

1. INTRODUCTION

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1.1 PROJECT UNDER REVIEW

The Monterey Amendment and Settlement Agreement together comprise the proposed project that is under review in this Environmental Impact Report (EIR). Chapter 3 provides a description of the events and circumstances that led to the Monterey Amendment and the Settlement Agreement. Chapter 4 includes a detailed description of the proposed project.

1.2 INTENDED USES OF THIS EIR

This Draft EIR has been prepared in conformance with the California Environmental Quality Act 11 (CEQA) of 1970 (as amended) to evaluate the environmental impacts associated with the proposed project. This EIR analyzes the potential environmental impacts of the provisions of the Monterey Amendment and the Settlement Agreement (Monterey Plus or proposed project).

The EIR process is specifically designed to objectively evaluate and disclose potentially significant direct, indirect, and cumulative impacts of a proposed project; to identify alternatives that reduce or eliminate a project's significant effects; and to identify feasible measures that mitigate significant effects of a project. In addition, CEQA requires that an EIR identify those adverse impacts that remain significant after mitigation.

The purpose of an EIR is not to recommend approval or denial of a proposed project, but to provide decision-makers, public agencies and the public with an objective and informational document that fully disclosed potential environmental effects of a proposed project. This EIR will be used primarily by the California Department of Water Resources (Department), as the lead agency, and the State Water Project (SWP) contractors, as responsible agencies, to evaluate the environmental impacts of the proposed project and to decide whether to continue operating under the proposed project: the Monterey Amendment and the Settlement Agreement, as described in Chapter 4, or to decide to implement one of the alternatives to the proposed project. The Department will evaluate the proposed project's environmental impacts measured against the baseline, contrast those with the impacts under the alternative scenarios and consider, where appropriate, mitigation measures. As part of its overall consideration, the Department will also review legal, economic and social impacts. Once the EIR is complete, the Department will consider all options available to it under the law. Upon completion and certification of this EIR, the Department will make written findings and decisions and file a Notice of Determination (NOD).

This EIR serves as both a Project EIR and a Program EIR under CEQA. As a Project EIR, this EIR provides comprehensive analysis of those actions of the Monterey Plus project that take effect directly from the modification of the long-term SWP water supply contracts and thus do not require any subsequent decisions or actions to implement. These actions, described in detail in Chapter 4, include revisions to the methodology used to allocate water among the SWP contractors, permanent retirement of 45,000 acre-feet of agricultural "Table A amount," transfer of the property known as the "Kern Fan Element property," changes in the manner in which Castaic Lake and Lake Perris may be operated, and certain water supply management practices. This EIR also serves as a Program EIR under CEQA for those actions that require subsequent decisions or approvals. A Program EIR may be prepared for a series of actions that

can be characterized as one large project because the actions are related to each other in specified ways. (CEQA Guidelines, Section 15168.)

As a Program EIR, this EIR may be used as CEQA compliance for subsequent activities. The Department's actions that are covered in this EIR are subject, consistent with the Settlement Agreement, to the normal CEQA review. Some subsequent activities could be within the scope of this EIR and no further environmental documentation would be required. Other actions may require additional environmental analysis. To the extent appropriate, later environmental documents may use information in this EIR to provide CEQA-required information, especially with regard to consideration of policy alternatives, state-wide impacts and cumulative impacts. For example, further permanent transfers of the 130,000 acre-feet of agricultural Table A amount and development of specific contractor out-of-service area storage programs will continue to be the subject of project-specific environmental documentation of local impacts, but would not require further analysis of state wide or SWP-wide impacts.

1.3 ENVIRONMENTAL REVIEW AND APPROVAL PROCESS

The Department issued a Notice of Preparation (NOP) to prepare an EIR on the Monterey Amendment and the Settlement Agreement in January 2003. The Department held scoping meetings in Sacramento, Riverside, Ventura, Bakersfield and Quincy in February 2003. Various parties submitted 16 comment letters to the Department, and several persons made oral comments at the scoping meetings. The NOP is contained in Appendix A. Comments received in response to the NOP and at the scoping meetings are contained in Appendix B.

