

Staff Report to Mendocino Unified School District Board of Directors

for Adopting a Subsequent Mitigated Negative Declaration, Approving the Modified Water System Reconstruction Project – Water Supply and Storage Improvements, and Adopting a Mitigation Monitoring and Reporting Program

June 28, 2023

PROJECT TITLE: Water System Reconstruction Project – Water Supply and Storage Improvements

PROJECT LOCATION: 44020 Little Lake Road, Mendocino, CA 95460

SUMMARY:

Background. The Mendocino Unified School District (District) owns, operates, and maintains a potable and fire water system to serve its K-8 School, High School and District Office, as well as Friendship Park and the Community Center of Mendocino. The District's water supply and storage site is located at 44020 Little Lake Road in the community of Mendocino. A previous inspection of the District's water system conducted by the State Water Resources Control Board (SWRCB) Division of Drinking Water identified certain deficiencies at its water supply and storage site, including inadequate source capacity to meet the District's maximum day demand and certain system deficiencies due to components of the District's water system nearing the end of their useful life. The District received a Drinking Water Construction Loan from the SWRCB Drinking Water State Revolving Fund (Agreement No. D2202005) to make improvements to address the source capacity and identified system deficiencies.

In 2020, the District prepared an Initial Study/Proposed MND (State Clearinghouse No. 2020080439) for the improvements that would address the system deficiencies at the District's water supply and storage site. The 2020 MND evaluated plans to replace the District's two existing water tanks, replace the District's existing water treatment system, rehabilitate two existing District groundwater supply wells, bring an additional District groundwater supply well online, and other site improvements. The Initial Study/Proposed MND was made publicly available from August 26 to September 24, 2020 for a required 30-day public review period under CEQA. No comments were received during the 30-day public review process, and the District Board of Trustees adopted the MND, a Mitigation Monitoring and Reporting Program, and approved the Project on October 15, 2020.

After adoption of the MND and approval of the Project, the District agreed to coordinate with the Mendocino City Community Services District (MCCSD) on local emergency water supply and storage in response to a drought scenario. The drought period of 2020-2022 was the worst multi-year drought in recorded State history. The ongoing drought highlighted the need for improved water security in the face of climate change and natural disasters. The MCCSD is the groundwater management authority within its service area boundary and is responsible for the management of the local aquifer to help prevent overdraft and maintain equitable access to groundwater for the residents, business, and property owners in the MCCSD service area. MCCSD has a Groundwater Management Program and Water Shortage Contingency Plan, but even with such plans in place, some wells in its service area run dry each summer and others are not able to keep up with demand. The recent drought also showed that MCCSD customers cannot depend on neighboring water districts to meet water demand short fall during dry periods.

In 2022, MCCSD, in cooperation with the District, received a grant from the State of California Department of Water Resources through the Urban and Multibenefit Drought Relief (UMBDR) grant program (Agreement No. 4600014624) to help serve emergency water needs of eligible MCCSD

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customers. The UMBDR grant Agreement identifies the District and MCCSD as Implementing Agencies.

The UMBDR grant funding is for the development of 500,000 gallons of potable water storage at the District's water supply and storage site, the drilling of up to ten new groundwater supply wells at the District's water supply and storage site for emergency water supply purposes for MCCSD use, and a connection to the District's water distribution system. As noted in the Grant Agreement, the 500,000 gallons of water storage is estimated to store approximately three days of water at a conservation demand of 50 gallons per capita per day, based on the permanent population of 855 residents and an estimated daily tourism population of 2,500 people. The stated purpose of the grant improvements is in response to a drought scenario, as defined by Water Code Section 13198(a) and is intended to: 1) address immediate impacts on human health and safety; 2) address immediate impacts on fish and wildlife resources; or 3) provide water to persons or communities that lose or are threatened with the loss or contamination of water supplies.

Given the additional improvements proposed at the District's site, a reevaluation of the overall potable water storage strategy at the site was conducted to implement an improved and more integrated design solution. Through this review, the District and MCCSD entered into a Memorandum of Understanding on April 20, 2023 to combine the funded improvements into a single system for better long-term management, maximizing the available funding, leveraging economy of scale, and reducing the total number of water tanks and the project footprint. The grant administrators at the California State Water Resources Control Board and the State of California Department of Water Resources determined that combining the funding to create one project that achieves the overall goals of the improvements is acceptable, and confirmed that the District should remain the CEQA Lead Agency. In the Memorandum of Understanding between the District and MCCSD, it was mutually agreed that the District would remain the CEQA Lead Agency for the Modified Project.

