

**ADDENDUM TO THE MITIGATED NEGATIVE DECLARATION FOR THE SANTA
MARGARITA WATER DISTRICT
ADVANCED PURIFIED WATER PROJECT**

**Prepared by
Santa Margarita Water District**

1. Introduction:

Project Location

The project site is located within the northern portion of the City of Mission Viejo, approximately 3 miles east of Interstate 5 and roughly 2 miles west of State Route 241. Specifically, the project site is located approximately 0.10 mile south of Lake Mission Viejo (LMV) and directly southeast of the intersection of Alicia Parkway and Marguerite Parkway. The street address and Assessor's Parcel Number associated with the project site are 23140 Marguerite Parkway and 80877108, respectively.

Project Description

The Santa Margarita Water District (SMWD) Advanced Purified Water (APW) project (proposed project) involves construction and operation of a recycled water treatment facility that would intake SMWD recycled water tertiary effluent and produce a purified effluent for direct discharge and use in LMV, in addition to providing for other existing uses within SMWD's service area. The APW facility would consist of a variety of interconnected treatment processes located within a single-story, prefabricated metal structure to be constructed immediately adjacent to the existing Finisterra Pump Station. This structure, which would encompass approximately 5,000 square feet, would house the APW treatment processes, consisting of micro- or ultra-filtration, reverse osmosis, and ultraviolet light disinfection of recycled water influent provided by SMWD from its existing recycled water system. The proposed project would be designed to reliably produce up to 600 acre-feet per year of APW.

CEQA Process and Environmental Determination

As the lead agency under the California Environmental Quality Act (CEQA), SMWD prepared a draft Initial Study and Mitigated Negative Declaration (IS/MND), which evaluated the potential environmental effects of the proposed project. Based on the findings of the draft IS/MND, SMWD determined that the proposed project would not have a significant impact on the environment. This conclusion is supported by the following findings:

- The proposed project would result in no or less-than-significant impacts to aesthetics, agriculture and forestry resources, air quality, biological resources, geology and soils, greenhouse gas emissions, hydrology and water quality, land use and planning, mineral resources, population and housing, public services, recreation, utilities and service systems, and energy.
- With the incorporation of mitigation measures, the project would result in less-than-significant impacts to cultural resources, hazards and hazardous materials, noise, and transportation and traffic.
- No substantial evidence exists that the proposed project would have a negative or adverse effect on the environment.

- The proposed project would not substantially degrade the quality of the environment, significantly reduce the habitat for fish and wildlife species, result in fish or wildlife populations below a self-sustaining level, reduce or restrict the range of a special-status species, or eliminate important examples of California history or prehistory.
- The proposed project would not achieve short-term environmental goals to the detriment of long-term environmental goals.
- The proposed project would not have environmental effects that would cause substantial direct or indirect adverse effects on humans.
- The proposed project would not have environmental effects that are individually limited but cumulatively considerable.

The draft IS/MND was made available for public review from January 19, 2016, to February 17, 2016, and a Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) was posted at the project site, at SMWD headquarters, and at LMV starting January 19, 2016. One comment letter from the City of Mission Viejo was received by SMWD in response to the draft IS/MND. This comment letter, along with responses to the City's comments, were provided in a Response to Comments letter report appended to the final IS/MND. A Mitigation Monitoring and Reporting Program (MMRP), which outlines the SMWD's mitigation obligations during construction and operation of the proposed project, was also prepared and appended to the final IS/MND. The final IS/MND and MMRP was adopted by the SMWD Board of Directors by a unanimous 5-0 vote on February 19, 2016.

2. Project Modification Description:

Since the February 19, 2016 approval of the original project by the SMWD Board of Directors (as described in Section 1 of this addendum), a minor project modification has occurred. SMWD is proposing to obtain financial assistance for the approved project through the Local Resources Program (LRP) that is administered by The Metropolitan Water District of Southern California (Metropolitan). The LRP provides a funding mechanism to member agencies to encourage local development of recycled water and recovered groundwater. This funding mechanism emphasizes cost-efficiency to Metropolitan, while timing new production according to regional water supply needs. Metropolitan provides assistance of up to \$250 per acre-foot of production to its partners within Metropolitan's service area for agreement terms up to 25 years. A competitive Request for Proposal process is conducted periodically, dependent on the need to meet the targets established in the Integrated Resources Plan (IRP)¹.

