



September 14, 2015

**also sent via e-mail to: MPWSP-EIR@esassoc.com **

Ken Lewis, CPUC
c/o Environmental Science Associates
550 Kearny Street, Suite 800
San Francisco, CA 94108

**SUBJECT: MPWMD COMMENTS ON DRAFT EIR FOR
MONTEREY PENINSULA WATER SUPPLY PROJECT
CPUC Application A.12-04-019; Subsequent EIR to SCH# 2006101004**

Dear Mr. Lewis:

This letter from the Monterey Peninsula Water Management District (MPWMD or District) is in response to the Notice of Completion of a Draft Environmental Impact Report (EIR) circulated by the California Public Utilities Commission (CPUC) for the Monterey Peninsula Water Supply Project (MPWSP or Project). The District serves as a Responsible Agency under CEQA for the Project. Areas of District authority include hydrology/water quality, water/utilities, and the MPWMD Mitigation Program for the Carmel River aquatic habitat, dependent species, and riparian corridor. A Water Distribution System (WDS) Permit is needed for amendments to the California American Water Company (CalAm) water system, which is within the District boundary. The District does not issue a permit for the desalination facilities outside of its boundary, or related transmission facilities. However, the sources of supply are integral to making Findings of Approval for issuing a WDS Permit amendment. The District has the following comments:

EXECUTIVE SUMMARY:

Section ES.6 "MPWSP Variant Impact Summary" does not appear to address reduction in pesticide, nitrate, or other pollutant loads to the Salinas River or to the Monterey Bay as a result of the MPWSP Variant Project that include the Pure Water Monterey Groundwater Replenishment Project facilities that would utilize City of Salinas stormwater and Blanco Drain, Reclamation Ditch, and Tembladero Slough irrigation return flows.

CHAPTER 2, WATER DEMAND, SUPPLIES AND WATER RIGHTS:

Page 2-2, first paragraph under Section 2.2.1, History. The 1951 date of completion Los Padres Dam is incorrect. Authorization for use of Los Padres Dam and storage of water was made by the State Engineer on January 12, 1949, and the reservoir filled and spilled for the first time six weeks later (February 1949). The incorrect 1951 is date is also repeated in other sections of the EIR, and should be replaced by the year 1949.

Page 2-3, top paragraph (Section 2.2.1). For reference, in June 2015, the District approved an application by CalAm regarding a proposed interconnection where water from the Bishop Unit would be conveyed to the Ryan Ranch Unit for emergency use only (i.e., when Ryan Ranch supplies are insufficient to meet demand) via a 300-foot, one-way pipeline to be approved by local jurisdictions. This pipeline appears to be an interim action until the longer pipeline described in Section 3.4.3.9 is constructed.

Page 2-3, bottom full paragraph describing MPWMD (Section 2.2.1). The text should be amended as noted herein. The **first line** should begin:

“The Monterey Peninsula Water Management District *augments*, manages and regulates.....”

The text in the **third line** about the District boundary (and repeated elsewhere) is not accurate. The 170-square-mile District boundary encompasses a much larger area than the portion of the CalAm Monterey District that serves the Monterey Peninsula, especially east of Carmel Valley Village and in the Ord Community. A District map is provided at:

http://www.mpwmd.net/MapGallery/MPWMD_map_1.jpg

In **lines 13-15**, the text inaccurately characterizes the District’s jurisdiction and confuses it with the definition of the Monterey Peninsula Water Resource System (MPWRS). This mistake is repeated elsewhere. The District’s jurisdiction extends throughout its entire boundary; however, MPWMD has defined the sources of supply to the CalAm system as the MPWRS. Amendments to the MPWRS are made through ordinances such as Ordinance No. 135, which changed the definition of the MPWRS to include all of the Seaside Groundwater Basin, including the Laguna Seca Subarea. The reason for this change was because the three satellite systems exceeded the water rights assigned to them in the Seaside Basin Adjudication, and now depend on supply from the Coastal subarea. Thus, the text should read:

“In 2008 the *regulated area defined as the Monterey Peninsula Water Resource System* ~~over which MPWMD has jurisdiction~~ was expanded to include.....”