The District is thus proposing to implement the Modified Water System Reconstruction Project – Water Supply and Storage Improvements ("Modified Project"), which includes both District improvements to address existing identified District water system deficiencies and improvements in conjunction with the MCCSD to provide an emergency water supply for MCCSD customers, all of which would be located at the District's water supply and storage site.

The District, serving as the CEQA Lead Agency, prepared a Subsequent MND for the Project in compliance with Section 15162 of the CEQA Guidelines. The Subsequent MND included completion of a full environmental review of the Modified Project, including a new Biological Resources Report, Environmentally Sensitive Habitat Analysis, Archaeological Resources Study, Tribal communications, Aquatic Resources Delineation, and Hydrogeologic Study. The Subsequent MND evaluated each environmental topic area and question in the CEQA Guidelines Appendix G Checklist and included new and expanded mitigation measures to address impacts related to the modified improvements. The Subsequent MND was circulated for a 30-day public review period from May 11, 2023 to June 9, 2023. Noticing and review periods required by CEQA were satisfied.

Project Description. The Modified Project includes District improvements to address identified District water system deficiencies, as well as improvements in conjunction with the MCCSD to provide an emergency water supply for the MCCSD customers. The improvements would occur at the District-owned property at 44020 Little Lake Road.

The Modified Project includes replacing the District's two existing water storage tanks at the site with two new steel tanks, providing up to 615,000 gallons of water storage. Of that, 115,000 gallons is to meet the recommended operational storage for the MUSD water system as well as NFPA 1142 requirements

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and CFC CCR Title 24, Part 9 for fire flows. The remaining 500,000 gallons of water storage would be for use as an emergency water supply, managed by MCCSD for the MCCSD service area.

The Modified Project would also redevelop one existing District water supply well (Well #1), reconstruct a second District water supply well (Well #2), connect District Well #6 to the drinking water system, and install and operate up to ten additional groundwater wells for emergency water supply use by MCCSD. The Modified Project also includes a replacement treatment building, new flow meters, an on-site connection to the District's water distribution system near the replacement treatment building, improvement of an existing access road, new on-site access roads to new groundwater wells, and other site improvements such as potential new security fencing and gates around the tank site.

Project construction activities would include deconstruction / demolition of existing facilities, site preparation, tank construction, well installation, utility trenching, as well as truck trips to deliver / haul materials away and construction worker trips. To ensure that the water system remains operational during construction and demolition, construction of the new tanks would be phased to maintain water service at all times, or temporary water tanks will be used.

Once constructed and operational, water would be treated by the District's water treatment system, and operation and maintenance of the treatment system will remain the responsibility of the District as part of its State permitted public water system.

Emergency water supplies would be accessed by MCCSD during a State or Federally proclaimed state of emergency based on drought conditions or when a MCCSD-declared water shortage emergency has been issued and interim or immediate relief is needed via hauled water. The proposed emergency water supply component of the Modified Project is not intended to replace previously used sources of emergency water supply, but rather, to supplement such supplies for greater reliability.

The volume of emergency water supplies associated with the Modified Project that would be used by MCCSD would depend on the severity of a drought condition, the interim or immediate relief needs of MCCSD customers, and the availability of emergency hauled water that could be imported from other water districts. During years when no drought conditions or water shortage emergency is in effect, no emergency water supplies would be used. During such years, people within the MCCSD service area that need supplemental water would continue to purchase water elsewhere, as is done currently and in the past, from such entities as the City of Fort Bragg or the City of Ukiah.

