



NOTICE OF AVAILABILITY OF AN ENVIRONMENTAL IMPACT REPORT FOR THE POTENTIAL ACQUISITION OF MONTEREY WATER SYSTEM AND DISTRICT BOUNDARY ADJUSTMENT PROJECT EIR

TO: Public Agencies
Interested Parties

FROM: Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940
(831) 658-5600

The Monterey Peninsula Water Management District (District), as Lead Agency, hereby gives notice that pursuant to the authority and criteria contained in the California Environmental Quality Act (CEQA) and the State CEQA Guidelines, the District has prepared and completed a Draft Environmental Impact Report (EIR) for the proposed Potential Acquisition of Monterey Water System and District Boundary Adjustment Project (proposed project). A Draft EIR is an informational document that evaluates a proposed project's potential to significantly impact the environment, while also identifying ways to reduce or avoid environmental impacts through mitigation measures and alternatives to the project.

Agencies: The District requests your agency's views on the scope and content of the environmental information relevant to your agency's statutory responsibilities in connection with the proposed project, in accordance with California Code of Regulations, Title 14, Section 15082(b). Your agency may need to use the EIR prepared by the District when considering any permits that your agency must issue or for any other approval for the project.

Interested Parties: The District requests your comments and concerns regarding the environmental issues associated with implementation of the proposed project.

Project Title: Potential Acquisition of Monterey Water System and District Boundary Adjustment

Project Location: The project area is within Monterey County and includes the Monterey Water System (MWS), currently served by the California American Water Company (CalAm) (Figure 1). This area is approximately 55 square-miles and includes approximately 40,000 customer connections. The project area is located within the Monterey Peninsula region and is bordered by California State University - Monterey Bay and the former Fort Ord to the north, unincorporated Monterey County to the east, the Big Sur coast and the Santa Lucia Mountains to the south, and the Pacific Ocean to the west. The majority of the project area is in District jurisdiction; however, the proposed project would also include connections to adjacent areas outside of the District's current service area. Specifically, these connections include approximately 33 residential connections at Yankee Point, south of the District boundaries; and 10 residential connections in Hidden Hills, east of the District boundaries. Thus, the project area includes the MCD water system, which entails areas within the current District boundaries plus these annexation areas, as shown in Figure 2.

Project Sponsor: Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940
Attn: David Stoldt, MPWMD General Manager

Project Description:

As instructed by the voters pursuant to Measure J, the District is proposing to acquire the MWS, that serves the Monterey Peninsula and outlying areas within unincorporated Monterey County and within the District's jurisdiction; the acquisition and subsequent operation of this water supply system by the District represents the proposed project. The existing system is currently owned and operated by CalAm, a subsidiary of the publicly-traded company, American Water Works Company, Inc. The District's proposed acquisition of the MWS would include all associated assets (i.e., real, intangible, and personal property) including, but not limited to:

- Water systems and production wells
- Utility plants
- Water rights
- Water supply contracts
- Records, books, and accounts

The proposed project includes the District's subsequent operation and maintenance of the MWS. The District is proposing only to acquire and operate the existing MWS, and is not proposing changes or expansion to the physical MWS or to the associated water rights nor is the District proposing any changes to the manner of operation of the MWS or the exercise of the associated water rights.

Currently, the primary source of water for the MWS is supplied to customers from the Carmel River and the Seaside Groundwater Basin with a majority of supplies from the Carmel River coming from water withdrawn from the Carmel Valley Alluvial Aquifer. Since 2003, CalAm has not pumped any of its supply directly from the Carmel River. These supplies are supplemented through withdrawals from the Seaside Groundwater Basin, an adjudicated basin. The District's acquisition of CalAm's water rights would entitle the District to the currently established allocations assigned to CalAm and would require the District meet the same standards in terms of replenishment if it were to exceed established limits on withdrawals.

In addition to water rights, the MWS includes infrastructure that allows for the production, distribution, and delivery of water supplies within its service area. Existing MWS facilities, infrastructure, and land include, but not limited to: lease of the Sand City Desalination Plant, 33 water wells, six water treatment facilities, 614 miles of pipeline, the Monterey Pipeline and Pump Station, 74 pump stations and one planned pump station (Carmel Valley Pump Station), 108 water storage facilities, 117 assessor parcels with a total area of approximately 4,753 acres that generally support system infrastructure (e.g., groundwater wells and water storage tanks), and associated fire hydrants and distribution valves. In addition, the MWS includes planned facilities associated with the Monterey Peninsula Water Supply Project (MPWSP) including the 6.4 million gallons per day Desalination Plant with sub-surface intake wells and related infrastructure improvements to convey source water to the MPWSP Desalination Plant, deliver product water, and dispose of brine.

