NOTICE OF PREPARATION

TO PREPARE AN ENVIRONMENTAL IMPACT REPORT FOR THE GENERAL PLAN AMENDMENTS FOR THE WALKER BASIN RESTORATION PROGRAM WATER TRANSACTIONS



LEAD AGENCY: Mono County Community Development Department Post Office Box 347 ◆ Mammoth Lakes, California 93546 Contact: Wendy Sugimura 760.924.1814

NOP ISSUED:	April 23, 2019
NOP COMMENTS DUE:	May 31, 2019
SCOPING MEETING:	May 7, 2019

Date: April 23, 2019

To: Interested Parties

Subject: Notice of Preparation of an Environmental Impact Report assessing General Plan Amendments related to a water transaction program

1. PURPOSE OF THE NOTICE OF PREPARATION

Plan to Prepare EIR: As Lead Agency, the Mono County Community Development Department ("the County") will prepare an Environmental Impact Report (EIR) to analyze potential environmental impacts associated with the implementation of General Plan amendments that would regulate water transactions associated with the operation of the Walker Basin Restoration Program (WBRP) in Mono County.

The County has determined that an EIR will be required because the water transactions that could be implemented under the proposed amendments may cause potentially significant impacts on the environment. Request for Comments: Consistent with the California Environmental Quality Act (CEQA) § 15082, the County has prepared this Notice of Preparation (NOP) to invite your comments as to the scope and content of environmental information to be provided in the forthcoming EIR. CEQA § 15082 requires that the NOP be sent out as soon as the Lead Agency determines that an EIR is required. The purpose of the NOP is to notify agencies, organizations, and individuals that an EIR will be prepared, and to request input on the scope of the environmental analyses to be provided.

In particular, the County is requesting comments from interested agencies, organizations, and individuals on the following aspects of the project:

- Permits & Approvals: Permits & approvals that may be required from your agency & CEQA review requirements associated with those approvals;
- Thresholds of Significance & Issues: Thresholds of Significance for assessing impacts on resources and the potentially significant effects to be examined;

- *Alternatives:* Alternatives to the proposed General Plan amendment updates that merit evaluation in the forthcoming EIR;
- Related Projects: Related projects or actions that should be considered in assessing cumulative effects;
- *Reference Materials:* Reference materials that should be reviewed to set forth baseline conditions or evaluate potential project impacts or mitigation measures; and
- Scope and Content: The scope and content of planning studies and initiatives to be evaluated in the forthcoming EIR.

2. NOP CONTENTS

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3. PUBLIC SCOPING MEETING

NOTICE IS HEREBY GIVEN that the County will hold two public scoping meetings to solicit agency and public input on the scope of the environmental analyses to be included in the EIR. The first meeting will be held on May 7, 2019, as part of the Mono County Board of Supervisors meeting at 1:00 pm in the County Courthouse in Bridgeport, CA. The second meeting will be held on May 7, 2019, with the Antelope Valley Regional Planning Advisory Committee at 6:00- 8:00 pm in the Antelope Valley Community Center at 442 Mule Deer Road in Walker, California. Written comments received in the public meeting regarding the environmental analysis will be considered in preparing the EIR.

NOTE: Please let us know if you want to receive copies of environmental documents so that your name can be included on the Distribution List. Note that the County plans to use online posting and 'CD' copies of environmental documents as much as possible. If you would prefer to receive a hardbound copy of the EIR (at a nominal charge), please note this in your comments.

4.BACKGROUND

Purpose of Walker Basin Restoration Program:

Under Public Law 111-85, the WBRP is charged with restoring and maintaining Walker Lake, a terminal lake in western-central Nevada, as well as protecting agricultural, environmental, and habitat interests consistent with that primary purpose. The WBRP includes priority initiatives in the areas of water rights acquisitions from willing sellers, demonstration water leasing, conservation and stewardship, research and evaluation, and implementation support. The program is managed by the Walker Basin Conservancy (WBC), a nonprofit organization established in 2014 to further the restoration and conservation of Walker Lake and the wider Walker River Basin. WBRP funds are provided to WBC under a grant agreement with the Bureau of Reclamation (Reclamation) and its Desert Terminal Lakes program.

