

File: 33325
Various

July 26, 2016

Mr. John Baty, Senior Planner
Community Development Department—Planning Division
City of Morgan Hill
17575 Peak Avenue
Morgan Hill, CA 95037

Subject: Morgan Hill 2035 General Plan

Dear Mr. Baty:

Santa Clara Valley Water District (District) has reviewed the Final Environmental Impact Report (FEIR) dated May 31, 2016. The District is a special district with jurisdiction throughout Santa Clara County. The District acts as the county's groundwater management agency, principal water resources manager, flood protection agency and is the steward for its watersheds, streams and creeks, and underground aquifers.

This letter transmits comments in reply to the response to comments in Table 5-1 of the FEIR that focus on the areas of interest and expertise of the District.

The District appreciates the detailed FEIR Responses to our concerns (labeled as Comments RA2 in Table 5-1). We especially appreciate the City's stated interests in consistency between the City's Urban Water Management Plan (UWMP) and General Plan and working with the District on coordinating land use and water supply plans. However, the responses to our comments do not fully address the District's concerns about the water supply reliability analysis in the FEIR. This letter presents some general comments, followed by specific comments on the Response to Comments.

General Comments

1. The future water demand of 13,655 acre-feet (AF) considered in the DEIR, with the underlying assumption of a future 179 Gallon Per Capita Per Day (GPCD) water use, exceeds any demands considered in the City's Urban Water Management Plans, or the District's UWMP or Water Supply and Infrastructure Master Plan by as much as 40%. (See comments RA2-10, RA2-20, RA2-28, RA2-32)
2. The underlying water supply availability assessments and references thereto are erroneously based on the City's pumping capacity, not actual regional water availability that considers competing demands in all hydrologic scenarios. Most of the FEIR



Response comments conclude that supply exceeds demands based on these assessments. Some comments do acknowledge that additional water supply investments and conservation efforts will be needed to meet the demand. However, that is not quantified. (See comments RA2-11, RA2-13, RA2-19, RA2-20, RA2-23)

3. Some of the assumptions regarding water supply and ability to meet demands include the effectiveness in water use reductions by up to 42% during the drought. Short term water restrictions during severe drought are not a sustainable response to long term demand and supply planning. In some cases, it appears that the City's planned long term water conservation is being intermingled with this short term drought response. However, this is not suitable for long term water supply or conservation assumptions. (See comments RA2-13, RA2-21, RA2-24, RA2-30)

Specific Comments

RA2-10: The District's primary concern in this comment is that the demands and potential impacts on groundwater supplies are not appropriately assessed. The EIR Response comments did not resolve the District's concern. The DEIR and FEIR Response uses the Morgan Hill 2010 UWMP as support of sufficient water supplies to meet future demand. However, the DEIR includes a demand (demand year 2035 of 13,655 AF) that is much higher than the 2010 UWMP demand (demand year 2030 of 9,637 AF). The FEIR Response notes that different methodologies are used to estimate demand (including, but not limited to, an interim GPCD of 179, instead of the 2020 GPCD of 159), and that the City is committed to long term, ongoing water consumption reduction and conservation. In which case, the GPCD of 159 is more appropriate and consistent with the UWMP. The FEIR does not resolve the conflicting demands and continues to support the use of the higher GPCD, which does not consider increased water use efficiency. Therefore, the comment does not appear responsive to the District's concern. In addition, as noted in the comments below, the District has concerns with the water supply reliability methodology as well, which was not sufficiently addressed.

RA2-11: The District's primary concern in this comment is the insufficient water supply assessment used to support available supply for future demand. The concern is in reference to the DEIR's use of groundwater pumping capacities of the City's wells to determine adequate supplies, rather than evaluating the actual supplies available in the demand years. The EIR Response comment acknowledges this by restating the DEIR statement: "*continued pumping at rates that exceed the total groundwater recharge can be harmful to the basins (i.e., subsidence, etc.)*". The EIR Response attempts to address this concern by stating that the City is "*...committed to additional focus on monitoring groundwater levels and implementing water conservation strategies before water levels become dangerously low.*" While the District appreciates the City's commitment to implementing water use reductions during shortages, the response does not appear to address the potential average year shortfall between supplies and demands. It appears to only address dry year actions.