The underlying purpose of the proposed project is for the District to acquire, operate, and maintain the MWS. The objectives of the proposed project are to implement the Purpose approved by the electorate in Measure J:

"...to ensure the long-term sustainability, adequacy, reliability, cost-effectiveness and quality of water service within the Monterey Peninsula Water Management District area, to lower the cost of service to ratepayers, to promote and practice sustainable water management measures, and to establish public ownership of water system assets by establishing regulations requiring the District to take affirmative action, to the extent financially feasible, to acquire the water system assets owned and operated by the California American Water Company that currently provide water service to the District and its ratepayers."

The purpose of Measure J furthered by this proposed project shall include the following aspects:

- Allow the Monterey Peninsula to independently own and operate the water production and distribution system serving customers presently served by the CalAm's MWS
- Provide greater transparency and accountability to residents and businesses on the Monterey Peninsula regarding potable water supplies, as well as increased customer service and reliability
- Enhance customer service and responsiveness to affected CalAm customers
- Provide greater local control over the rate setting process and rate increases
- Provide direct access to locally elected policy makers for water operations
- Allow the District to pursue funding and other financing alternatives available to public agencies for future infrastructure needs, including grants and financing options not available to a California Public Utilities Commission (CPUC) regulated, privately-owned utility
- Ensure better coordination amongst local governmental decisions involving land use, emergency services, policy, the location and need for capital improvements, and overall planning in the water context

Implementation of the proposed project would require the following discretionary approvals:

- Approval by District Board of Directors for acquisition of the existing MWS that services the District, and some outlying areas, from CalAm or other legal owner
- Reports under Government Code section 65402
- If the MWS is acquired through a negotiated purchase, the District will need to obtain approval from the CPUC for transfer of ownership and operation of the MWS from CalAm to the District
- The Monterey County Local Agency Formation Commission (LAFCO) would also review and/or approve the project insofar as the project involves the District's acquisition and potential operation of extra-jurisdictional water systems

Potential Environmental Effects: The EIR addresses the potential physical environmental effects of the proposed project for each of the environmental topics outlined in the CEQA Guidelines, Appendix G. The EIR also addresses the cumulative impacts resulting from other past, present and reasonably foreseeable future projects. The EIR focuses on potential environmental impacts to the following resource areas: Air Quality, Greenhouse Gas Emissions, Hydrology and Water Quality, Noise, Transportation, and Utilities. The project would result in significant but mitigable impacts related to Greenhouse Gas Emissions. The EIR did not identify any significant and unavoidable project impacts. Portions of the project area include sites enumerated under Section 65962.5 of the Government Code.

Public Review Period: The District has made this Draft EIR available for public review and comment pursuant to California Code of Regulations, Title 14, Section 15082(b). Your response must be sent as soon as possible but not later than 45 days after receipt of this notice. All comments must be submitted in writing to the address below. The comment period during which the District will receive comments on the Draft EIR is:

Starting Date: June 18, 2020

Ending Date: August 3, 2020

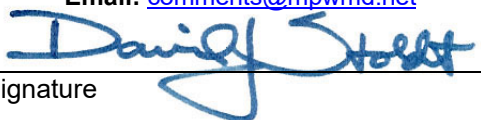
Document Availability: The Draft EIR may be viewed on the District's website at <https://www.mpwmd.net/resources/measure-j-information/>. In light of the ongoing Coronavirus (COVID-19) pandemic and shelter-in-place regulations required throughout all of Monterey County, District offices remain closed to the public. As a result, public access to the Draft EIR can either be provided via a CD upon request or a hard copy of the Draft EIR can be viewed physically by appointment at the District offices located at the address below. Interested public members who wish to receive a CD or physically view a hard copy of the Draft EIR can make their request to: Arlene Tavani, Executive Assistant, Monterey Peninsula Water Management District via phone: (831) 658-5652 or email: Arlene@mpwmd.net. Also a hard copy will be available for curbside pick-up at the City of Monterey Public Library, 625 Pacific St, Monterey, CA 93940, Tuesday through Saturday from 11 a.m. to 6 p.m.

