Santa Margarita Water District

NOTICE OF AVAILABILITY OF A DRAFT ENVIRONMENTAL IMPACT REPORT

Cadiz Valley Water Conservation, Recovery, and Storage Project

To: California Office of Planning and Research; Responsible and Trustee Agencies; County Clerks; and Other Interested Parties

Subject: Notice of Availability of a Draft Environmental Impact Report

Project: Cadiz Valley Water Conservation, Recovery, and Storage Project

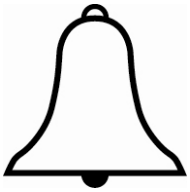
State Clearinghouse No: 2011031002

Lead Agency: Santa Margarita Water District

Review Period: December 5, 2011 through February 13, 2012

This Notice of Availability (NOA) has been prepared to notify agencies and interested parties that the Santa Margarita Water District (SMWD) as the Lead Agency pursuant to the California Environmental Quality Act (CEQA) has prepared a Draft Environmental Impact Report (Draft EIR) that provides the public and trustee agencies with information about the potential effects on the local and regional environment associated with the proposed Cadiz Valley Water Conservation, Recovery, and Storage Project (Project). The proposed Project is designed to actively manage the groundwater basin underlying a portion of the Cadiz and Fenner Valleys located in the eastern Mojave Desert portion of San Bernardino County, California. The Project would be developed in two phases, the first being the Conservation and Recovery Component and the second phase being the Imported Water Storage Component. The purpose of the Project is to maximize beneficial uses of the groundwater in the Fenner Valley for SMWD and other entities participating in the Project. SMWD, along with other Project Participants, is proposing to implement the Project in partnership with Cadiz Inc. (Cadiz), a Delaware corporation that owns approximately 34,000 contiguous acres of land in the Cadiz and Fenner Valleys, and the Fenner Valley Mutual Water Company (FVMWC), a non-profit California mutual water company formed to deliver water to its shareholders which are comprised of the Project Participants.

Public Review and Comments: SMWD is soliciting comments from the public about the analysis and determinations made in the Draft EIR prepared for the proposed Project. The Draft EIR will be used by SMWD and other Responsible Agencies when considering approval of the Project. In accordance with time limits mandated by CEQA (Public Resources Code § 21091), SMWD has established a 70-day review period that begins **December 5, 2011** and ends **February 13, 2012**. Please send your written comments, including a return address and contact name, via mail to this address:



c/o Tom Barnes, ESA
626 Wilshire Boulevard, Ste. 1100
Los Angeles, CA 90017
Telephone: 213-599-4300
FAX: 213-599-4301

Or by email to: cadizproject@esassoc.com

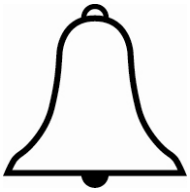
Document Availability: Copies of the Draft EIR and appendixes are available as follows:

- **Santa Margarita Water District Website:** www.smwd.com
- **Santa Margarita Water District Office:** 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688
- **Twentynine Palms Library:** 6078 Adobe Road, Twentynine Palms, CA 92277
- **Rancho Santa Margarita Public Library:** 30902 La Promesa Drive, Rancho Santa Margarita, CA 92688
- **Joshua Tree Library:** 6465 Park Blvd, Joshua Tree, CA 92252
- **San Bernardino County Library:** 104 W. 4th Street, San Bernardino, CA 92415

Community Workshop: A Community Workshop will be held to provide an opportunity to review the Draft EIR in San Bernardino County. The meeting will include stations for the public to ask questions and review portions of the Draft EIR. The Community Workshop will be held as follows:

Community Workshop
Wednesday, January 11
6:00 p.m.
Joshua Tree Community Center
6171 Sunburst Street
Joshua Tree, CA

Public Meetings: Public meetings will be held to receive public comments regarding the scope, content, and analysis provided in the Draft EIR. One meeting will be held in San Bernardino County and a second meeting will be held within SMWD's service area. The meetings will include a brief presentation providing an overview of the proposed Project and conclusions of the Draft EIR. After the presentation, oral comments will be accepted. Written comment forms will be supplied for those who wish to submit comments in writing at the public meeting; written comments may also be submitted anytime during the 70-day Draft EIR review period. The public meetings will be held as follows:



Public Comment Meeting #1
Tuesday, January 24
6:00 p.m.
SMWD Board Room
26111 Antonio Parkway
Rancho Santa Margarita, CA

Public Comment Meeting #2
Wednesday, February 1
6:00 p.m.
Joshua Tree Community Center
6171 Sunburst Street
Joshua Tree, CA

Project Location and Setting: The proposed Project is designed to actively manage the groundwater basin underlying a portion of the Cadiz and Fenner Valleys located in the eastern Mojave Desert portion of San Bernardino County, California. The facilities to be constructed as part of the Project are not located on a site listed on a hazardous material site list pursuant to Government Code Section 65962.5. The Project area is located at the confluence of the Fenner Valley and Orange Blossom Wash Watersheds, which span nearly 1,300 square miles. Underlying the Bristol, Cadiz, and Fenner Valleys is a vast groundwater basin that holds an estimated 17 to 34 million acre-feet (MAF) of fresh groundwater.

