Notice of Preparation

To: State Clearinghouse
1400 Tenth Street, Sacramento, CA 95814
(Address)

From: Katherine Mrowka
State Water Resources Control Board, Division of Water Rights
P.O Box 2000, Sacramento, CA 95812-2000
(Address)

Subject: Notice of Preparation of a Draft Environmental Impact Report

State Water Resources Control Board will be the Lead Agency and will prepare an environmental impact report for the project identified below. We need to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency will need to use the EIR prepared by our agency when considering your permit or other approval for the project.

The project description, location, and the potential environmental effects are contained in the attached materials. A copy of the Initial Study (☐ is ☒ is not) attached.

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice.

Please send your response to Katherine Mrowka at the address shown above. We will need the name for a contact person in your agency.

Project Title: Eastwood/Odello Water Right Change Petition

Project Applicant, if any:

Date March 4, 2014

Signature Katherine Mrowka

Title Senior Water Resource Control Engineer

Telephone (916) 341-5363

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Reference: California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375.

I. INTRODUCTION

The Environmental Impact Report (EIR) is an environmental review document that will be prepared in compliance with the California Environmental Quality Act (CEQA) of 1970, as amended. Under CEQA, the purpose of the EIR is to inform decision makers and the general public of the environmental effects of a proposed project. The purpose of EIR process is to provide environmental information sufficient to evaluate a proposed project and its potential for significant impacts on the environment, to establish methods for addressing potential impacts, and to identify and consider alternatives to a project. In accordance with the requirements of Article 9 of the CEQA Guidelines, the EIR for this proposed project will include:

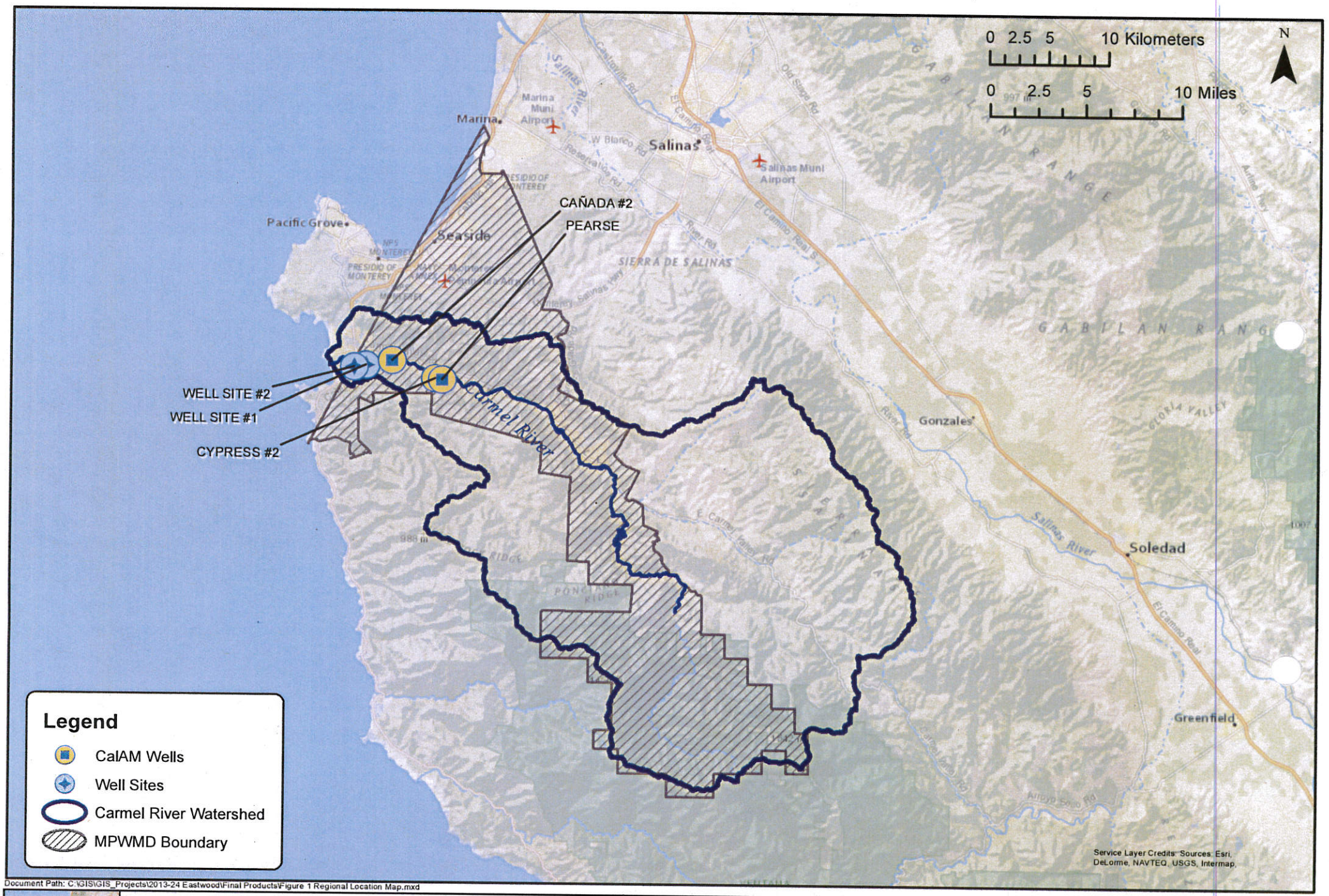
- A summary of the EIR;
- A project description;
- A description of the existing environmental setting, potential environmental impacts, and mitigation measures (if applicable);
- Alternatives to the proposed project;
- Environmental consequences, including: (a) any significant environmental effects which cannot be avoided if the project is implemented; (b) any significant irreversible environmental changes and irretrievable commitments of resources; (c) the growth-inducing impacts of the proposed project, (d) effects found not to be significant, and (e) cumulative impacts;
- A list of organizations and persons consulted; and
- The EIR preparers.