During the most recent drought condition, which was one of the worst in recorded State history, approximately 28,000 gallons of potable water per day was being imported from other water districts to address water shortages within the MCCSD service area over a two-month period from late September to mid-November in 2021 (Personal Communication, Ryan Rhoades, MCCSD, June 20, 2023). During this period, up to 8 trucks loads of water per day was being transported into the MCCSD service area from the City of Fort Bragg and the City of Ukiah. Over the course of the peak two-month period, this equated to the import of approximately 5 acre-feet of potable water from other water districts. Records obtained from the County of Mendocino Executive Office also indicates that 414,500 gallons of potable water (1.27 acre-feet) was hauled from the City of Ukiah to address water shortages within the Mendocino community from September 2021 through August 2022. Using this most recent scenario as an evidentiary support for a range of potential volumes of emergency water to be used as part of the Modified Project, it is estimated that up to 5 acre-feet of potable emergency water from the Modified Project could be used during a drought condition.

Water deliveries would involve filling an approximately 3,500-gallon to 4,000-gallon water truck from a metered fire hydrant or from the MUSD's water supply and storage site, and delivery to public and private water tanks by a contracted hauling company. Water deliveries would involve off-loading potable

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water to public and private water tanks. Off-loading would be no different than existing conditions where users have received water deliveries from the City of Fort Bragg and the City of Ukiah.

The planned operation is to fill the tanks during the wet season and then maintain the tanks full during summer months when a drought condition is projected, so if the need arises and water from other local systems is unavailable, the supplemental emergency water stored in the tanks could be sustainably available for use.

The MUSD would operate and maintain the replacement tanks and water treatment improvements in a manner similar to the existing tanks and water system. MUSD maintenance personnel would periodically visit the site as part of a routine maintenance program, which would include the collection of water samples for testing, as required by the Division of Drinking Water. MCCSD would operate and maintain the wells that are intended to provide the emergency water supply as part of the UMBDR grant funding. MCCSD would be responsible for costs associated with the maintenance, use, and replacement of the wells, and proportionate costs of operation and maintenance of the tanks and water treatment system, for water accessed by MCCSD. The MUSD and MCCSD would periodically exercise the wells, when not in use, to ensure that the facilities are maintained and remain operational.

A 5-day continuous pump test completed as part of an initial hydrogeologic study at the District's water supply and storage site indicated no draw-down at off-site neighboring wells (Hydrogeologic Report, April 19, 2023). The Memorandum of Understanding between the MUSD and MCCSD and mitigation measures in the Subsequent MND require proposed well construction to be completed in accordance with MCCCSD Ordinance 2020-01. This includes notification of surrounding properties and a 72-hour pump test as part of a subsequent hydrogeologic study during construction. The additional monitoring and analysis provided by pump tests will provide further estimation of the well field's hydraulic radius of influence, groundwater cone of depression and groundwater level recovery rates, as well as to allow for further means to minimize and eliminate potential impacts on neighboring wells and down gradient conditions.

Mitigation measures in the Subsequent MND also include best management practices such as spacing of wells, pumping limitations, monitoring of adjacent domestic wells, well setbacks from surface waters, an on-site stream gauge, and other measures to ensure any pumping for emergency water supply purposes is conducted sustainably and does not interfere with surface water, groundwater levels, or neighboring wells.

Environmental Review: The District, serving as the CEQA Lead Agency, prepared a Subsequent MND for the Modified Project in accordance with the requirements of CEQA. The Subsequent MND was circulated for a 30-day public review period from May 11, 2023 to June 9, 2023. In accordance with the requirements of CEQA, the District provided a Notice of Intent to Adopt a Subsequent MND to the public, Responsible agencies, Trustee agencies, Mendocino County Clerk, and State Clearinghouse. The notice was published in the Mendocino Beacon on May 11, 2023, and was mailed to owners and occupants of property contiguous to the Project site, to interested parties, and posted at the Mendocino County Clerk's office for a period of 30 days. The District posted the Subsequent MND and notice on its website and made a hardcopy available for public review at the District office located at 44141 Little Lake Road, Mendocino, CA 95460. The Subsequent MND was also submitted to the State Clearinghouse for review by state agencies.

The Subsequent MND identified potentially significant impacts related to the environmental topics of aesthetics, air quality, biological resources, cultural resources, paleontological resources, hazardous materials, hydrology and water quality, transportation, tribal cultural resources, and wildfire. Mitigation measures to avoid or reduce the potentially significant impacts to less-than-significant levels are identified in the Subsequent MND and included in a Mitigation Monitoring and Reporting Plan.

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During the 30-day public review period, the District received 13 comment letters / emails from individuals (see Table below). Additionally, after the close of the circulation period, a letter was received from the Stater Water Resources Control Board on June 20, 2023 related to the financing agreement for the original project, as well as construction and operational related questions.

