CALIFORNIA COASTAL COMMISSION

CENTRAL COAST DISTRICT OFFICE 725 FRONT STREET, SUITE 300 SANTA CRUZ, CA 95060 (831) 427-4863





RECORD PACKET COPY

Administrative Permit Number 3-04-008

Applicant	Pajaro Valley Water Management Agency
Project location	Under the Pajaro River about one-half mile west of Highway One near the City of Watsonville Wastewater Treatment Plant; pipelines straddle Monterey and Santa Cruz Counties (see location on pages 1, 2, and 3 of exhibit A).
Project description.	Install two agricultural irrigation pipelines about 50 feet below the Pajaro River by means of horizontal directional drilling where the portion of the pipelines within the Coastal Commission's retained coastal permit jurisdiction is limited to that portion located between the two river levees (see cross sections on page 4 of exhibit A).
Local approvals	Santa Cruz County permit 04-0258 and Monterey County permit PLN040202.

NOTE: Public Resources Code Section 30624 provides that this administrative coastal development permit shall not become effective until it is reported to the Commission at its next meeting. If one-third or more of the appointed membership of the Commission so request, the application will be removed from the administrative calendar and set for public hearing at a subsequent Commission meeting. Our office will notify you if such removal occurs. This permit will be reported to the Commission at the following time and place:

May 11, 2005, 9:00 AM Bechtel Conference Center, Encina Hall Stanford University, Palo Alto, CA

IMPORTANT: Before you may proceed with development, the following must occur: You must sign the enclosed duplicate copy acknowledging the permit's receipt and accepting its contents, including all conditions, and return to our office (Title 14, California Code of Regulations, Sections 13150(b) and 13158). Following the Commission's meeting, and once we have received the signed acknowledgment and evidence of compliance with all special conditions, if applicable, we will send you a Notice of Administrative Permit Effectiveness. Before you can proceed with development, you must have received both your administrative permit and the notice of permit effectiveness from this office.

PETER DOUGLAS Executive Director

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By: DIANE LANDRY Central Coast District Manager

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EXECUTIVE DIRECTOR'S DETERMINATION: THE FINDINGS FOR THIS DETERMINATION, AND FOR ANY SPECIAL CONDITIONS, APPEAR BELOW.

STANDARD CONDITIONS

- 1. Notice of Receipt and Acknowledgment. The permit is not valid and development shall not commence until a copy of the permit, signed by the permittee or authorized agent, acknowledging receipt of the permit and acceptance of the terms and conditions, is returned to the Commission office.
- 2. Expiration. If development has not commenced, the permit will expire two years from the date on which the Commission voted on the application. Development shall be pursued in a diligent manner and completed in a reasonable period of time. Application for extension of the permit must be made prior to the expiration date.
- **3.** Interpretation. Any questions of intent or interpretation of any condition will be resolved by the Executive Director or the Commission.
- 4. Assignment. The permit may be assigned to any qualified person, provided assignee files with the Commission an affidavit accepting all terms and conditions of the permit.
- 5. Terms and Conditions Run with the Land. These terms and conditions shall be perpetual, and it is the intention of the Commission and the permittee to bind all future owners and possessors of the subject property to the terms and conditions.

SPECIAL CONDITIONS

1. Approved Project. The Approved Project is the proposed project as detailed in the plans and supporting materials in application file number 3-04-008 (including the project description as amended up through and including the modifications to it received April 27, 2005, and through its incorporation of the commitments made a part of it through the Revised Basin Management Plan Project EIR/EIS; the U.S. Fish and Wildlife Service and NOAA Fisheries Biological Opinions; the Department of Fish and Game Streambed Alteration Agreement; the clarifications and commitments identified in Coastal Commission federal consistency certification concurrence number CC-088-04; etc.). All terms, conditions, and requirements that are a part of the Approved Project are enforceable components of this coastal development permit. The Permittee shall undertake development in accordance with the parameters of the Approved Project. Any proposed changes to the Approved Project shall occur without a Commission amendment to this coastal development permit unless the Executive Director determines that no amendment is necessary.

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EXECUTIVE DIRECTOR'S DETERMINATION

The Executive Director hereby determines that the proposed development is a category of development that qualifies for approval by the Executive Director through the issuance of an administrative permit (Public Resources Code Section 30624). Subject to Standard and Special Conditions as attached, said development is in conformity with the provisions of Chapter 3 of the Coastal Act of 1976, and will not have any significant adverse effects on the environment within the meaning of the California Environmental Quality Act.

FINDINGS FOR EXECUTIVE DIRECTOR'S DETERMINATION

1. Basin Management Plan Background

In the coastal areas and throughout much of the groundwater basin of the Pajaro Valley, overdraft conditions have caused groundwater levels to drop below sea level, creating a landward pressure gradient that causes seawater from the Pacific Ocean to move inland, where it mixes with fresh water. Seawater intrusion increasingly is degrading water quality, and limiting the utility of groundwater for agricultural purposes. These conditions are not expected to improve without the elimination of groundwater pumping for agricultural uses in areas adjacent to the coast and development and delivery of additional water supplies to agricultural users. The Pajaro Valley Water Management Agency (PVWMA) was established in 1984 for the purpose of preventing further overdraft of the groundwater basin and halting seawater intrusion.