The following is a general overview of the proposed project and anticipated environmental effects.

II. PROJECT LOCATION

The proposed project consists of a change petition for existing water right License 13868 (Application 30497B), which currently authorizes diversions from the alluvial aquifer associated with the Carmel River for the irrigation of adjacent agricultural lands in Monterey County, CA. The Carmel River is part of the Carmel River watershed, which consists of approximately 250 square miles (**Figure 3-1**). The Carmel River flows northwest from the Santa Lucia Mountains, through Carmel Valley, and into the Pacific Ocean. The Carmel River originates approximately 35 miles upstream from the Pacific Ocean at an elevation of 3,500 feet above sea level. The watershed is bounded by the Sierra de Salinas ranges on the northeast and the Santa Lucia Range on the southeast. These ranges are characterized by steep slopes and dense foliage. The valley floor, which covers approximately six (6) square miles and contains the alluvial aquifer, consists primarily of areas of agricultural and urban development.

License 13868 currently authorizes the diversion of water from the Carmel River through two (2) points of diversion located south of the river and east of State Route (SR) 1, for irrigation of lands within the existing authorized place of use, which consists of approximately 99.0 acres (see **Figure 2**). The proposed project, which is described below, would split License 13868 into two (2) new licenses. As part of this process, the project would result in changes in the authorized points of diversion, place of use, and purpose of use.



Document Path: C:\GIS\GIS_Projects\2013-24 Eastwood\Final Products\Figure 1 Regional Location Map.mxd