For reference, the three satellite systems have separate MPWMD Water Distribution System (WDS) Permits, which include connection and production limits (measured by meters at the wellheads), among other conditions of approval.

Page 2-4, top paragraph (Section 2.2.2). The correct name is the Carmel Valley *Alluvial* Aquifer, which distinguishes this highly regulated area from other aquifers within Carmel Valley. References in the EIR to the “Carmel River Aquifer” or the “Carmel Valley Aquifer” should be changed to be accurate and consistent.

Page 2-5, mid-page full paragraph on Adjudication (Section 2.2.3). The sentence in the 9th to 11th lines should be updated to read:

“CalAm’s current (water year ~~2013~~ **2015**) operating safe yield allocation is ~~2,669~~ **2,251** afy from the Coastal subarea and ~~147~~ **48** afy from the Laguna Seca subarea (Watermaster, ~~2012a~~ **2015**).

Note that the replacement reference is the May 6, 2015 Regular Board Meeting Agenda, Item X-C, “Reported Quarterly and Annual Water Production from the Seaside Groundwater Basin.”

The text should add a sentence at the **end of the paragraph** to make it clear that any of CalAm's water systems that depend on supply from the Laguna Seca subarea will not have any water rights (i.e., allocation of zero) after Water Year 2017 (ends September 30, 2017), and thus need supply from the Coastal subarea or other sources.

Page 2-6, Table 2-1, footnote "d": This text should be changed as explained in the comment for page 2-3 above. The text should read:

"At the time, MPWMD's jurisdiction definition of the Monterey Peninsula Water Resource System did not include regulation of the Laguna Seca subarea....."

Page 2-13, Table 2-4, footnote "c": The text should state that Phase II *"is nearing completion"* rather than "is under construction" to be consistent with other sections of the EIR.

Page 2-14, second full paragraph under Section 2.4.3, Aquifer Storage and Recovery. The first sentence should be amended to read:

"The Phase II ASR project has been constructed and will be fully operational in 2015 or early 2016 when treatment facilities are completed at the Phase I site."

Page 2-24, Section 2.6.2.1, Los Padres Reservoir. A 2008 bathymetric study by the Watershed Institute at California State University at Monterey Bay determined that the reservoir holds 1,731 acre-feet (AF) at the spillway notch elevation and 1,774 AF with the notch blocked. CalAm has indicated that dead storage (water that is unavailable for release) is approximately 105 AF, leaving a usable capacity of 1,669 AF in year 2008. The estimated long-term sedimentation rate is 21 AFY, based on the 2008 study. It is likely that in excess of 510 AF of replacement supply would be needed to offset this loss.

Page 2-31, Section 2.6.4, Water Allocation Assumptions. The middle paragraph correctly notes that the project total supply is less than the current allocation amount of 17,641 AFY. The bottom paragraph (and several other places in the EIR) state that MPWMD "has begun the process of updating the EIR prepared for its existing Water Allocation Program." This is not the case. The text should state that the MPWMD "will begin the Water Allocation Program EIR update once construction has started on an identified water supply project." Only then will the specific quantities available to allocate be known.

Page 2-33, second paragraph (part of Section 2.6.4.1, MPWMD Water Allocation Program). A sentence should be added at the end of the paragraph that reads:

"Thus, MPWMD instituted a 28-month moratorium on new connections until the Paralta well came online."

Page 2-33, third paragraph, sixth line. The correct spelling is "Paralta" (not "Peralta").

Page 2-42, first full paragraph (Section 2.7.2, Project Water Rights). The text identifies the "primary proposed option" to return water to the Salinas Valley Groundwater Basin is to deliver it to the Castroville Seawater Intrusion Project (CSIP) for agricultural use. However, the DEIR has not provided sufficient water quality data to support this proposal. Many high-value crops grown in the CSIP project area are sensitive to chloride levels and

sodium adsorption ratio (SAR), among other things. Testimony presented by CalAm to the CPUC described plant toxicity due to boron, chloride, and sodium; however, this information is not presented in the DEIR.¹ The EIR should provide data on anticipated desalination product water quality with respect to SAR or adjusted SAR, sodium, chloride, total dissolved solids (TDS), calcium, magnesium, boron, and other components. These reported levels should be shown relative to acceptable baselines established by commercial growers. If additional pretreatment or post-treatment is required to achieve acceptable standards, the project description should be so modified.