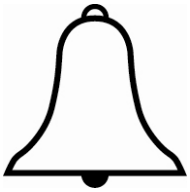
Project Description: The purpose of the Project is to develop a new, reliable water supply and storage facility for SMWD and other participating water providers. The proposed Project includes two distinct but related components:

- Groundwater Conservation and Recovery Component;
- Imported Water Storage Component.

The Groundwater Conservation and recovery Component is analyzed at the project-level in accordance with *CEQA Guidelines* Section 15161, whereas the Imported Water Storage Component of the proposed Project is analyzed primarily at a programmatic-level in this Draft EIR in accordance with *CEQA Guidelines* Section 15168.

Groundwater Conservation and Recovery Component

As part of the Groundwater Conservation and Recovery Component, an annual average of 50,000 acre-feet (AF) of groundwater would be pumped from the basin for 50 years for delivery to Project Participants. The level of groundwater pumping proposed under the Groundwater Conservation and Recovery Component is designed specifically to extract and conserve groundwater that would otherwise migrate to the Dry Lakes where it would enter the brine zone and evaporate. The recovered groundwater would be conveyed to SMWD and other Project Participants through the Colorado River Aqueduct (CRA) delivery system owned and operated



by the Metropolitan Water District of Southern California (Metropolitan). Facilities associated with the Groundwater Conservation and Recovery Component include the following:

- Wellfield with approximately 34 wells.
- Interconnecting access road with underground utilities and manifold system.
- Power distribution system.
- 43-mile water conveyance pipeline.
- Tie-in to the CRA.
- Equalization storage reservoir and pump station near CRA (if necessary).
- Arizona and California Railroad (ARZC) rail operations' support, supply, and access.

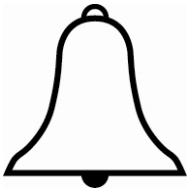
The wellfield, manifold (piping) system, and a new 43-mile conveyance pipeline would be constructed to convey water from the Fenner Valley to the CRA, which would distribute water to Project Participants. The pipeline would be installed along the ARZC right-of-way (ROW). Withdrawal of water for this Project component would be limited to a maximum of 75,000 acre-feet per year (AFY) of water, and a 50-year average maximum of 50,000 AFY.

Imported Water Storage Component

The Imported Water Storage Component would allow Project Participants to send surplus surface water supplies, when available, to the Project area to be recharged via spreading basins and held in storage until needed in future years. When needed, the stored surface water would provided to the appropriate Project Participant. The Imported Water Storage Component proposes to store up to 1 million acre feet (MAF) at a time. The Imported Water Storage Component would utilize the facilities described above for the Groundwater Conservation and Recovery Component but also expand these facilities as needed and add certain additional facilities necessary to support the import of surface water, groundwater recharge and recovery, and delivery back to participants. The Imported Water Storage Component would include the following new and expanded facilities:

- CRA Diversion structure and pump station.
- Extension of the water conveyance pipeline.
- Potential State Water Project intertie using existing idle pipeline(s) in Project region.
- Spreading basins.
- Expanded wellfield.
- Expanded interconnecting access roads with underground utilities.
- Expanded power distribution system.

The Imported Water Storage Component would utilize the 43-mile pipeline constructed for the Groundwater Conservation and Recovery Component to convey water from the CRA to spreading basins in Fenner Valley and stored water back to the Project Participants. This component also may make use of one or more of the unused natural gas or oil pipelines that exist in the Project area to intertie the Project system to the State Water Project, or other potential sources of surface water supply, for import and storage at the Project area and/or to connect to other potential water provider Project Participants who want to store water at the



Cadiz Property. An existing natural gas pipeline could be converted to transport water and provide maximum capacity of 30,000 AFY. Thus, the Imported Water Storage Component of the Project would provide an intertie with the Colorado River water system and may also intertie with the State Water Project system. The participants for the Imported Water Storage Component have not yet been identified. Withdrawal of groundwater for this Project component would be limited to a maximum of 75,000 to 105,000 AFY of water, which reflects the maximum capacity of the 43-mile pipeline in addition to the natural gas pipeline.

DISCUSSION OF POTENTIAL ENVIRONMENTAL IMPACTS

The Draft EIR addresses all topics listed in Appendix G of the *CEQA Guidelines*. Where necessary, the EIR identifies mitigation measures to minimize potentially significant impacts of the proposed Project. The proposed Project would result in two significant and unavoidable impacts: construction air emissions would exceed thresholds of significance for NOx directly and cumulatively, and growth in the water agency service areas results in secondary effects of growth. No other significant impacts have been identified. The Draft EIR evaluates the following environmental resource issues in addition to CEQA-mandated topics such as cumulative impacts, growth inducement, and Project alternatives:

- Aesthetics
- Agriculture and Forestry Resources
- Air Quality
- Biological Resources
- Cultural Resources
- Geology and Soils
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Land Use and Planning
- Mineral Resources
- Noise
- Public Services and Utilities
- Recreation
- Transportation and Traffic