A first EIR on the Monterey Agreement, which was a statement of principles that was the basis for and preceded the Monterey Amendment, was challenged and the Department was required to prepare a new EIR (see Chapter 3 for the history of the litigation). A settlement agreement among the parties to the litigation required the Department to establish an advisory committee (called the "EIR Committee") with representatives of the plaintiffs (Planning and Conservation League, Citizens Planning Association of Santa Barbara, and the Plumas County Flood Control and Water Conservation District) and SWP contractors to provide advice and recommendations to the Department in its preparation of this Draft EIR. The EIR Committee has eight members—four representing the SWP contractors and four representing the plaintiffs. Over 24 meetings have been held with the committee. The committee has reviewed and commented on two administrative drafts. This Draft EIR reflects changes made as a result of comments from members of the committee.

This Draft EIR is being circulated for public review and comment for a period of 60 days. During this period, the general public, organizations, and agencies can submit comments to the Department on the Draft EIR's accuracy and completeness. The 60-day public review period for the Monterey Plus Draft EIR will be from October 15, 2007 to December 13, 2007, ending at 5:00 PM.

Upon completion of the public review period, a Final EIR will be prepared that will include written comments on the Draft EIR received during the public review period and the Department's responses to those comments. The Final EIR will address any revisions to the Draft EIR made in response to agency and/or public comments. The Draft EIR and Final EIR together will comprise the EIR for the Monterey Plus project. A Mitigation Monitoring Program (MMP) will also be prepared and will be the guide for reporting and monitoring compliance with adopted mitigation measures.

Before the Department makes a decision with regard to the proposed project, it must first certify that the EIR has been completed in compliance with CEQA, that the Department has reviewed and considered the information in the EIR, and that the EIR reflects the independent judgment of the Department.

The Department also would be required to adopt Findings of Fact, and for those impacts determined to be significant and unavoidable, adopt a Statement of Overriding Considerations. Upon filing a NOD, the Department will submit the new EIR and appropriate documents to the Superior Court.

1.4 LEAD, RESPONSIBLE AND TRUSTEE AGENCIES

1.4.1 Lead Agency

The Department is the lead agency for preparation of the Monterey Plus environmental analysis. In conformance with Sections 15050 and 15367 of the State CEQA Guidelines, the Department has been designated the “lead agency” which is defined as the “public agency which has the principal responsibility for carrying out or disapproving a project.” The lead agency is also responsible for scoping the analysis, preparing the EIR and responding to comments received on the Draft EIR.

1.4.2 Responsible Agencies

Responsible agencies are state and local public agencies other than the lead agency that have some authority to carry out or approve a project or that are required to approve a portion of the project for which a lead agency is preparing or has prepared an EIR or other CEQA compliance document. The 29 SWP contractors are identified as those agencies that could potentially act as responsible agencies for the proposed project.

1.4.3 Trustee Agencies

Trustee agencies under CEQA are designated public agencies with legal jurisdiction over natural resources that are held in trust for the people of California and that would be affected by a proposed project, whether or not the agencies have authority to approve or implement the proposed project. Trustee agencies with potential jurisdiction by law over the proposed project or the resources affected by it include the California Department of Fish and Game (CDFG), the California State Water Resources Control Board (SWRCB), the State Historic Preservation Office, and the Department of Food and Agriculture. The U.S. Fish and Wildlife Service (USFWS) and National Marine Fisheries Service (NMFS) do not serve as either responsible or trustee agency under CEQA for the proposed project. Both federal agencies as well as some of the state Trustee agencies do, however, have regulatory authority which affects SWP operations.