Page 2-42 (bottom paragraph) indicates there could be a different return mechanism or location such as providing desalinated return water directly to a wholesaler or end user in the Salinas Valley Groundwater Basin who currently pumps groundwater from the affected aquifer system. Such alternatives should be identified and further investigated. For example, the delivery of water to either the community of Castroville or Marina Coast Water District should be evaluated and compared to delivery to CSIP to determine which is the environmentally preferred alternative, for example, as it may relate to combatting additional seawater intrusion or other environmental impacts. In addition, during periods when adequate water supplies are available to CSIP from the Salinas River and recycled water, it is not clear how the return flow would be used by CSIP.

Page 2-45, Section 2.7.3.2, Variant Desalination Component. Please see the comment on page 2-42 (first paragraph) about the “primary proposed option” and CSIP issues.

CHAPTER 3, PROJECT DESCRIPTION:

Page 3-7, first paragraph under Section 3.2.2.2 (Surface Reservoirs) discussing Los Padres Dam. In the **second line**, the date should be **1949**, not 1954 (see Page 2-2 comment).

Page 3-7, first paragraph under Section 3.2.2.2, Surface Storage Reservoirs. Please refer to comment on page 2-24 for the most recent usable storage estimates for Los Padres Reservoir (1,669 AF).

Page 3-7, footnote #8 at bottom. The text should remove the phrase, “...and Los Padres Reservoir is no longer used.” While the reservoir is not directly connected to the CalAm distribution system, it is part of CalAm’s water supply infrastructure. Releases from Los Padres Reservoir in summer recharge a portion of the Carmel Valley Alluvial Aquifer, from which CalAm municipal wells extract water, and are essential in maintaining high quality habitat for threatened steelhead fish between San Clemente and Los Padres Dams. (This statement about Los Padres Dam is also found in other sections of the EIR.)

Page 3-8, top, final paragraph in Section 3.2.2.2 (reservoirs). The text should be changed to read:

“Due to ~~sedimentation removal~~ of these ~~reservoirs~~ *San Clemente Dam*, CalAm currently....”

¹ Rebuttal Testimony of Richard C. Svindland, Attachment 3, Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates, A.12-04-019.

The District agrees that CalAm uses its wells in lower Carmel Valley for supply, but notes the important role of Los Padres Reservoir to replenish the aquifer as described in the comment for page 3-7 above.

Page 3-8, second paragraph in Section 3.2.2.3 (ASR). The first sentence should be changed to read:

“Currently, during the wet season, when flows in the Carmel River exceed the ~~National marine Fisheries Service’s (NMFS) and California Department of Fish and Wildlife’s (CDFW)~~ minimum mean daily instream flow *requirements set by the State Water Resources Control Board...*”

Page 3-8, third paragraph in Section 3.2.2.3 (ASR). The first sentence should be changed to read:

“Construction of the *two ASR wells at the* Phase I ASR project was completed *by MPWMD* in 2007.”

Page 3-26, Section 3.4.2.3, Post-treatment System. The following statement about desalinated water quality is made:

“Any adjustments during final design of the post-treatment facilities would not affect any of the analyses or conclusions in this EIR.”

The authors should clarify how this conclusion was made. Desalinated water will be injected into the Seaside Groundwater Basin (SGB) where it will mix with several other sources of water flowing through the SGB including native water and recharge from rainfall percolation and urban runoff, injected Carmel River water, and injected advanced treated water. It is not clear from the information presented what the water quality of this mixed water in the SGB will be and what the overall water quality will be in the CalAm distribution system when all of CalAm’s source waters are combined.

Furthermore, there is no analysis or data presented about potential effects to water quality in the wastewater stream from the Monterey Peninsula that is delivered to the MRWPCA Regional Treatment Plant (RTP) for recycling. This latter point is an important consideration as MRWPCA estimates that 26% of the flow to the RTP is from the Monterey Peninsula. The level of boron, sodium, and chloride concentrations in recycled wastewater produced at the RTP and delivered to the Castroville Seawater Intrusion Project is of concern to the growers in Salinas Valley that depend on this water.