PVWMA has developed a revised Basin Management Plan Project (BMP Project) which provides for non-potable water to be imported from the inland Central Valley Project (CVP) for distribution almost exclusively to coastal agricultural uses for the purpose of agricultural irrigation and groundwater management (i.e., addressing basin overdraft and seawater intrusion); see overall project site plan on pages 2 and 3 of Exhibit A. As part of the BMP Project, PVWMA will import water supplies to the PVWMA service area from inland CVP facilities, and is also developing a reclaimed water supply and distribution system. The non-potable water to be supplied and distributed is solely for the purposes of supporting agricultural land uses and groundwater management. With the exception of the City of Watsonville reclaimed (tertiary) water facility that has not yet reached a permitting stage and the subject pipeline crossing under the Pajaro River (see below), the rest of the BMP Project in Santa Cruz and Monterey County coastal zones (i.e., that portion that connects to the pipeline in the Commission's jurisdiction) has already been approved, and in some cases installed (Santa Cruz County permit numbers 99-0335 and 04-0258, and Monterey County permit number PLN040202). The entire BMP Project was the subject of federal consistency certification CC-088-04 on which the Commission concurred February 17, 2005.

2. Project Description

As part of the overall BMP Project, PVWMA proposes to install two pipeline segments about 50 feet below the bottom of the Pajaro River by means of horizontal directional drilling (see cross-sections on page 4 of exhibit A). These pipelines would connect on either side of the River to the aforementioned previously permitted pipelines in Monterey and Santa Cruz Counties. Because the Commission retains coastal development permit jurisdiction over the Pajaro River between the two levees from the Highway One bridge to the Monterey Bay, these pipeline segments between the levees are subject to Commission coastal development permit review.

3. Coastal Act Consistency

The Pajaro Valley is one of the preeminent agricultural regions in the state's coastal zone, and Coastal Act policies urge the protection and maintenance of agricultural viability and the prevention of degradation of groundwater basins. As such, the BMP Project's overall goal is consistent with several Coastal Act priorities articulated in the Act. At the same time, importing water raises significant concerns over whether the project will induce growth and urban development, which could harm agricultural viability, and whether it will induce new agricultural activities on lands now not in production and which may contain sensitive wildlife habitat and/or wetlands, or steep slopes on which future activities could increase erosion and sedimentation into the Valley's extensive natural resource complexes.

To address these larger water supply issues, the overall BMP Project includes a series of measures designed to alleviate concerns regarding growth inducement in rural areas, protection of agricultural viability, and protection of habitat and other coastal zone resources. These include provisions that strictly limit project water for agricultural irrigation, that protect against conversion of agricultural lands to urban uses, and that protect against conversion of undeveloped resource lands to non-resource uses. These provisions are the same as were part of Coastal Commission concurrence in consistency determination CC-088-04, and they all apply to this pipeline crossing as well.

In terms of construction of the pipeline segment itself below the Pajaro River, the project includes significant mitigation measures designed to protect Pajaro River habitat during construction (including incorporation of the certified EIS/EIR mitigations, CDFG streambed alteration agreement, USFWS's biological opinion, NOAA Fisheries' biological opinion, detailed spill/frac out monitoring and contingency plans (developed in consultation with the Commission's staff geologist), etc.) and includes restoration of the project area following construction.

Based on the project's incorporated terms, conditions, and requirements (including those applicable to water supply, water use, and construction) and as conditioned to ensure that they are enforceable components of this coastal development permit, the pipeline segments proposed between the Pajaro River levees that are the subject of this application should not have an adverse effect on coastal resources, and will be consistent with Chapter 3 of the Coastal Act.

4. California Environmental Quality Act (CEQA)

Section 13096 of the California Code of Regulations requires that a specific finding be made in conjunction with coastal development permit applications showing the application to be consistent with any applicable requirements of CEQA. Section 21080.5(d)(2)(A) of CEQA prohibits a proposed development from being approved if there are feasible alternatives or feasible mitigation measures available which would substantially lessen any significant adverse effect which the activity may have on the environment.

The Coastal Commission's review and analysis of land use proposals has been certified by the Secretary of Resources as being the functional equivalent of environmental review under CEQA. This staff report

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has discussed the relevant coastal resource issues with the proposal, and has recommended appropriate suggested modifications to avoid and/or lessen any potential for adverse impacts to said resources. All public comments received to date have been addressed in the findings above. All above Coastal Act findings are incorporated herein in their entirety by reference.

As such, there are no additional feasible alternatives nor feasible mitigation measures available which would substantially lessen any significant adverse environmental effects which approval of the proposed project, as modified, would have on the environment within the meaning of CEQA. Thus, if so modified, the proposed project will not result in any significant environmental effects for which feasible mitigation measures have not been employed consistent with CEQA Section 21080.5(d)(2)(A).

ACKNOWLEDGMENT OF PERMIT RECEIPT/ACCEPTANCE OF CONTENTS

I/We acknowledge that I/we have received a copy of this permit and have accepted its contents including all conditions.

Signature of Applicant

Date of signing

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