

August 14, 2017

State Water Resources Control Board  
Division of Water Rights  
Attn: John O'Hagan  
P.O. Box 2000  
Sacramento, CA 95812-2000

Re: MPWMD Proposal To Alter Condition 2 of WRO 2009-0060.

Mr. O'Hagan,

I am writing in support of the Sierra Club's [August 1, 2017 comment letter](#).

The District's [July 17, 2017 comment letter](#) includes "tweaks" to their proposed alteration of CDO Condition 2. However, even after four years, this latest proposal still elicits many of the same questions as those asked by the SWRCB in their [May 31, 2013 guidance letter](#):

"Since your letter did not address the approach to quantify baseline, please provide additional information as to how your proposal will assure that new usage will reduce consumption below the baseline, what MPWMD would use as a baseline to evaluate past water use at a given site, and how this will be monitored and enforced."

As described in the Sierra Club's letter, [MPWMD Rule 28-B](#) permits property-to-jurisdiction transfers. Also mentioned is the recent attempt by a Pacific Grove laundry to "bank" credits, which were set to expire, in order to preserve access during the CDO enforcement period. This was to be accomplished via transfers from an allocation maintained by the city (see pp. 3-4). The District's latest proposal continues to facilitate the transfer of "Water Use Credits" onto a "site" by using a jurisdiction as an intermediary.

Thus, the District's proposal would still boost a site's potential consumption above historic measured use by allowing "paper water" transfers from another site, transfers from a jurisdiction's allocation, and activation of on-site credits (dormant use). This completely destroys the concept of baseline and enforcement of Condition 2.

The District's letter also bemoans that "here we are a year later, yet still without agreement on how to *measure* a baseline". However, the District's proposal still fails to *measure* anything, even after four years of discussion! Instead, they only offer up a false narrative about how the District's "existing regulatory process", which relies on approximations of water consumption (fictitious use), is solely responsible for a purported 3,000 AF of reduced pumping. Never mind that in the past seven years the average reduction has only been 1,163 AF (see p. 5) or that the reduction in pumping is really due to the imposition and enforcement of a Cease and Desist Order which includes Condition 2. (see my [March 27, 2017 comment letter](#))

In the context of the CDO's Effective Diversion Limit (EDL), the 1,163 AF average of reduced pumping provides a "cushion" against the 8,310 AFY limit. However, this "cushion" could be wiped away in an instant should one or more of the six remaining milestones (1,000 AF EDL reductions), described in [WRO 2016-0016](#), be missed. Based on recent news, [CPUC delays Cal Am desal project environmental reports six months](#), there will likely be a missed milestone (#3). In light of all this, it's amazing that the District continues to pursue increases in unlawful diversions from the Carmel River, by altering Condition 2, in order to support new hotel development and other projects. (see my [April 19, 2017 comment letter](#))

Therefore, I continue to urge the SWRCB to maintain and refine the current interpretation of Condition 2, as detailed in their guidance letters, dated [April 9, 2012](#) and [May 31, 2013](#).

I believe the District's proposal would require the CDO to be reopened. The proposal is not aligned with ordering paragraph 3 of CPUC [Decision 11-03-048](#). I urge the SWRCB to reject the MPWMD proposal(s).

Luke Coletti  
Pacific Grove, CA

# Notice of Preparation of an Environmental Impact Report

**Date:** March 31, 2017

**To:** Responsible Agencies, Agencies with Jurisdiction by Law, Trustee Agencies, Involved Federal Agencies, and Agencies/People Requesting Notice

**From:** City of Pacific Grove  
300 Forest Avenue  
Pacific Grove, CA 93950

**Re:** **Notice of Preparation of an Environmental Impact Report for the Ligna IV, LP Water Credit Transfer Project**

The City of Pacific Grove as lead agency will prepare an Environmental Impact Report (EIR) for the proposed Ligna IV, LP Water Credit Transfer Project. This Notice of Preparation (NOP) has been prepared pursuant to CEQA Guidelines Sec. 15082 and is being distributed to applicable responsible agencies, trustee agencies, and interested parties as required by the California Environmental Quality Act (CEQA). Comments from interested agencies are requested as to the scope and content of the environmental information that is pertinent to each agency's statutory responsibilities in connection with the proposed project. The project location, project description, and probable environmental effects of the project are summarized below. Please refer to the Initial Study (Attachment A) for additional information. The NOP may also be reviewed on the City's website at: <http://www.cityofpacificgrove.org/living/community-economic-development/planning/ceqa-california-environmental-quality-act>.

