



If applicable, describe any of the project's areas of controversy known to the Lead Agency, including issues raised by agencies and the public.

The proposed project is the result of Monterey Peninsula voters passing Measure J, as described in more detail in Draft EIR Section 2, Project Description. While 23,757 (53.81 percent) voters were in favor, 18,810 (44.19 percent) were opposed. The project would require the purchase of the MWS, which CalAm has not offered for sale. Therefore, the project would potentially involve establishing a price and procedure for the proposed transfer of assets from CalAm to the District. Additionally, water supply and use in the Monterey Peninsula region has historically been the subject of heightened public interest and disagreement. There is known controversy regarding the assets and water rights that the District could obtain through the proposed project, including the proposed construction of the Monterey Peninsula Water Supply Project (MPWSP) Desalination Plant north of the City of Marina. However, that project has undergone a separate environmental review and the environmental effects of the MPWSP are not within the scope of this EIR. For a description of additional issues raised during the Notice of Preparation comment period, refer to Table 1-1 in Section 1, Introduction of the Draft EIR.

Provide a list of the responsible or trustee agencies for the project.

Discretionary actions required by the District include the following approval: approval by the District Board of Directors for acquisition of the MWS from CalAm. In addition, if the MWS is acquired through a negotiated purchase, the District will need to obtain approval from the CPUC for transfer of ownership and operation of the MWS from CalAm to the District. Local Agency Formation Commission (LAFCO) of Monterey County, acting as a CEQA responsible agency, is anticipated to use the EIR in considering any proposed sphere of influence amendments, annexations of lands into District's jurisdictional boundary, activations of latent services or powers pursuant to Government Code section 56000 et seq., or other similar requested LAFCO approvals that effectuation of the project may entail. Further, per Government Code Sections 56824.10-56824.14, the District also needs to obtain LAFCO approval to exercise its "latent power" to provide retail water service to customers in the entire MWS, which involves submitting and obtaining LAFCO approval for a plan of services, etc. In addition, the Monterey County Department of Environmental Health may review and/or issue permits to the District for the District's operation of a drinking water system. Finally, the Regional Water Quality Control Board and/or SWRCB would review the District's operation of the drinking water system as part of permit issuance in compliance with the Statewide General National Pollutant Discharge Elimination System Permit for Discharges from Drinking Water Systems.