius
National Marine Fisheries Service
777 Sonoma Avenue, Room 325
Santa Rosa, CA 95404

Ms. Katherine Mrowka, Chief
Watershed Unit 3
Division of Water Rights
Post Office Box 2000
Sacramento, CA 95812-2000

EXHIBIT 2-B

UNITED STATES DEPARTMENT OF COMMERCE
National Oceanic and Atmospheric Administration
NATIONAL MARINE FISHERIES SERVICE
Southwest Region
777 Sonoma Ave., Room 325
Santa Rosa, CA 95404-6528

June 9, 2006

In response refer to:
151416SWR2006SR00350:JEA

Henrietta Stern, Project Manager
Monterey Peninsula Water Management District
P.O. Box 85
Monterey, California 93942-0085

Dear Ms Stern:

Thank you for the opportunity to comment on the Initial Study (IS) and Proposed Negative Declaration for Approval of Application #20031208DUN to Create St. Dunstan's Water Distribution System. The proposed project entails approval of operation of a Water Distribution System, based on a new water well, to: 1) serve existing and expanded needs at St. Dunstan's Episcopal Church, including landscaping church grounds, and 2) replace the current source of supply by California-American Water (Cal-Am).

The maximum estimated water use is 7.5 acre-feet per year (AFY), 0.7 AFY for the enlarged sanctuary/parish hall and 6.8 AF for landscape irrigation. Actual water use in the past five years has not exceeded 1.66 AFY. Currently Cal-Am water is not available for church expansion due to State Water Resources Control Board (SWRCB) Order 95-10. The well would be located in the Carmel Valley Alluvial Aquifer at approximately River Mile 8.5. It is noted the proposed project intends to divert additional water from the Carmel River Basin on a year-round basis with the highest rate of diversion occurring during the low flow season to meet increased landscape irrigation needs.

South-Central California Coast Evolutionarily Significant Unit (ESU) steelhead are listed as threatened under the Endangered Species Act (ESA) of 1973 and are present in the Carmel River. Populations of steelhead within the South-Central California Coast ESU are at critically low levels. Any adverse impacts to them must be minimized to assure these species do not become extinct. Decreasing flows in the river can delay the migration of upstream adults and downstream juveniles within the system. Decreased flows can contribute to increased water temperatures and a decrease in water quality, both detrimental to salmonids.

The IS discloses the well would "cumulatively contribute to extractions from the Carmel Valley Alluvial Aquifer that cumulatively affect Carmel River flow," but then goes on to dismiss the impact because of the "relatively low water use from the proposed well" and the 'hydrologic regime

in dry periods is controlled by much larger well production in the vicinity of the proposed well, including two major Cal-Am production wells." We disagree with this IS finding.

Adverse impacts to listed species in the Carmel River Basin are well documented. SWRCB Order 95-10 and Order 2002-0002 do not allow Cal-Am to increase its diversions for expanded water needs or new water users and orders Cal-Am to pump from the lowermost wells to protect listed species. For MPWMD to approve a new Water Distribution System because Cal-Am cannot provide for expansion does not negate the on-going adverse impacts to listed species from water withdrawals. In fact, any increase in diversions on the Carmel River will be cumulative and only exacerbate the impacts. By changing who does the pumping, whether it be Cal-Am or a new diverter, does nothing to reduce or eliminate the impacts of increased diversions, especially in the low flow season. The flow prescriptions provided under Order 95-10 and 2002-0002, restricting the ability of Cal-Am to serve additional water requests and preserve year-round flow as far downstream as possible, are intended to support public trust resources, and are not intended to provide water for additional diversions that will perpetuate adverse impacts to these resources.

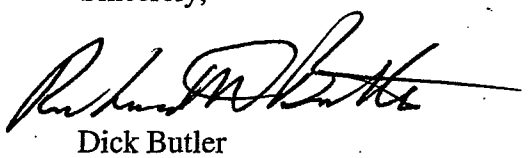
NOAA's National Marine Fisheries Service's (NMFS) June 2002 report, "*Instream Flow Needs for Steelhead in the Carmel River, bypass flow recommendations for water supply projects using Carmel River waters*" establishes bypass flows for new projects to ensure that no new diversions are developed that would be counter to the efforts to restore flows to protect listed species while a long-term solution to a sustainable water supply is found. This document recommends "no new diversions should be permitted, authorized, or otherwise sanctioned for the period June 1 to October 31." As noted in the IS, most of the increased diversion for the proposed project is for landscape irrigation which usually is needed during this low flow period. Approval of any diversions, especially during this critical flow period only serves to increase the over-pumping impacts the agencies are attempting to reverse.

NMFS believes the finding of a Negative Declaration is inappropriate because the proposed project will result in and cumulatively contribute to the continuation of significant impacts to the environment. NMFS recommends MPWMD provide full disclosure of significant impacts through an Environmental Impact Report. NMFS also recommends revising the proposed project to minimize impacts to listed species, including, but not limited to: 1) delaying the expansion until alternative water sources are available; 2) reducing or eliminating the amount of landscape irrigation water required during the low flow season; and 3) permitting pumping at the new well only when no impacts to resources would occur, *i.e.*, during the high flow season.

NMFS also recommends MPWMD establish a mitigation fee for non-Cal-Am diverters to provide for mitigation of impacts to the Carmel River Basin resources in the same manner as Cal-Am customers are levied a fee for mitigation. We believe all diverters, whether riparian or otherwise, have a responsibility to mitigate impacts and protect the resources of the Basin.

If you have any questions concerning the above comments, please contact Ms. Joyce Ambrosius at (707) 575-6064 or joyce.ambrosius@noaa.gov.

Sincerely,



Dick Butler
Santa Rosa Area Office Supervisor
Protected Resources Division

cc: R. Strach, NMFS, Sacramento
L. Hanson, CDFG, Yountville

EXHIBIT 2-C

TABLE A		
MINIMUM MEAN DAILY INSTREAM FLOW REQUIREMENTS		
December 1-April 15	**April 16-May 31**	**June 1-November 30**
Prior to Carmel River lagoon opening to the ocean [1]: May divert with minimum bypass of **40 cfs** at the Carmel River at Highway 1 Bridge gage[2]. **Following Carmel River lagoon opening to the ocean:** May divert with minimum bypass of **120 cfs** at the Carmel River at Highway 1 Bridge gage.	May divert with minimum bypass of **80 cfs** at the Carmel River at Highway 1 Bridge gage.	May divert with minimum bypass of **5 cfs** at the Carmel River at Highway 1 Bridge gage.

[1] On December 1, if water in the lagoon is flowing to the ocean, the lagoon shall be deemed to be open to the ocean. If on December 1 water in the lagoon is not flowing to the ocean, the lagoon shall be deemed to be open to the ocean when the lagoon level drops rapidly from a stable elevation to a lower elevation as evidenced by the water surface elevation gage located at the Carmel Area Wastewater District effluent pipeline across the south arm of the lagoon. This elevation gage is operated by Monterey Peninsula Water Management District.

[2] The Monterey Peninsula Water Management District operates a stream gage at Highway 1 and reports flows at this location on its website. Reported flows are not provided on a real-time basis and reported flows are subject to revision due to frequent changes in the riverbed at this location. In addition, updates of flow information at this location are carried out when the Monterey Peninsula Water Management District has sufficient staff and resources and it should be noted that the Monterey Peninsula Water Management District is under no obligation to provide this information on its website.