**Project Location:** The project is located in the City of Pacific Grove, CA, as displayed in **Figure 1, Vicinity Map** (Attachment A, p. A-3). The project setting encompasses the entire City of Pacific Grove outside of the coastal zone, as displayed in **Figure 2, Project Location** (Attachment A, p. A-5).

**Project Description:** The project is the transfer of a water use credit from a private entity (Ligna IV, LP, or the proponent) to the City of Pacific Grove (the City), per Monterey Peninsula Water Management District Rule 28, Permit and Water Use Credit Transfers. The water use credit in question is in the amount of 3.2 acre-feet per year (afy) and emanates from water conservation measures implemented at 709 Lighthouse Avenue in the City. The proposed water use credit transfer between the proponent and the City would be solidified by a transfer agreement executed by both parties. This agreement reflecting the transfer of the water use credit from the proponent to the City is the "proposed project" that will be evaluated in the EIR; however, the environmental analysis also considers potential environmental impacts resulting from development projects not currently defined or identified that could be facilitated through water transfers within the project area. Please refer to the attached Initial Study (Attachment A) for additional information regarding the proposed project.

**Probable Environmental Effects of the Project:** The proposed project does not include any specific development project, but could facilitate future development by making water credits available. This analysis assumes that any such future development must be consistent with the General Plan and applicable development regulations, including the City's Zoning Ordinance and building codes, as well as pertinent regulations of other agencies such as the Monterey Peninsula Water Management District.

Based on the Initial Study (Attachment A) the City has identified three areas of potentially significant impacts that could result from the proposed project – tribal cultural resources; utilities and service systems; and cumulative impacts associated with the possible approval of other water transfers in the future. Therefore, the City proposes to limit the scope of the EIR to an analysis of these potential impacts. The EIR will also consider alternatives to the proposed project that could reduce potential significant impacts pursuant to CEQA Guidelines Sec. 15126.6.

**NOP Notice:** The City solicits comments regarding the scope and content of the EIR from all interested parties requesting notice, responsible agencies, agencies with jurisdiction by law, trustee agencies, and other involved agencies. In accordance with the time limits established by CEQA, please send your response at the earliest possible date, but no later than 30 days after receipt of this notice. The review period will be from April 3, 2017 through May 4, 2017, 5:00 p.m.

Please send your written/typed comments (including a name, telephone number, and contact information) to the following:

Wendy Lao, Assistant Planner  
Community & Economic Development Department  
City of Pacific Grove  
300 Forest Avenue, 2nd Floor  
Pacific Grove, CA 93950

Or via e-mail to [wlao@cityofpacificgrove.org](mailto:wlao@cityofpacificgrove.org)

**Scoping Meeting:** A public scoping meeting will be held on Tuesday, April 18, at 7:00 p.m. at the following location:

Pacific Grove Community Center  
515 Junipero Avenue  
Pacific Grove, CA 93950

**ALL INTERESTED PARTIES ARE INVITED TO SUBMIT WRITTEN COMMENTS ON THE SCOPE OF THE EIR TO ASSIST IN IDENTIFYING ISSUES TO BE ADDRESSED IN THE EIR.**

For additional information, please contact Wendy Lao, Assistant Planner at (831) 648-3185.

  
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Wendy Lao, Assistant Planner  
Community & Economic Development Department

Date: 3/31/17

### CAL-AM ASR AND SYSTEM DIVERSIONS FROM THE CARMEL RIVER DURING THE CDO