Current Water Acquisition Strategies: The WBRP has, so far, acquired approximately 11,000 acres of water-righted land in Mason and Smith Valleys in Nevada. The land has been retired from agricultural use and the consumptive portion of the water right is being returned to Walker Lake. In addition, Walker River Irrigation District (WRID) is tasked with operating a 3-year leasing demonstration program and would acquire surplus storage water to transfer to the lake.

Mono County Role in the Program: In 2012, the County entered into a Memorandum of Understanding (MOU) with National Fish and Wildlife Foundation (NFWF), the predecessor to the WBC, for the management of the WBRP. The MOU gives the County the discretionary right to review

and approve or deny the implementation of a water transfer transaction program in the Mono County portion of the Walker Basin.

In 2015, as part of the updated Conservation and Open Space Element, the County adopted General Plan Policy 3.E.4, which requires the County to "evaluate participation in the Walker Basin Restoration Program."

The associated Action 3.E.4.a . requires the County to determine if and how it may be possible for the County to participate in the program and requires a full CEQA review of possible transactions. In addition, Action 3.E.4.b requires that participation is consistent with General Plan policies.

5. PURPOSE OF GENERAL PLAN POLICY AMENDMENTS

In response to the above described County policy, the County has identified potential conflicts between water transactions, including those currently being undertaken as part of the WBRP, and current General Plan polices.

The proposed General Plan amendments would be required to address potential conflicts between WBRP transactions and County policies. The amendments are described in Attachment A.

6.PROJECT DESCRIPTION: ANALYSIS OF GENERAL PLAN AMENDMENTS AND WBRP TRANSACTIONS

The project that will be evaluated in the EIR consists of the new policies and actions that could amend the General Plan (project) in response to WBRP transactions. The amendments would be necessary to avoid or reduce potential conflicts between the transfer of water out of County and the County's opens space and conservation goals.

The following types of water transactions are being evaluated in the EIR:

 Long-term leasing (2 or more years), and/or permanent transfer of, storage rights or of decree flow rights that include the acquisition of the associated water-righted land;

- 2. Temporary lease of decree flow rights for no more than 1 year; and
- 3. Purchase of surplus storage water.

Following preliminary analysis, the separation of flow rights from the water-righted land is viewed as too risky for the future management of County agricultural, wetland, and biological resources. Consequently, the project would explicitly preclude the WBRP from entering into flow rights only transactions.

7. ALTERNATIVE AMENDMENT STRATEGIES

The County has developed alternative amendment strategies that will be analyzed in the EIR. The alternative amendments consist of General Plan policy amendments related to different combinations of water rights transactions. The text of the alternative amendments are included in Attachment A. The following transaction strategies and their policies and actions will be assessed as alternatives to the project :

- A. Sale of surplus storage water only
- B. Temporary lease of flow rights for no more than 1 year
- C. Prohibit all water transactions

The County conducted a preliminary evaluation of the environmental effects of the different types of water transactions and related policies and actions. The County's preferred alternative is to adopt the policies and actions that would allow:

D. Sale of storage water and temporary lease of flow rights for no more than 1 year

All alternatives will be analyzed to the same level as the Project.

8. PURPOSE AND SCOPE OF EIR

Purpose of EIR: Adoption and implementation of the proposed General Plan amendments by the County are considered discretionary actions and are, therefore, subject to analysis under CEQA. The primary purpose of an EIR is to inform decisionmakers and the public of the potential significant environmental effects that may be associated with implementation of the Project, and to identify and set forth less damaging alternatives, and possible

ways to reduce or avoid the possible environmental damage.