Title: **Regional Location**

Date: 1/14/2014
Scale: 1 inch = 6 miles
Project: 2013-24

Monterey | Truckee | San Jose
Denise Duffy and Associates, Inc.
Environmental Consultants Resource Planners
947 Cass Street, Suite 5
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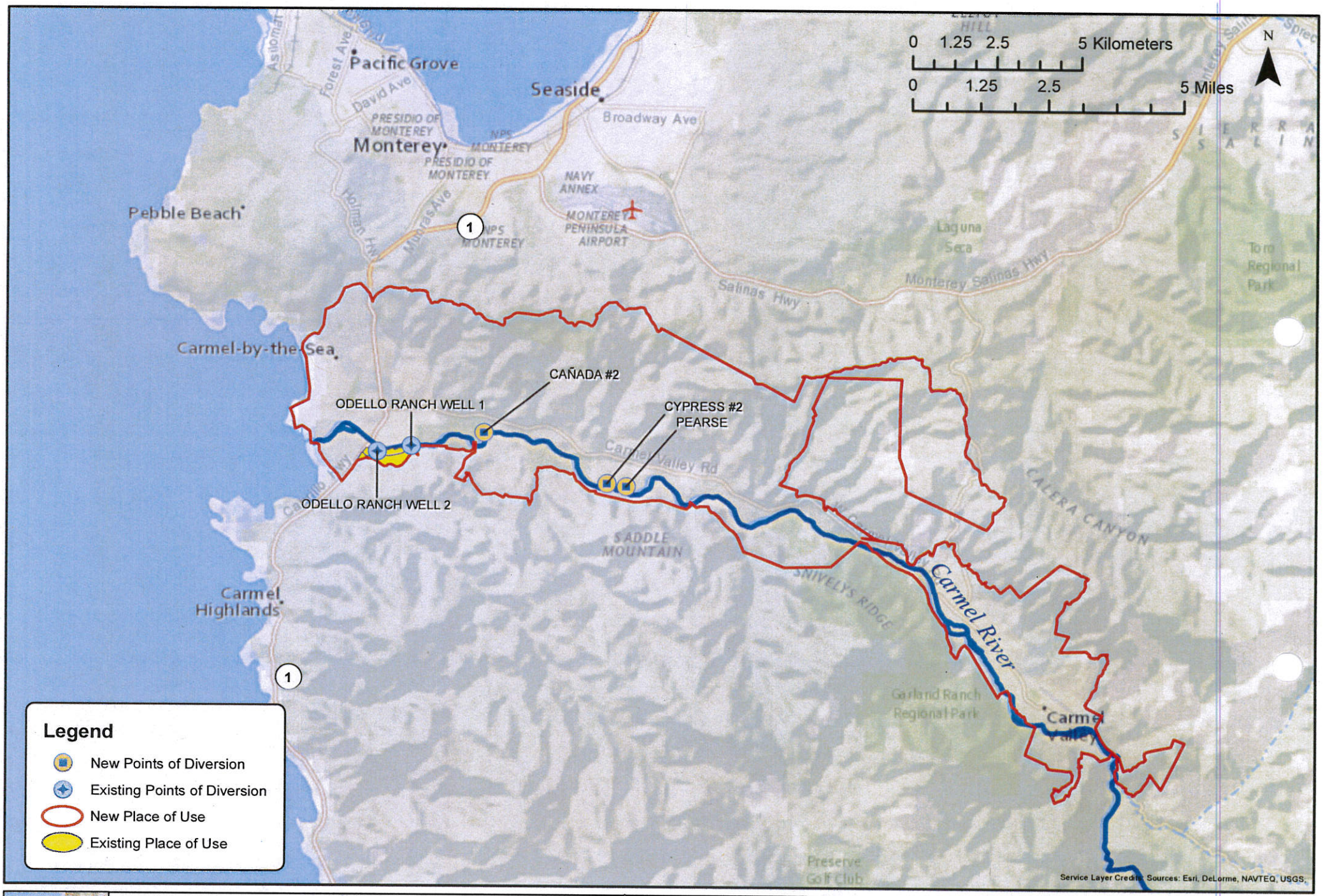
Figure 3-1



San Francisco
Los Angeles

Title:

Project Vicinity

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Date: 10/17/2013
Scale: 1 inch = 2 miles
Project: 2013-24

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Figure
2

The change petition for the proposed project, as amended on October 2, 2013, asks the STATE WATER BOARD to add three (3) new authorized points of diversion along the Carmel River at existing California-American Water (Cal-Am) operated wells. These facilities are located within the alluvial portion of the Carmel River in Carmel Valley, CA. The petition also requests a change to the existing authorized place of use. The proposed place of use includes the 99.0-acre authorized place of use in the existing license and 16,595 acres of Cal-Am's service area in the Carmel River watershed and 526 acres of Cal-Am's service area within the City of Carmel-by-the-Sea **(Figure 2).** The petition also requests that municipal use be added to the authorized purposes of use. The STATE WATER BOARD issued its public notice of this petition on December 31, 2013.