An estimate should be made of the potential seasonal and permanent changes in water quality parameters described in the comment above and in the comment on Water Rights on page 2-42. MPWMD notes that in 2012, CalAm estimated that the combined supplies in their distribution system had a level of 440 mg/l TDS and 90 mg/l in chlorides.² The FEIR should describe potential changes to these existing levels. Water quality targets for specific parameters should be

² See Monterey Peninsula Water Supply Project - Presentation to Monterey Co. Water Resources Agency, June 25, 2012 at http://www.watersupplyproject.org/Websites/coastalwater/images/PresentationToMCWRA_v2.ppt

described for desalinated water, water recovered from the Seaside Groundwater Basin, and water in the CalAm distribution system.

Page 3-37, top paragraph in Section 3.4.3.9 (Interconnections), and second paragraph (Ryan Ranch-Bishop subheading). Note that Ryan Ranch is a commercial business park, and would not be considered a “community” as no residences exist. The commercial tenants include public agencies, light industry and several large medical offices. For reference, on June 15, 2015, the MPWMD approved transfer of water from the Bishop Unit to the Ryan Ranch Unit for emergency use via a one-way, 300-foot pipeline (see comment above on page 2-3, top paragraph).

Page 3-53, Table 3-6, p. 53. The total for the entry “Desalinated Supplies for Salinas Valley” should be **876** AFY, not ~~8,765~~ as shown.

Page 3-56, Section 3.6.3.2, Highway 68 Interconnection. The District’s understanding is that wells in the satellite systems will be maintained by CalAm as emergency back-up supply if there is a disruption of supply from the MPWSP; this should be clarified with CalAm.

Page 3-62, Table 3-8, Permits, MPWMD. The text in the column labeled “Permit or Approval” should be replaced with the following text:

“Water Distribution System (WDS) permit in accordance with MPWMD Rules 20 through 22.”

For reference, MPWMD rules are created or amended via ordinances approved via a public hearing process. Ordinance No. 96 is one of several ordinances that have amended Rules 20 through 22 (and other rules related to WDS). This reference to Ordinance 96 is found in other sections of the EIR and should be clarified.

CHAPTER 4.3, SURFACE WATER HYDROLOGY AND WATER QUALITY:

Page 4.3-5, second paragraph under “Monterey Bay” heading. The primary freshwater input to Monterey Bay is through the Salinas River, Carmel River, *Pajaro River, Soquel Creek and the San Lorenzo River*. **Figure 4.3-1** is truncated and does not show these latter three streams entering the northern half of Monterey Bay.

Page 4.3-7, Coastal Flooding and Sea Level Rise. This section should describe that low-lying areas around the Carmel River lagoon are threatened with flooding by three separate conditions. Rare extreme levels of flow in the Carmel River or with ocean surge during extreme swell events can cause flooding near the mouth; however, the more likely event to cause flooding at the lagoon is the nearly annual rise in the lagoon and water ponding behind the barrier beach at the start of the winter. The barrier beach is often higher than the surrounding infrastructure and homes when the lagoon is closed. Thus, when the lagoon rises with the mouth closed, Monterey County is called upon to manage the beach and lagoon to a level that reduces flood potential. Dewatering of the Carmel Valley Alluvial Aquifer for domestic use purposes reduces early season flows to the Carmel River lagoon and delays the filling of the lagoon and eventual opening to the sea. Reducing diversions from the Carmel River will increase early season flow, which may require Monterey County to manage the beach more frequently than under existing

conditions – at least until a solution to this condition is found.

Page 4.3-7, Other Constituents, first paragraph. The text describes the Carmel River as a source of agricultural pollution into the Monterey Bay (via Carmel Bay). Agricultural runoff is an insignificant portion of runoff from the Carmel River watershed. Contaminants found in the Carmel River or Carmel Bay are unlikely to come from agricultural operations. The *2010 Integrated Report (Clean Water Act Section 303(d) List / 305(b) Report) — Statewide* indicates that the Carmel River should not be placed on the 303(d) list of impaired waters for any constituents.