Proposed Scope of EIR: The County prepared an Initial Study, pursuant to CEQA, to determine whether, based on substantial evidence, the adoption and implementation of the Project may have a significant adverse effect on the environment. The Initial Study is available on the County website at the following location:

https://www.monocounty.ca.gov/planning/page/wal ker-basin-water-leasetransfer

Based on the analysis in the Initial Study, the County will prepare a Focused EIR to evaluate potentially significant environmental effects of the Project. The environmental review in the EIR will focus on the topics for which potentially significant impacts may occur as a consequence of the Project ; the topics are listed below:

- Aesthetics
- Agriculture and Forestry Resources
- Air Quality
- Biological Resources
- Hydrology and Water Quality
- Land Use and Planning
- Recreation
- Tribal Cultural Resources

The EIR will also identify mitigation measures to reduce effects determined to be significant. Alternatives to the project will also be addressed.

9. LEAD AND RESPONSIBLE AGENCIES

Lead Agency: Mono County is the designated Lead Agency for the project. In order to implement the project, the County will be required to certify that the Final EIR has been prepared in compliance with CEQA, approve the proposed General Plan amendments (Preferred Alternative or another alternative), approve the proposed Mitigation Implementation and Reporting Program, adopt findings, and verify that water supplies are adequate to serve the project.

Responsible Agencies: The General Plan amendments addressed in this EIR would not be subject to permits from responsible or trustee agencies. Specific transactions that may be implemented if these policies are approved, would require permits from the State Water Resources Control Board and review by the California Department of Fish and Wildlife. Any action that could affect federally-listed species would also require a permit from the U.S. Fish and Wildlife Service.

10. PROJECT LOCATION

The project location encompasses the Walker Basin in Mono County, including Antelope Valley, Bridgeport Valley, and all connected tributaries, lakes, and reservoirs.

The County is located in east-central California, on the eastern slopes of the Sierra Nevada mountains. The county covers approximately 3,030 square miles of land area, but is sparsely settled, with a 2010 population of 14,202. More than half of the County's residents reside in the town of Mammoth Lakes (the only incorporated city). The remaining residents live in unincorporated communities that include Antelope Valley, Swauger Creek/Devil's Gate, Bridgeport Valley, Mono Basin, June Lake, Mammoth vicinity, Upper Owens, Long Valley, Wheeler Crest, Tri-Valley, Benton Hot Springs Valley, and Oasis.

The County shares a long common boundary with the state of Nevada, and also borders four Nevada counties (Douglas, Lyon, Mineral and Esmeralda) and five California counties, including the counties of Inyo, Fresno, Madera, Tuolumne, and Alpine. Bridgeport is the Mono County seat.

11. HOW TO PROVIDE COMMENTS ON THIS NOP

NOTICE IS HEREBY GIVEN that this Notice of Preparation of an EIR is issued on April 23, 2019, beginning a 38-day comment period, ending on May 31, 2019, to solicit input on the scope of the environmental analyses to be included in the EIR. This NOP may be obtained from the County website at:

https://www.monocounty.ca.gov/planning/page/wal ker-basin-water-leasetransfer.

Please send your responses to this NOP by email, by postal mail, by fax, or by hand delivery. Addresses and contact information are provided below:

Mono County Community Development Department Post Office Box 347 • Mammoth Lakes, California 93546 Care of: Bentley Regehr E-Mail: bregehr@mono.ca.gov Telephone: 760.924.4602 • Fax #: 760.924.1801 For Hand Delivery: 437 Old Mammoth Rd., Suite P Minaret Village Mall

Comments should be limited to assisting the County in identifying the range of policies, alternatives, mitigation measures, and potential significant environmental effects to be analyzed in the EIR, and to eliminate issues that do not need to be evaluated in depth. Please include the name, telephone number and address of a contact person so that we can follow up if questions arise. Translation services are available upon request.

12. DEADLINE TO SUBMIT COMMENTS

Due to the time limits mandated by state law, your response to this Notice of Preparation (NOP) must be sent at the earliest possible date and **no later than May 31, 2019** (38 days from posting of this notice). All comments received after the above deadline will not be accepted unless the County determines otherwise.

Attachment A

PROJECT DESCRIPTION

Mono County proposes to amend the General Plan. The amendments would add new policies and actions to the Conservation/Open Space Element of the General Plan. The amendments would allow water transactions to support the WBRP. The proposed additional policies, actions, and potential transactions are described below.