Table 1 Comments Received During 30-Day Review Period

| Comment No. | Agency/Organization | Last Name | First Name | Date |
|-------------|---|-------------|-------------------|--------------|
| 1 | Mendocino County Planning and Building Services | Fitzsimmons | Rob | May 11, 2023 |
| 2 | Individual | Yeh | Max | May 17, 2023 |
| 3 | Habematolel Pomo of Upper Lake | Geary | Robert | May 19, 2023 |
| 4 | Individual | Yeh | Max | May 19, 2023 |
| 5 | Individual | Aranguren | Christina and Bob | May 24, 2023 |
| 6 | Individual | Yeh | Max | May 26, 2023 |
| 7 | Individual | Yeh | Max | May 30, 2023 |
| 8 | Individual | Yeh | Max | June 2, 2023 |
| 9 | Individual | Yeh | Max | June 4, 2023 |
| 10 | Individual | Yeh | Max | June 6, 2023 |
| 11 | Individual | Yeh | Max | June 8, 2023 |
| 12 | MendoMatters | Christina | Aranguren | June 9, 2023 |
| 13 | Individual | Yeh | Max | June 9, 2023 |

The comment letters and emails received and responses to the comments are included in a Response to Comments and Final MND, which is available online at <http://www.mendocinoused.org/> and at the District's office located at 44141 Little Lake Road, Mendocino, CA 95460. In some cases, the comments resulted in minor modifications to the text of the Subsequent MND to clarify project details, impacts, and mitigation measure language. These edits are indicated in strikeout and underline mode in the Final MND, for ease of reference.

Consistency with CEQA Guidelines. The District, serving as the CEQA Lead Agency, prepared a Subsequent MND for the Project in compliance with Section 15162 of the CEQA Guidelines (Subsequent EIRs and Negative Declarations). Section 15162 of the CEQA Guidelines specifies when subsequent documentation is required for project for which either a previously certified EIR or a previously adopted Negative Declaration (inclusive of Mitigated Negative Declarations) has occurred.

The District Board of Trustees previously adopted a Mitigated Negative Declaration for the Project on October 15, 2020 (State Clearinghouse No. 2020080439). In accordance with CEQA Guidelines Section 15162, because the current Project includes modifications from the previously evaluated Project, the District determined that a Subsequent MND should be prepared to determine whether the previous conclusions remain valid considering the current Project. The Subsequent MND included completion of a full environmental review of the Modified Project, including a new Biological Resources Report, Environmentally Sensitive Habitat Analysis, Archaeological Resources Study, Tribal communications, Aquatic Resources Delineation, and Hydrogeologic Study. The Subsequent MND evaluated each environmental topic area and question in the CEQA Guidelines Appendix G Checklist and included new and expanded mitigation measures to address impacts related to the modified improvements.

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Noticing and review periods required by CEQA have been satisfied. The Subsequent MND was completed under the direction and supervision of the District with support from its consultant team and reflects the District's independent judgement and analysis of the potential environmental effects of the Modified Project. The District's Board of Directors has considered the information contained in the Subsequent MND, including comments received during the public review process. Pursuant to its responsibilities as the CEQA Lead Agency for the Project, the District has prepared a Mitigation Monitoring and Reporting Program (MMRP) to ensure compliance with the mitigation measures identified and proposed in the Subsequent MND.

Environmental Determination. On the basis of the evaluation in the Subsequent MND together with comments received to date during the public review process, it is determined that with the mitigation measures that the District has imposed, no significant adverse effects to the environment are expected from the Modified Project. The Modified Project would not have a detrimental effect upon either short-term or long-term environmental goals. The Modified Project would not have impacts which are individually limited but cumulatively considerable, nor have environmental impacts which will cause substantial adverse effects upon human beings, either directly or indirectly.

Next Steps. Next steps include consideration of implementing staff recommendations to adopt the Subsequent MND and MMRP, approve the Modified Project, and file a Notice of Determination with the Mendocino County Clerk and the Office of Planning and Research State Clearinghouse within five business days of Project approval.

JASON MORSE, SUPERINTENDENT
MENDOCINO UNIFIED SCHOOL DISTRICT