III. PROJECT DESCRIPTION

The purpose of the project is to seek authorization from the STATE WATER BOARD for changes to water-right License 13868 to include changes to the authorized points of diversion, place of use, and purposes of use, so that licensees may: 1) provide water to serve existing legal lots of record within the Carmel River watershed or City of Carmel-by-the-Sea, through new connections or increased uses of water at existing service addresses, 2) protect and enhance the Carmel River and associated environment by dedicating a portion of the existing water right to instream uses, and 3) provide a supplemental water supply to Cal-Am on an interim basis, to help Cal-Am meet its obligations under STATE WATER BOARD Order WR 95-10. If the STATE WATER BOARD grants the petition for this project, then License 13868 would be split into two new licenses: License 13868A and 13868B.[1] License 13868A would include new authorized points of diversion, places of use, and purposes of use, so that potable water for municipal purposes could be provided to existing lots of records within the parts of Cal-Am's service area that are within the Carmel River watershed or the City of Carmel-by-the-Sea. License 13868B would provide for the dedication of the remaining rights in License 13868 to instream uses. The project would not increase the maximum authorized annual diversion rate or the maximum authorized instantaneous diversion rate beyond the existing authorized rates in License 13868 (see **Table 1**).[2]

In addition to the changes to the existing license, the project also would involve the adoption of a new rule by the Monterey Peninsula Water Management District (MPWMD or District). The new rule, which would be similar to District Rule 23.5, would allow MPWMD to issue water use permits to owners of existing lots of record within the parts of Cal-Am's service area that are within the Carmel River watershed or the City of Carmel-by-the-Sea, and that have entered into subscription agreements with the licensees.

The following is a brief overview of the existing license and the proposed new licenses.

License 13868 (Existing)

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[1] The new licenses would supersede the existing license upon issuance by SWRCB. The SWRCB posted copies of draft Licenses 13868A and 13868B on its public website with the SWRCB's public notice of the petition to change License 13868.

[2] Upon issuance of the new licenses, the applicant would form a limited liability company (LLC) for the purposes of holding and administering water License 13868A. This company would be responsible for entering into subscription agreements with owners of parcels in the part of Cal-Am's service area that is within the Carmel River watershed or the City of Carmel-by-the-Sea for water provided under License 13868A.

License 13868 contains two authorized points of diversion, which are located approximately 300 and 1,100 yards east of SR 1. The authorized purpose of use is irrigation and the authorized place of use consists of 99.0 acres of land located within the Carmel River watershed (**Figure 2**). The maximum authorized annual diversion rate is 131.8 acre-feet per annum (afa). The maximum authorized instantaneous diversion rate is 0.45 cubic feet per second (cfs).

License 13868A (Proposed)

License 13868A would include the existing authorized points of diversion, place of use and purpose and new authorized points of diversion, place of use and purpose of use. The new authorized points of diversion would include three (3) existing Cal-Am owned and operated wells in the lower Carmel Valley. These wells are the Rancho Canada No. 2, Cypress No. 2 and Pearce wells. The new authorized purpose of use would include municipal use and the new authorized place of use would consist of 16,595 acres of Cal-Am's service area in the Carmel River watershed and 526 acres of Cal-Am's service area within the City of Carmel-by-the-Sea (**Figure 2**).[3] All diversions under License 13868A would occur through existing Cal-Am wells and all conveyances would occur through Cal-Am's existing conveyance system. Accordingly, the project would not include any new or expanded wells or water conveyance facilities. This license would have an authorized maximum annual diversion rate of 85.6 afa.[4] This license would have an authorized maximum instantaneous diversion rate of 0.37 cfs. The authorized diversion season for License 13868A would be the same as the authorized diversion season for License 13868, January 1 through December 31.

License 13868B (Proposed)

License 13868B would dedicate 46.2 afa to instream uses. This license would not include any authorized points of diversion. The proposed authorized place of use would consist of the Carmel River (Subterranean Stream). The proposed authorized purpose of use would be preserving and enhancing fish and wildlife resources and riparian vegetation. This dedication would support in-stream uses in the Carmel River between the existing authorized points of diversion in License 13868 and the mouth of the Carmel River Lagoon. The dedicated flow rate for this license would be 0.08 cfs.