1.5 LEAD AGENCY CONTACT

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1.6 SCOPE OF THIS EIR

The Department identified in the NOP for this EIR, potentially significant impacts that could result from implementation of the proposed project. Based on the NOP (see Appendix A), the Department determined that this EIR address the following technical issue areas:

- Surface Water Hydrology, Water Quality, and Water Supply
- Groundwater Hydrology and Quality
- Fisheries Resources
- Terrestrial Biological Resources
- Visual Resources
- Agricultural Resources
- Air Quality
- Geology, Soils and Mineral Resources
- Recreation
- Land Use and Planning
- Hazards and Hazardous Materials
- Noise
- Cultural and Paleontological Resources
- Public Services and Utilities
- Transportation and Circulation
- Energy

The specific topics evaluated are described in each of the technical sections presented in Chapter 7.

1.7 REPORT ORGANIZATION

Glossary and Abbreviation of Terms This chapter provides a glossary and abbreviations of the common terms used in the EIR.

Executive Summary This chapter provides a summary of the proposed project, its alternatives and their environmental impacts. A table is provided summarizing the impacts that would result from implementation of the proposed project, proposed mitigation measures, and conclusions as to the level of significance of impacts before and after mitigation.

Chapter 1 Introduction This chapter includes a description of the intended use of this EIR, the environmental review and approval process, and report organization.

Chapter 2 State Water Project This chapter provides a description of the SWP, its components, the long-term water supply contracts and contractors, important contract provisions, financing, and SWP deliveries.

Chapter 3 Project Background This chapter provides a description of the events and circumstances that led to the Monterey Amendment and the Settlement Agreement.

Chapter 4 Proposed Project This chapter provides a description of the proposed project.

Chapter 5 Methods This chapter describes the methods used and the assumptions made in the environmental analysis.

Chapter 6 Effects of Proposed Project on SWP and SWP Contractor Operations This chapter describes the effects of the proposed project on SWP and SWP contractors' operations.

Chapter 7 Environmental Analysis This chapter analyzes the potential impacts of the proposed project on a range of environmental elements. Each section includes an introduction, description of environmental setting, impacts, and mitigation measures to minimize significant adverse impacts.

Chapter 8 Growth-Inducing Impacts As described in CEQA Guideline 15126.2(d), this chapter discusses the ways in which the proposed project could foster economic or population growth, or the construction of additional housing either directly or indirectly. This includes considering the possibility of the proposed project to accommodate growth, remove obstacles to growth, or induce growth and related environmental effects.

Chapter 9 Reliability of Water Supplies and Growth This chapter provides information about whether planners in the SWP service area relied on full Table A amounts in the SWP long-term water supply contracts and whether there is an SWP "paper water" problem that would be ameliorated if Article 18(b) were retained and invoked.

Chapter 10 CEQA and Other Considerations This chapter provides discussions of additional considerations required by CEQA including, a discussion of cumulative impacts, summary of significant unavoidable impacts, and significant irreversible changes to the environment. This chapter also includes a discussion of potential Environmental Justice impacts. While this is not a requirement of CEQA, it has been included, consistent with Department practice for preparing environmental documents.

Chapter 11 Alternatives This chapter includes a description of alternatives to the proposed project that were considered in this EIR. An EIR is required by CEQA to provide adequate information for decision-makers to make a reasonable choice between alternatives based on the environmental aspects of the proposed project and alternatives. The impacts of the alternatives are qualitatively compared to those of the proposed project. This chapter also identifies and discusses the environmentally superior alternative as required by CEQA Guidelines 15126.6(e).

Chapter 12 Climate Change This chapter discusses the evidence of how global climate change could affect water resources in California and what impact this might have on California's economy, public health and environment.

Chapter 13 References This chapter lists all references cited in the EIR.

Chapter 14 EIR Report Preparation This chapter lists report authors, Department staff, and others who provided technical assistance in the preparation and review of the EIR.

Appendices The appendices include documents providing support and documentation of the analysis included in the EIR.