The FEIR Response comment goes on to support the DEIR analysis by making reference to the use of the UWMP as a foundational document for compliance with both SB 610 and SB 221 (in accordance with the California Department of Water Resources in the Guidebook for Implementation of Senate Bill 610 and Senate Bill 221 of 2001). However, since the cited 2010 UWMP uses well capacity in the supply analysis and includes lower demand projections than those in the DEIR (see above under RA2-10), the District does not believe the UWMP adequately provides the foundation and support of the FEIR for an adequate future water supply to meet projected demand.

The FEIR does not include revised analysis in light of the acknowledgement of the deficiencies in the well capacities to establish supply reliability. However, we understand from other discussions with Morgan Hill staff that the Final 2015 UWMP will include a more appropriate analysis of water supply availability by subbasin and a lower water demand predicated on the City's continued water use efficiency efforts.

RA2-13: The District's primary concern in this comment is the conclusion of the DEIR that there is sufficient water supply, given the demand, in all year types. The FEIR Response comment refers the reader to pages 4.15-16 through 4.15-21 of the DEIR. Page 4.15-16 to 17 of the DEIR refer to the supply and demand assumptions we question in RA2-10 and RA2-11 and, thus, does not appear to be responsive. Furthermore, Page 4.15-17 also refers to the short-term water use reductions achieved during mandatory water restrictions due to the drought (*"Water conservation is the easiest, most efficient and most cost-effective way to quickly reduce water demand and extend supplies into the next year, providing flexibility for all communities. The City has demonstrated its ability to conserve voluntarily in times of drought."*). While the District supports water conservation to reduce long term demand and the City's achievements during the drought on short term reductions have been commendable, the reference to water saved during the drought is not a suitable approach to long term water supply reliability to meet increasing demand. Rather, this approach is a water shortage contingency response to serious water shortage during times of drought. We expect that City would want to minimize these shortage restrictions rather than rely on them for long-term supply planning purposes.

The referenced page continues with *"The City also plans to add new supply wells, if necessary, as the City continues to grow and the demand requirements continue to increase. However, as noted above, the current drought has reduced groundwater levels in the City's wells between 2011 and 2015."* Adding new wells does not increase the actual groundwater supplies, it only increases pumping capacity. Furthermore, this statement shows that pumping capacity is not the solution in multiple dry years. The referenced water supply methodologies do not adequately evaluate long-term water supply reliability, particularly with increasing demands.

The subsequent pages referenced in the FEIR Response (last paragraph on 4.15-17 through 4.15-21) reference GP Goals and Policies, and applicable regulations in support of enhancing water supply and conservation and begin with this statement:

"...proposed goals, policies, and actions in Chapter 9, Safety, Services and Infrastructure Element, and Chapter 8, Natural Resources and Environment Element of the proposed General Plan would enhance water supply and conservation"

The District supports the referenced policies, in particular:

Policy SSI-14.2 Water Conservation. Support water conservation measures that comply with state and federal legislation and that are consistent with measures adopted in the Urban Water Management Plan.

Policy SSI-14.3 SB-X7-7. Implement water conservation policies contained within Morgan Hill's Urban Water Management Plan to achieve 20 percent per capita water reductions by 2020.

However, the use of the interim SB-X7-7 target of 179 GPCD (see first comment in RA2-10) in the DEIR is in conflict with these policies. In addition, while the policies are well intentioned, the DEIR and the GP Policies do not present a quantifiable strategy to enhance water supply to meet demand, nor a quantifiable demand management program to increase water use efficiency (i.e. conservation) to reduce demand.