Page 4.3-11, first paragraph under Dam or Levee Failure. The fourth and fifth line states that “storage capacity of both dams has been reduced to less than 2 percent” due to sedimentation. Technically the correct term is “reservoir” rather than “dam” when describing storage capacity. The 2 percent value is true for San Clemente Reservoir, prior to the dam removal, but is not accurate for Los Padres Reservoir. Current Los Padres Reservoir storage capacity is estimated at 55 percent of original capacity. Please also see the comment for Page 2-24 (Section 2.6.2.1) above.

Page 4.3-38, Section 4.3.2.3, Applicable State, Regional, and Local Land Use Plans and Policies Relevant to Surface Water Hydrology and Water Quality; and Table 4.3-6. This section and the accompanying Table 4.3-6 do not list or describe the RWQCB Central Coast Basin Management Plan or the SWRCB Recycled Water Policy. These are important documents to consider in evaluating the Variant project and its consistency with these two State plans. Both plans recommend reuse and recycling of water to augment local supplies. The Basin Plan notes widespread impairments of beneficial uses in several of the surface waters proposed for diversion with the Variant project and includes recommendations for pollutant loads.

CHAPTER 4.4, GROUNDWATER RESOURCES:

Page 4.4-35, after paragraph labeled Seaside Basin Watermaster. The EIR should add a paragraph titled “*Monterey Peninsula Water Management District (MPWMD)*.” The text should read:

The MPWMD has broad powers to regulate water resources within its boundaries, including the issuance of Water Distribution System (WDS) Permits for water systems within the Seaside Groundwater Basin, which has been recognized by the Superior Court. District Rule 20-C-13 provides an exemption for WDS that serve the former Fort Ord if the source of supply is other than the Seaside groundwater Basin or Carmel Basin, including the Carmel Valley Alluvial Aquifer.

CHAPTER 4.8, LAND USE, PLANNING AND RECREATION:

Page 4.8-29, paragraph on MPWMD. The first sentence should be replaced with the following text:

The Monterey Peninsula Water Management District (MPWMD) manages and regulates production of surface and groundwater supplies from municipal and private sources within its boundary, which includes most of the Carmel River watershed (alluvial and upland wells), Seaside Groundwater Basin (Coastal and Laguna Seca

subareas) and other areas such as Del Monte Forest, Jack's Peak and the Highway 68 corridor.

The **second sentence** about the District boundary should add the words, "... With the exception of *upper Carmel Valley and* an area north and east..."

In the **14th line**, the reference should be to a *Water Distribution System Permit* (geared toward system facilities), not a ~~Water System Expansion Permit~~ (geared toward homes or businesses that use water within a system). All rules under Regulation II, Permits, apply to recipients of water from the Project within the MPWMD boundary.

For the **18th and 19th lines**, Rule 20 requires CalAm to apply for a *Water Distribution System* permit to create or amend a water system (not a "~~Water System Distribution~~" ~~Expansion~~ permit). Also refer to comments on page 2-3, Section 2.2.1 on MPWMD.

CHAPTER 6, MPWSP VARIANT:

Page 6-4, bottom paragraph. If injection wells are considered as a method to return water to the basin for re-extraction by overlying producers, they should be placed outside of the influence of seawater intrusion into the Salinas Valley Groundwater Basin. The proposal to return water to the shallow Dune Sand Aquifer does not seem to be a beneficial use of this water for agriculture or municipal purposes and there is no discussion of it being a benefit to the environment. Rather, the proposal to inject water at the slant wells, or at the desalination plant site, appears focused on satisfying only the prohibition in the MCWRA Agency Act against exportation of groundwater from the basin.

Page 6-23, bottom paragraph on Salinas Valley Return Flow Injection Wells. See comment on page 6-4 above about injection of return flow.

Page 6-32, Table 6-6, Permits, MPWMD. The text in the column labeled "Permit or Approval" should be changed to read (see also the comment for Page 3-62):

"Water Distribution System (WDS) permit in accordance with MPWMD Rules 20 through 22."