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[3] Not all water available for diversion and use under License 13868A would initially be used by owners of existing lots of record who would enter into subscription agreements with licensees. During this interim period, excess water not consumed by subscribers would be made available for three potential interim uses: (a) temporary use as a supplemental supply to help Cal-Am meet its obligations under SWRCB Order WR 95-10, (b) temporary irrigation use to establish native vegetation as part of on-going planned restoration efforts associated with the Carmel River Restoration and Environmental Enhancement Project, and (c) possibly agricultural irrigation on land currently owned by the Big Sur Land Trust. Uses (b) and (c) would occur within the existing authorized place of use in License 13868.

[4] This annual amount equals the estimated total annual estimated evapotranspiration from applied water (ETAW) that is occurring with the current diversions and irrigation use of water under License 13868. (See April 15, 2013 Davids Engineering Technical Memorandum, "Odello Ranch Crop ET and ET of Applied Water Estimates," p. 27, Table 11)

Table 1. Existing vs. Proposed Maximum Authorized Diversion Rates			
Diversion Allowed	**Water Right License**		
	Existing License 13868	**Proposed New License 13868A**	**Proposed New License 13868B**
Maximum Annual Rate of Diversion (afa)	131.8	85.6	46.2
Maximum Instantaneous Rate (cfs)	0.45	0.37	0.08

IV. PROBABLE ENVIRONMENTAL EFFECTS

The EIR will evaluate potential direct and indirect environmental effects associated with the implementation of the proposed project. The EIR will assess the following potential environmental effects:

Aesthetic Resources: The EIR will evaluate visual/aesthetic impacts related to the Project. The project would use three (3) existing Cal-Am wells as additional authorized points of diversion for License 13868A. The project would not include the construction of any new water supply facilities. The proposed project would dedicate License 13868B to instream uses and would not cause and/or otherwise affect the existing visual environment. The project would not result in any direct aesthetic-related impacts because the project would not include any physical changes to the environment or construction of new improvements. The project could indirectly impact existing visual resources by providing additional water supplies for existing legal lots of record. The project would not, however, facilitate any new development or growth beyond existing planned levels. While potential visual impacts associated with the development of existing lots of record would be addressed through site-specific evaluation and standard development review processes (e.g. site plan review, building permits, and grading permits) and compliance with applicable City and/or County requirements, the EIR will evaluate both the direct and indirect aesthetic-related effects associated with the project.

Air Quality and Greenhouse Gas Emissions: The project would not directly result in any potentially significant air quality impacts. The project would not include any improvements to existing facilities or the construction of new water supply infrastructure. As a result, the project would not result in any temporary air quality emissions in connection with construction-related activities. The project may result in indirect air quality impacts by accommodating previously planned development. The project could indirectly affect air quality by accommodating development on existing lots of record. The EIR will include an evaluation of potential air quality and greenhouse gas emissions associated with the project.

Biological Resources: The EIR will evaluate potential direct and indirect impacts to biological resources, including, but not limited to special-status animal and plant species, sensitive habitats and aquatic resources. The increases in diversions at the proposed new authorized diversion points for License 13868A could result in localized impacts due to changes in

hydrology and surface water flow rates. The EIR will identify potential species within the project vicinity that could be affected by the project, including potential impacts to sensitive species due to changes in surface flows. The EIR will identify corresponding mitigation measures, if necessary. In addition, the EIR will also evaluate, to the extent feasible, the potential indirect or secondary effects associated with the project.

Cultural Resources: The project would not directly affect cultural resources. The project would not directly result in any physical development or impacts on the environment. Development activities associated with the development of existing lots of record could impact previously unknown or buried cultural resources and/or otherwise adversely affect an existing cultural resource. The extent of potential indirect impacts is contingent upon site specific and project specific features. The EIR will evaluate secondary or indirect impacts due to the implementation of the project.

Geology and Soils: The project would not include the development of any new physical improvements, and no ground disturbing activities are proposed as part of the project. As a result, the project would not result in any direct impacts due to geology and/or soils. The project could, however, result in secondary impacts. Secondary impacts could include increases in erosion due to ground disturbing activities or similar impacts associated with development of existing lots of record. While the extent of impacts would be contingent upon site-specific and project-specific factors, the EIR will identify potential seismic, liquefaction, landslide, soil erosion, and expansive soil impacts that could occur indirectly due to the project. The EIR will evaluate potential indirect impacts associated with the project.