RA2-19. The District's primary concern in this comment is the incorrect conclusion of the DEIR that groundwater supply is equal to the City's maximum well capacity (see also RA2-11 comments above). The FEIR Response simply quotes the 2010 UWMP stating: "Since the basins are not adjudicated, the maximum supply available to the City is its maximum pumping capacity." The District believes that this conclusion is incorrect. There is no support to the conclusion that groundwater is available to meet maximum pumping capacity in all demand years. Groundwater availability is much more complicated than the ability to simply extract water. In fact, previous FEIR Responses noted that this is not a sustainable approach and that groundwater levels have fallen considerably in the recent drought. Furthermore, this conclusion does not consider the cumulative effects on continuous long term pumping at capacity and also it does not take into account non-city demands on the groundwater subbasin such as Gilroy and agricultural demands.

RA2-20: The District states two concerns: 1. "*Groundwater levels may decline during droughts and reduce the amount the City can pump...*"; and 2. "*... demands provided in the DEIR are from the City's 2010 UWMP and do not necessarily reflect the demands associated with the General Plan update and RDCS*". The FEIR Response is to cite its responses to RA2-10. The District noted its concerns in its comments on RA2-10 above.

RA2-23: The District's primary concern in this comment is the incorrect conclusion of the DEIR that groundwater supply is equal to the City's maximum well capacity. Further we noted that supply depends on other demands and recharge. The FEIR Responses do not address other users' demands and the long-term balance between supplies and demands. See also our comments under RA2-11 and RA2-19 above.

RA2-27: The District's primary concern of this comment is the conclusion that existing supplies are sufficient as stated on Page 4.15-20: *"The experience of the past four years of drought demonstrates that sufficient water supplies would be available to serve the proposed General*

Plan from existing entitlements and resources and new or expanded entitlements would not be required during single- and multiple-dry years". The FEIR Response includes the possible future need for expanded water supply and distribution facilities in Morgan Hill by citing the District's 2010 UWMP and its 2012 Water Supply and Infrastructure Master Plan (WSIMP). While we appreciate using District published studies as support, the District believes the City should also have a water supply assessment that is specific to its supplies and demand projections as identified in the GP and DEIR.

RA2-28 This District's concern with RA2-28 is the reference of sufficient supply determination in the City's UMWP, which includes a lower demand assumptions than the GP DEIR, and the inference that supplies were sufficient during the drought (Page 4.15-24- *"The last four years of drought have demonstrated that existing water supplies from the City's well system, along with replenishment of groundwater via natural precipitation infiltration, and SCVWD's releases from local reservoirs and imported water, were sufficient to serve the City during the current multiple-year drought period."* The FEIR Response comment states that the DEIR uses the 2010 UWMP supply analysis, but evaluates demand based on the GP. The response does not address the issue that you cannot infer sufficient supply based on a) a water supply assessment using lower demands, or b) on conditions that required water use restrictions to demands.

RA2-32 The District's primary concern with RA2-32 is that District's UWMP and WSIMP do not include all demands proposed in the GP, and therefore, more supplies or investments may be needed. The FEIR Response makes many statements about the demand assumptions. However, it does not acknowledge that the GP demands are higher than what the District has assumed in any analysis. In fact, the demands in these reports for the City are the demands in the City's 2010 UWMP. Furthermore, the FEIR Response again references water reductions in the current drought. As stated above, drought restricted water reductions are not useful or sustainable considerations for long term water conservation assumptions or water reliability assessments. The District's planning policies are to avoid water use reductions in drought of more than 10% and have sufficient supplies in normal years to meet normal year demands. Lastly, the FEIR Response against cites the overly conservative GPCP value of 179. The City's UWMP assumes a 2020 target of 159, in accordance with SB-X7-7.

We look forward to a response to our comments. If you have any questions or would like to discuss our comments further, you may contact me at (408) 630-2319, or by e-mail at

Mr. John Baty
Page 6
July 26, 2016

yarroyo@valleywater.org. Please reference District File No. 33325 on future correspondence regarding this project.

Sincerely,



Yvonne Arroyo
Associate Engineer
Community Projects Review Unit

cc: S. Tippetts, S. Yung, V. De La Piedra, J. De La Piedra, T. Hemmeter, C. Tulloch,
Y. Arroyo, File

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