Page 6-78, Table 6-8, Consistency with Applicable Land Use Plans, Policies, and Regulations – Proposed Project vs. MPWSP Variant. The table should compare the project with the project Variant concerning reductions of pollutant loading in the Salinas River, Reclamation Ditch, Blanco Drain, and Tembladero Slough. The project Variant will have beneficial effects to water quality and quantity in the Salinas Valley Groundwater Basin (see Section 4.10.4.4, Operational Impacts and Mitigation Measures, and Section 4.10.4.5, Cumulative Impacts and Mitigation Measures, Pure Water Monterey Project DEIR, April 2015). In addition, the table should list the difference between the Project and the Variant in meeting the State goal of increasing recycled water use by at least one million AFY by 2020.

Page 6-131, Footnote #22. The **second sentence** should be amended to read:

"The ~~driving force behind~~ *primary objective of* the GWR project ~~has been~~ *is* to assist in creating a supply

Page 6-171, Section 6.5, Conclusions. This section should describe the reductions in pollutant loading in surface streams in the Salinas Valley as a result of the project variant.

CHAPTER 7, ALTERNATIVES:

Page 7-12, second full paragraph re DeepWater Desal. The text should be updated to note that the State Land Commission issued a Notice of Preparation dated June 1, 2015 with comments due July 3, 2015.

Page 7-183, No Project Description, Section 7.11.1.1, "No Build." The **first full paragraph, sixth line**, states that the "...Alternative 1 scenario would lead to water shortages throughout the CalAm Monterey District service area, would trigger rigorous water rationing, could jeopardize public health and safety, and may severely impact the local economy." MPWMD disagrees that the scenario "would trigger" rigorous rationing and believes the language should be changed to "**could** trigger." Notably, under Order 3-b of the Cease and Desist Order, MPWMD may petition the State Water Board for relief from annual reductions imposed under the Order if it can make a showing that public health and safety will be threatened if relief is not granted. It is possible that MPWMD would seek such relief before pursuing a path of significant rationing.

The **second full paragraph, first line**, begins: "It is assumed that the reduction of available supply under No Project Alternative 1 would trigger MPWMD's Stage 7 water rationing," and then describes Stage 7 rationing. The reader should be aware that the Monterey Peninsula Water Conservation and Rationing Plan has been rewritten by MPWMD and will be filed in an application to the CPUC in July 2015. The revised plan is a 4-Stage Plan with significant differences from the previous 7 stage plan. The revised plan will be presented in workshops to residential and commercial customers on the Peninsula during the summer of 2015 and is scheduled for adoption by the end of the year. One cannot, at this time, predict the impact of the revised plan on the Alternative 1 scenario.

Page 7-193, bottom paragraph, fourth line from bottom. The text should be updated to note that the City of Pacific Grove issued a Notice of Preparation dated June 4, 2015 with comments due July 3, 2015.

CHAPTER 8, GROWTH:

Page 8-4, first paragraph under Section 8.1.3.1, eighth line. Note the MPWMD boundary is much larger than the CalAm boundary. See comment for Page 2-3, Section 2.2.1.

Page 8-6, Section 8.1.3.2 on MPWMD. The **second sentence** should be deleted. The protection of public trust resources and reasonable and beneficial use of water is the purview of the State Water Resources Control Board, not MPWMD. The **third sentence** should be replaced with the text as follows (see also comment for 4.8-29):

The MPWMD manages and regulates production of surface and groundwater supplies from municipal and private sources within its boundary, which includes most of the Carmel River watershed (alluvial and upland wells), Seaside Groundwater Basin (Coastal and Laguna Seca subareas) and other areas such as Del Monte Forest, Jack's Peak and the Highway 68 corridor.

As noted above, the MPWMD boundary is much larger than the CalAm boundary. See comment for Page 2-3, Section 2.2.1.

Page 8-12, first paragraph under “Assumptions” subheading. The second sentence should be amended to reflect the fact that MPWMD will begin the Water Allocation Program EIR update once construction has started on an identified water supply project. See comment on page 2-31.

Thank you for your consideration of these comments. My staff and I are available to meet if further coordination is needed. I can be reached at dstoldt@mpwmd.net or 831/658-5650 if you have questions.

Sincerely,



David J. Stoldt
General Manager

Cc: David Laredo, MPWMD Counsel