¹ Metropolitan's Integrated Resource Plan (IRP) identifies goals for a diverse mix of local and imported water resource elements optimized to meet future supply reliability in a cost-effective manner. The IRP sets initial targets for resource development that the region must achieve for water supply reliability through the year 2020. IRP studies show reduced long-term costs to the region when local resources are developed due to downsizing or deferral of Metropolitan's capital improvements, reduction in operating costs for importation, treatment and distribution, and reduction in costs for developing alternative regional supplies. These benefits are realized by all Metropolitan member agencies through improved regional water supply reliability.

Key objectives of the LRP are to:

1. Reduce future demand on Metropolitan's imported water supplies through direct replacement of potable water;
2. Assist local projects that improve regional water supply reliability; and
3. Meet periodically updated IRP local resource targets.

As part of a consortium of agencies participating in the LRP process, SMWD is proposing to partner with Metropolitan ("proposed project modification") in conjunction with the SMWD APW project. As the Lead Agency, SMWD has prepared this addendum to the previously adopted MND in support of its discretionary action to comply with CEQA and the State CEQA Guidelines. For this proposed project modification, Metropolitan will act as a Responsible Agency.

3. Minor Technical Additions:

Since partnering in the original project would require a discretionary action by the Lead Agency's decision making body, it is necessary to clarify the text in one section of the MND as originally prepared by the Lead Agency. This addendum has been prepared to address this minor change in the Utility and Service Systems (Water) section of the MND.

In light of the foregoing discussion in the project description, starting on page 95 in Section 3.17, Utilities and Service System, in the MND, after the text discussing the availability of sufficient water supplies to serve the project from existing entitlements and resources, or need for new or expanded entitlements, under Impact 3.17(d), the following text is hereby added:

On March 14, 2016, SMWD submitted the proposal on the SMWD APW project to Metropolitan. As the Responsible Agency, Metropolitan's Board of Directors will review and consider the proposal and environmental documentation prepared by SMWD in determining whether or not to approve financial assistance for the project within the Local Resources Program (LRP) administrative process.

The proposed project modification (i.e., a partnership with Metropolitan in the LRP for the SMWD APW project would be consistent with Metropolitan's commitment to develop LRP activities that would increase water supply reliability. The proposed project modification would have up to a 25-year term as negotiated between the Lead Agency and Metropolitan.

This minor technical change and further clarification to the original project does not affect water supplies or water quality within the Lead Agency's service area. Instead, the proposed project modification is an administrative and fiscal action. For Metropolitan, the proposed project modification would be beneficial in terms of being consistent with the objectives of the LRP. Accordingly, this activity would not result in a tangible change in the physical environment.

Therefore, no impact to utility and service systems would result from the implementation of the proposed project modification.

4. Basis for Preparation of Addendum:

Section 15164(b) of the State CEQA Guidelines states "An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are

necessary or none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR or negative declaration have occurred.”

The following are the applicable conditions described in Section 15162 that were reviewed to determine, on the basis of substantial evidence in the light of the whole record, that preparation of an addendum was the appropriate document:

- Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects.
- New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the Negative Declaration was adopted, shows the project will have one or more significant effects not discussed in the previous negative declaration.

The proposed modification to the original project would not result in any change in the physical environment. As the Lead Agency for the proposed project modification, SMWD is issuing this addendum in accordance with the State CEQA Guidelines (Section 15164). The minor textual additions provided herein will not 1) result in a substantial change in the project as originally proposed by the SMWD, 2) lead to substantial changes in the circumstances under which the project is undertaken, or 3) constitute new information of substantial importance. Accordingly, an addendum was properly prepared under CEQA.

Signature

Date

Printed Name

Title