Project Description: Policy Amendments That Would Allow Long-term Leasing, Permanent Transfer, Temporary Lease, and Purchase of Surplus Storage Water

The Project Description would include General Plan amendments that would allow:

- 1. Long-term leasing (2 or more years), and permanent transfer of storage rights or of decree flow rights that include the acquisition of the associated water-righted land;
- 2. Temporary lease of decree flow rights for no more than 1 year; and
- 3. Purchase of surplus storage water.

This Project Description would prohibit WBRP from entering into water rights only transactions that would separate water rights from land. All other transaction types would be permissible.

Potential Policy and Action Additions to the General Plan Conservation/Open Space Element

Existing Policy Objective: 3.E:

Encourage the beneficial use of water resources while protecting local water users and biological resources from the adverse effects of water transfers.

Existing Policy 3.E.4:

Evaluate participation in the Walker Basin Restoration Program (WBRP).

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.c – Require the following information to help the assessment of potential impacts prior to entering into long-term water transactions including permanent transfer and long-term leasing of decree flow water rights and storage rights:

- a) Quantify consumptive use and complete water budgets based on real flow measurements for both Bridgeport and Antelope Valleys, including diversion and return flow timing, location, and volume.
- b) Investigate shallow groundwater levels, movement, and interactions with existing irrigation regimes in both Bridgeport and Antelope Valleys.
- c) Canvas and identify willing sellers.

Rationale for adding/benefit: This action will ensure that the information informing transactions in Mono County is equivalent to that which has been developed for the Mason and Smith Valleys. Understanding the value, cost and benefits of the water available for transactions, will help ensure that other water users will not be adversely impacted by reduction or cessation of irrigation, or reduction in diverted water.

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.d – Prior to permanent transfer or lease of water rights for more than one consecutive year, the project must demonstrate that:

- a. The transaction avoids potential significant impacts to local surface and groundwater resources, or mitigates impacts to a level of non-significance, unless a statement of overriding considerations is made through the EIR process.
- b. Transactions with the potential to significantly impact surface or groundwater resources shall assess any potential impacts prior to project approval.
 Examples of potential significant impacts include:
 - i. Substantially degrading or depleting surface or groundwater resources; and/orii. Interfering substantially with groundwater recharge.
 - The analysis shall:
 - i. Be funded by the applicant;
 - ii. Be prepared by a qualified person under the direction of Mono County;
 - iii. Assess existing conditions in the general project vicinity;
 - iv. Identify the quantity of water to be used by the project. Quantities shall be estimated for annual totals, monthly averages, and peak day/peak month usage;
 - v. Identify the source(s) of water for the project and provide proof of entitlement to that water. If the proposed source is to be a special district or mutual water system, a "will-serve" letter shall be required. If the proposed source is ground or surface water, the application shall indicate that the proponent has entitlement to the source and the quantity of water required;
 - vi. Describe the impacts of the proposed development upon water resources within the project site and on surrounding areas, including a drawdown analysis of groundwater (when applicable) through pump test(s); and
 - vii. Recommend project alternatives or measures to avoid or mitigate impacts to water resources.

Mitigation measures and associated monitoring programs shall be included in the project plans and specifications and shall be made a condition of approval for the project.

- c. The proposed transaction does not affect reasonable beneficial water uses, including uses in-stream, agricultural operations, and recreational purposes, within the Mono County portion of the Walker Basin; and
- d. The proposed transaction would not adversely affect water quality, in-stream flows, lake levels, riparian areas, vegetation types, sensitive/rare wildlife and habitat, and related resources such as the visual quality and character of the landscape; and is not likely to increase indirect effects such as flooding, wildfire, and/or sedimentation, or reduce groundwater recharge capacity. Transactions that do not adequately protect these resources shall be denied.
- e. The transaction will not lead to substitution of groundwater for surface water in any activities for which surface water is currently used.

Rationale for adding/benefit: This action is designed to ensure that the WBRP does not enter into any transaction without assuring the County that beneficial uses, sensitive resources and groundwater are protected.

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.e – For each water transfer transaction for Walker Lake, the land owner shall develop an adaptive management plan. The plan shall ensure consistency with General Plan goals and objectives.