Public Meeting. All interested parties are invited to attend a public meeting to comment on the Draft EIR. The public meeting will be held on:

Thursday, July 9, 2020, at 5:00 p.m. Due to the COVID-19 shelter-in-place regulations this meeting will be held via Zoom, instruction to attend will be provided on the District website at:
<https://www.mpwmd.net/resources/measure-j-information/>

Comments: All comments must be received no later than 5:00 p.m. on Monday, August 3, 2020. Please indicate a contact person for your agency or organization and send your comments to:

David Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940
Fax: (831) 644-9560
Email: comments@mpwmd.net



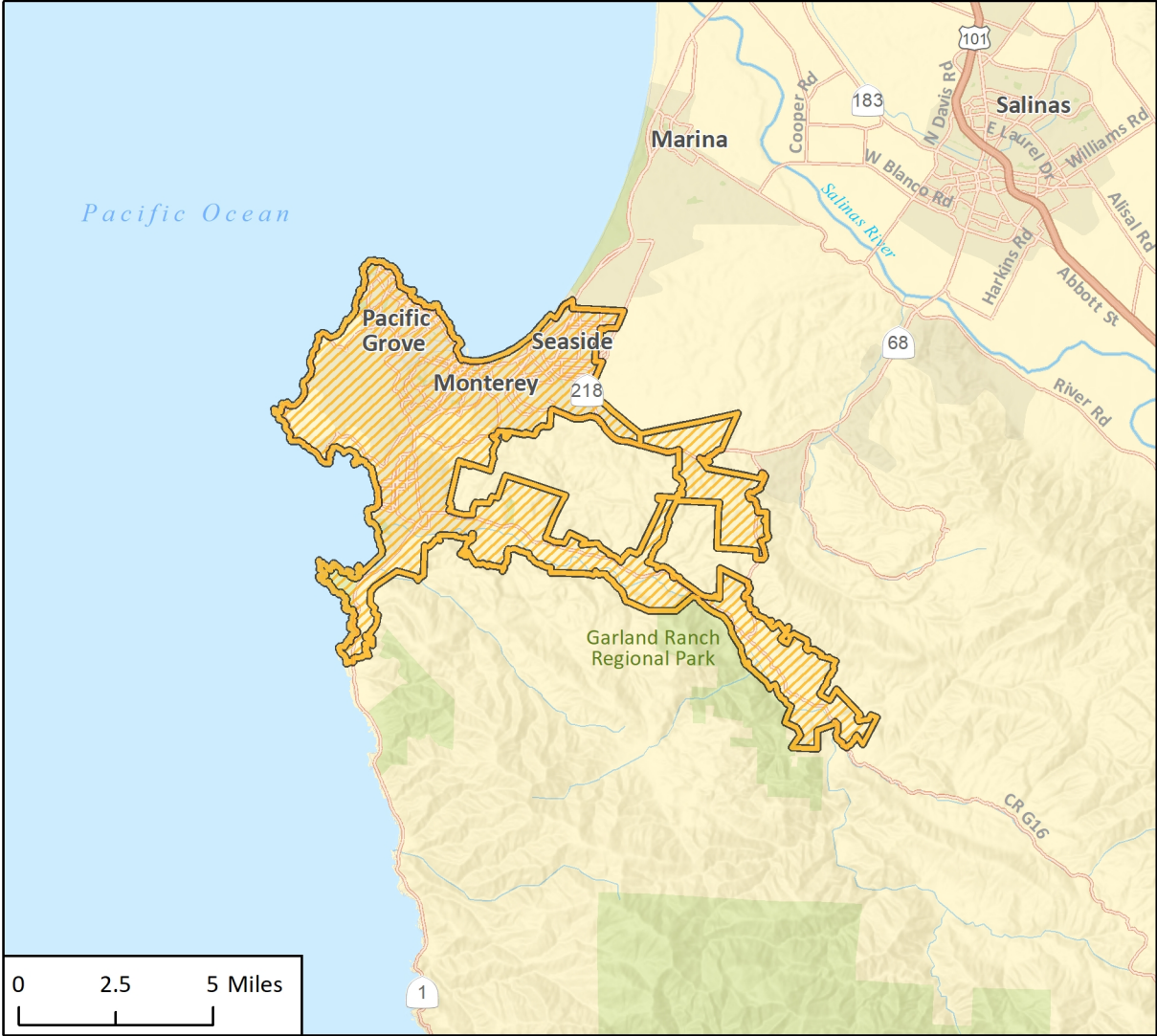
Signature


June 12, 2020

Date

David Stoldt, MPWMD General Manager

Figure 1 Regional Location



 Monterey Water System

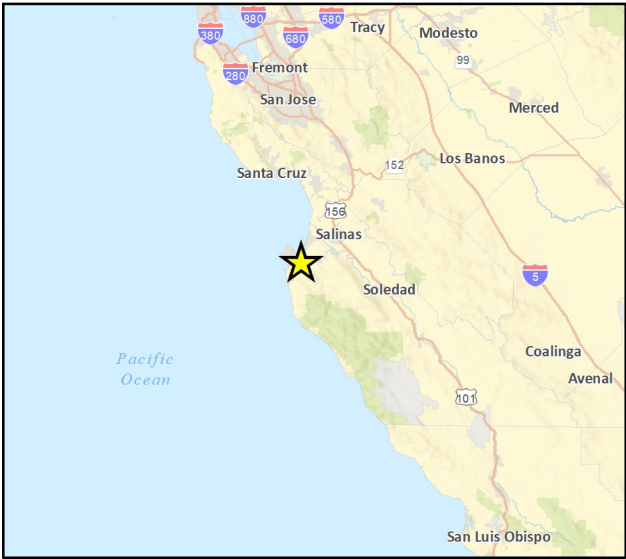
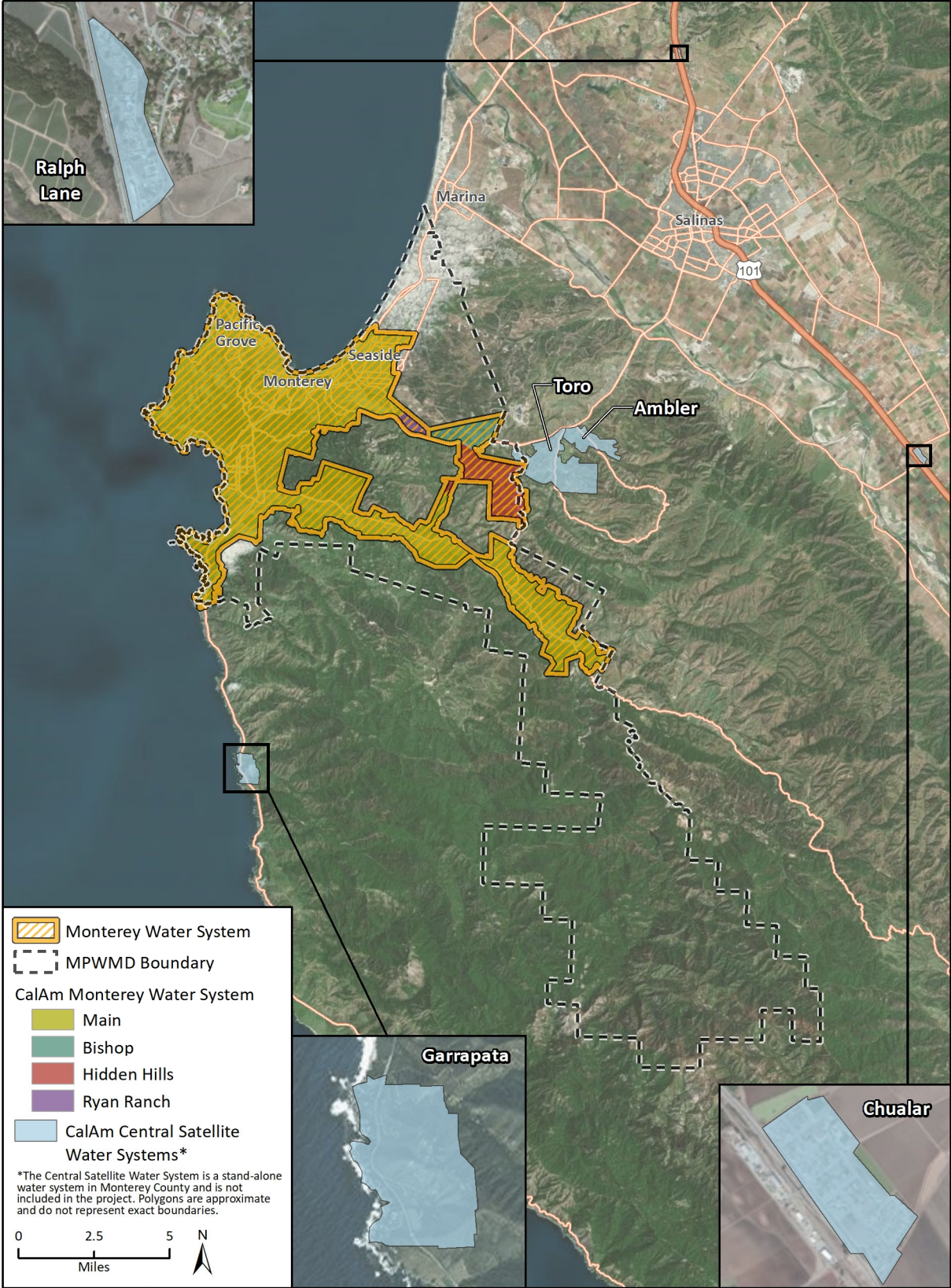


Fig 2-1 Regional Location

Figure 2 Project Boundary



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Fig 2-2 Project Location