Hazards and Hazardous Materials: The project would not result in any direct impacts due do to hazards or hazardous materials. The project would not include any physical improvements to existing Cal-Am facilities and no hazardous material usage is proposed. As a result, the project would not result in any direct impacts related to hazards and hazardous materials. The project could result in secondary impacts related to the development of existing legal lots of record. These developments could involve the use and/or storage of hazards and potentially hazardous materials during construction and operation. The extent of potential impacts would depend upon the nature of development and site-specific/project-specific factors. The EIR will include an evaluation of secondary impacts related to the project to the extent those potential impacts can reasonably be identified.

Hydrology and Water Quality: The project could result in direct impacts to surface water and groundwater resources through increased diversions at three (3) existing Cal-Am wells, under License 13868A. These increased diversions would result in localized increases in groundwater withdrawals, which could affect adjacent wells. These increased diversions also could affect existing surface water resources by changing existing flow rates. The EIR will evaluate the potential impacts to groundwater resources associated with proposed diversions at the three (3) existing Cal-Am wells, under License 13868A. The EIR will also evaluate potential direct impacts to surface water resources due to the changes in points of diversion from the existing wells to the proposed new points of diversion. The EIR will also evaluate the potential indirect impacts to surface water resources in connection with the project. Potential secondary impacts could entail localized increases in surface runoff due to the introduction of impervious surfaces,

increased erosion, and localized water quality impacts associated with development of existing lots of record. The extent of secondary impacts is contingent upon site-specific and project-specific factors and the EIR will evaluate such secondary impacts to the extent that they can reasonably be identified.

Land Use and Planning: The project is not anticipated to result in any significant land use related impacts. The EIR will evaluate the proposed project for consistency with applicable plans, policies, and regulations to the extent they are applicable to the proposed project. Potential impacts related to growth inducement considerations will be evaluated separately.

Noise: The project would not include the construction of any new water supply infrastructure. The project would utilize existing Cal-Am facilities as new authorized points of diversion under License 13868A. As a result, the project would not cause any direct noise-related impacts. The EIR will evaluate the potential secondary impacts associated with the project. Potential secondary noise impacts would primarily be associated with temporary construction-related activities on existing lots of record.

Population and Housing: The project would enhance the reliability of the water supply within the Carmel River watershed area and the City of Carmel-by-the-Sea and would provide supplemental water supply to serve existing legal lots of record in those areas. Accordingly, the project would accommodate existing planned growth and development by providing a supplemental water supply. The project would provide water to serve existing approved developments and existing lots of record for residential and commercial uses, as well as accommodate expansions and changes of existing commercial or residential uses on existing lots of record. The project would not provide any water supplies for lots that might be created in the future through new subdivisions. The EIR will describe the relationship of water supply to population growth in the area. The EIR will evaluate the potential growth inducing impacts associated with the project.

Transportation and Traffic: The proposed project would not involve any new construction. As a result, the proposed project would not directly result in any significant transportation-related impacts. The project could result in secondary transportation/traffic related impacts due to the development of existing lots of record. The EIR will describe the indirect impacts associated with the project and will evaluate secondary impacts related to the project to the extent that such potential impacts can reasonably be identified.

Other Environmental Issues: The EIR will also evaluated other environmental issues in accordance with the requirements of CEQA, including potential impacts on public services and utilities, including the proposed project's potential effects on water supply reliability, energy delivery systems due to fossil-fuel resource use, and agricultural, mineral, and forest resources. The EIR also will evaluate potential growth-inducing impacts that could result from implementation of the project. The EIR will evaluate whether the project could result in impacts that would be significant when combined with the impacts of other past, present and reasonably foreseeable future projects (i.e., cumulative impacts).

Alternatives: CEQA requires that an EIR evaluate a reasonable range of feasible alternatives to the proposed project, or to the location of the project, that would attain most of the basic project

objectives but that could avoid or substantially lessen any of the significant effects of the project. The EIR will identify the potentially significant impacts of the proposed project. The findings of the EIR's impact analysis will guide the refinement of an appropriate range of feasible alternatives to be evaluated in the EIR. The EIR will include, at a minimum, a discussion of impacts associated with the No Project Alternative.