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The plan should, at minimum, include baseline assessment of resources, monitoring criteria, and adaptive management measures to ensure the following:

- a. No groundwater substitution will be used to maintain baseline or agreed upon conditions.
- b. Water quality impacts are minimized, avoided, and mitigated.
- c. No net loss of wetland.
- d. No significant loss of non-agricultural sensitive vegetation communities or change from one type of community to a drier community.
- e. No significant loss of habitat for sensitive species.
- f. Invasive and pest species and dust are managed to ensure no increase.

Rationale for adding/benefit: An adaptive management plan would ensure that no unforeseen adverse impacts to protected resources could occur following cessation or reduction in irrigation.

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.f – Prior to sale of storage water, the applicant must demonstrate that the proposed transaction does not adversely affect existing recreational uses of lakes and reservoirs within the Mono County portion of the Walker Basin.

Rationale for adding/benefit: This action is designed to ensure that the WBRP does not enter into any transaction without assuring the County that beneficial recreational uses associated with existing lakes and reservoirs are protected.

AMENDMENT

Recommended New Policy and Action

Policy 3.E.5. Identify WBRP water rights transactions that are permissible within the County.

Action 3.E.5.a – The risk of water decree flow rights only transactions (i.e., the transfer of flow rights without the transfer of associated land) to County environmental resources is considered too great. The County shall prohibit WBRP from decree flow rights only water acquisitions.

Rationale for adding/benefit: All transfers of water rights without the associated land represent too great a risk or the risk is too unpredictable for County resources.

ALTERNATIVES

The following amendments and related transaction types would be analyzed as alternatives to the Project Description.

Alternative A: Amendments That Would Allow Sale of Surplus Storage Water Only

Alternative A would include General Plan amendments that only allow sale of surplus storage water.

Recommended Policy and Action Amendments to the General Plan Conservation/Open Space Element

Existing Policy Objective: 3.E.

Encourage the beneficial use of water resources while protecting local water users and biological resources from the adverse effects of water transfers. **Existing Policy 3.E.4**:

Evaluate participation in the Walker Basin Restoration Program (WBRP). AMENDMENT Add to Policy 3.E.4: Action 3.E.4.f – Prior to sale of storage water, the applicant must demonstrate that the proposed transaction does not adversely affect existing recreational uses of lakes and reservoirs within the Mono County portion of the Walker Basin.

Rationale for adding/benefit: This action is designed to ensure that the WBRP does not enter into any transaction without assuring the County that beneficial recreational uses associated with existing lakes and reservoirs are protected.

AMENDMENT

Recommended New Policy and Action

Policy 3.E.5. Identify WBRP water rights transactions that are permissible within the County.

Action 3.E.5.a - The risk of long-term or short-term transfer of water rights out of the County to WBC is considered too great. The County will only permit the WBRP to contract for the acquisition of surplus storage water.

Rationale for adding/benefit: Would require minimal analysis and no further study by the WBRP or the County.

Alternative B: Amendments That Would Allow Temporary Lease of Flow Rights for No More Than One Year

Under Alternative B, the County would define amendments that would only allow one-year leases of flow water rights.

Recommended Policy and Action Additions to the General Plan Conservation/Open Space Element

Existing Policy Objective: 3.E:

Encourage the beneficial use of water resources while protecting local water users and biological resources from the adverse effects of water transfers.

Existing Policy 3.E.4:

Evaluate participation in the Walker Basin Restoration Program (WBRP).

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.e – For each water transfer transaction for Walker Lake, the land owner shall develop an adaptive management plan. The plan shall ensure consistency with General Plan goals and objectives. The plan should, at minimum, include baseline assessment of resources, monitoring criteria, and adaptive management measures to ensure the following:

- a. No groundwater substitution is required to maintain baseline or agreed upon conditions.
- b. Water quality impacts are minimized, avoided, and mitigated.
- c. No net loss of wetland.
- d. No significant loss of non-agricultural sensitive vegetation communities or change from one type of community to a drier community.
- e. No significant loss of habitat for sensitive species.

f. Invasive and pest species and dust are managed to ensure no increase.

