

**ADDENDUM TO FINAL ENVIRONMENTAL IMPACT STATEMENT/ENVIRONMENTAL
IMPACT REPORT (EIS/EIR) FOR THE PROPOSED SANTA MARGARITA RIVER
(SMR) CONJUNCTIVE USE PROJECT (CUP)**

**Prepared by
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1. Introduction:

The U.S. Marine Corps (USMC), U.S. Department of the Interior, Bureau of Reclamation (Reclamation), and the Fallbrook Public Utility District (FPUD) prepared a Final Environmental Impact Statement/Environmental Impact Report (EIS/EIR) for the proposed Santa Margarita River (SMR) Conjunctive Use Project (CUP) (proposed project) in compliance with the National Environmental Policy Act (NEPA) and the California Environmental Quality Act (CEQA).

The FPUD is the CEQA lead agency for the proposed project, and the FPUD Board of Directors certified the final Environmental Impact Report, adopted the Project Mitigation and Reporting Requirements and adopted the Findings of Fact at the September 26, 2016 regular board meeting.

The U.S. Marine Corps (USMC), U.S. Department of the Interior, Bureau of Reclamation (Reclamation), and the FPUD are proposing to construct and operate the proposed project. The proposed project would enhance groundwater recharge and recovery capacity within the Lower SMR Basin and develop a conjunctive use program that would increase available water supplies for the benefit of Marine Corps Base (MCB) Camp Pendleton and FPUD.

The proposed project is located in the northwest corner of San Diego County, on the southwest coast of California. The proposed project area includes the geographic boundaries of MCB Camp Pendleton, Naval Weapons Station Seal Beach Detachment (DET) Fallbrook, and the FPUD service area. The proposed project includes the construction and use of facilities primarily within the boundaries of the SMR watershed.

The proposed project would construct facilities within the lower SMR Basin to capture additional surface runoff during high streamflow events that currently flows out to the Pacific Ocean. This surface water would be used to recharge groundwater through existing groundwater percolation ponds and stored or "banked" in groundwater basins during wet years and used to augment water supplies during dry years, reducing reliance on imported water. Specifically included are improvements to the diversion works and increased capacity of the headgate and the O'Neill Ditch; improvements to seven existing percolation ponds; installation of new groundwater production wells and gallery wells; treatment of water at an existing, expanded, or new water treatment plant

(WTP); and a bidirectional pipeline to deliver water to FPUD and provide MCB Camp Pendleton with an off-base water supply during drier than normal conditions or emergency situations. The majority of improvements would occur on MCB Camp Pendleton.

2. Project Modification Description:

Since the approval of the original project (as described in Section 1 of this addendum), a minor project modification has occurred that needs to be addressed within the context of CEQA and the State CEQA Guidelines. **Fallbrook Public Utility District** is proposing to obtain financial assistance for the approved project through the competitive Local Resources Program (LRP) that is administered by The Metropolitan Water District of Southern California (Metropolitan). The LRP provides a funding mechanism to public and private water utilities 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.

Key objectives of the LRP are to:

1. Assist local projects that improve regional water supply reliability and avoid or defer Metropolitan capital expenditures;
2. Emphasize cost-effective participation in developing local water resources;
3. Schedule project production to meet periodically updated IRP local resource targets; and
4. Minimize administrative cost and complexity.

As part of a consortium of agencies participating in the LRP process, **Fallbrook Public Utility District** is proposing to partner with Metropolitan ("proposed project modification") in conjunction with the **Santa Margarita River (SMR) Conjunctive Use Project (CUP)**. As the Lead Agency, Fallbrook Public Utility District has prepared this addendum to the previously **certified EIR/EIS** 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:

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.

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 the **EIR/EIS** as originally prepared by the Lead Agency. This addendum has been prepared to address this minor change in the Proposed Action and Alternatives section of the **EIR/EIS**.

In light of the foregoing discussion in the project description, starting on page 2-3, in section 2.3 Proposed Action in the **EIR/EIS**, after table 2.3-1, the following text is hereby added:

*On **March 8, 2018** the **San Diego County Water Authority** submitted the proposal on the **Santa Margarita River (SMR) Conjunctive Use Project (CUP)** to Metropolitan. As the Responsible Agency, Metropolitan's Board of Directors will review and consider the proposal and environmental documentation prepared by **Fallbrook Public Utility District** 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 **Santa Margarita River (SMR) Conjunctive Use Project (CUP)**) would be consistent with Metropolitan's commitment to develop LRP activities that would increase water supply reliability and avoid or defer Metropolitan capital expenditures. 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.

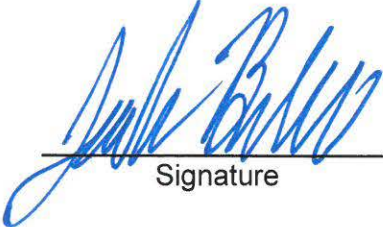
Therefore, no impact to utility and service systems would result from the implementation of the proposed project modification.

4. Basis for Preparation of Addendum:

Section 15164(a) of the State CEQA Guidelines states "The lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred."

The proposed modification to the original project would not result in a tangible change in the physical environment. As the Lead Agency for the proposed project modification, **Fallbrook Public Utility District** is issuing this addendum in accordance with the State CEQA Guidelines (Section 15164). The minor textual additions provided herein are not considered to 1) constitute a substantial change in the project as originally proposed by the **Fallbrook Public Utility District**, 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 prepared as opposed to a negative declaration or a subsequent environmental impact report.



Signature

4/23/18

Date

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Title