Rationale for adding/benefit: An adaptive management plan would ensure that no unforeseen adverse impacts to protected resources could occur following cessation or reduction in irrigation.

AMENDMENT

Recommended New Policy and Action

Policy 3.E.5. Identify WBRP water rights transactions that are permissible within the County.

Action 3.E.5.a - The County shall prohibit WBRP from leasing flow rights for more than 1 year and permanent acquisitions of water rights and/or land within the County because the risk to County environmental resources is considered too great. Temporary leasing of flow rights shall be permitted provided that the lease is for no more than 1 year, and for no more than 3 non-consecutive years from the same water right.

Rationale for adding/benefit: Would require minimal analysis and no further study by the WBRP or the County.

Alternative C: No Project/Prohibit Water Transactions

The Prohibit Water Transactions alternative would include adding the following General Plan Policy:

Recommended Policy and Action Additions to the General Plan Conservation/Open Space Element Existing Policy Objective: 3.E:

Encourage the beneficial use of water resources while protecting local water users and biological resources from the adverse effects of water transfers.

AMENDMENT

Recommended New Policy and Action

Policy 3.E.5. Identify WBRP water rights transactions that are permissible within the County.

Action 3.E.5.a – The County shall prohibit all WBRP acquisitions of water and water rights because the risk to County environmental resources is considered too great.

Rationale for adding/benefit: All transactions represent unacceptable or unpredictable risks to County resources.

Alternative D: Amendments that would Allow Sale of Storage Water and Temporary Lease of Flow Rights for No More than One Year

The County would define amendments that would allow WBC to enter into temporary transfers of flow rights for one year and/or sale of storage water. No permanent sale of water rights or land to WBC would be approved.

Recommended Policy and Action Amendments to the General Plan Conservation/Open Space Element

Existing Policy Objective: 3.E:

Encourage the beneficial use of water resources while protecting local water users and biological resources from the adverse effects of water transfers.

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Existing Policy 3.E.4:

Evaluate participation in the Walker Basin Restoration Program (WBRP).

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.e – For each water transfer transaction for Walker Lake, the land owner shall develop an adaptive management plan. The plan shall ensure consistency with General Plan goals and objectives. The plan should, at a minimum, include a baseline assessment of resources, monitoring criteria, and adaptive management measures to ensure the following:

- a. No groundwater substitution is required to maintain baseline or agreed upon conditions.
- b. Water quality impacts are minimized, avoided, and mitigated.
- c. No net loss of wetland.
- d. No significant loss of non-agricultural sensitive vegetation communities or change from one type of community to a drier community.
- e. No significant loss of habitat for sensitive species.
- f. Invasive and pest species and dust are managed to ensure no increase.

Rationale for adding/benefit: An adaptive management plan would ensure that no unforeseen adverse impacts to protected resources could occur following cessation or reduction in irrigation.

AMENDMENT

Add to Policy 3.E.4:

Action 3.E.4.f – Prior to sale of storage water, the applicant must demonstrate that the proposed transaction does not adversely affect existing recreational uses of lakes and reservoirs within the Mono County portion of the Walker Basin.

Rationale for adding/benefit: This action is designed to ensure that the WBRP does not enter into any transaction without assuring the County that beneficial recreational uses associated with existing lakes and reservoirs are protected.

Existing Policy Objective: 3.E.:

Encourage the beneficial use of water resources while protecting local water users and biological resources from the adverse effects of water transfers.

AMENDMENT

Recommended New Policy and Action

Policy 3.E.5. Identify WBRP water rights transactions that are permissible within the County.

Action 3.E.5.a - The County shall prohibit WBRP from leasing flow rights for more than one year, and from permanent acquisitions of water rights and/or land within the County because the risk to County environmental resources is considered too great. Temporary leasing of flow rights shall be permitted provided that the lease is for no more than 1 year, and for no more than 3 non-consecutive years from the same water right. Sale of storage water shall be permitted.

Rationale for adding/benefit: Permanent transfer of land and/or water rights to the WBC results in unacceptable or unpredictable risks to County resources.