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M E M O R A N D U M

TO:	Robyn Mendoza, State Water Resources Control Board
FROM:	Justin Witt, Senior Environmental Planner, Brelje & Race Consulting Engineers
SUBJECT:	Palomino Estates Water System Improvements Addendum to the 2022 Initial Study/Mitigated Negative Declaration State Clearinghouse No. 2022070069
DATE:	November 16, 2022

OVERVIEW

The Palomino Estates water system is owned and operated by the Palomino Estates Water Company (Water Company) and currently serves 19 connections. The community is located adjacent to the East Branch of the South Fork of the Eel River in southern Humboldt County (Figures 1 and 2). The Water Company is seeking funding from the State Water Resources Control Board (State Water Board), Division of Financial Assistance (DFA) to correct State Water Board, Division of Drinking Water (DDW) identified deficiencies in its existing water system.

Inspections of the water system were conducted by DDW staff in 2018 and 2019. Based on those inspections, a system deficiency letter was issued that identified several issues that need to be addressed. The existing supply source is classified as "groundwater under the influence of surface water" and must be treated in accordance with the requirements set forth in the Surface Water Treatment Rules (SWTR). The existing treatment process is not an approved filtration method under the SWTR. The system also lacks required filter redundancy. The wood roof on the existing cement masonry water storage tank was reported to be in poor condition and appeared to be near the end of its useful life. The other area of the concern was the lack of emergency power facilities that would maintain water production during a prolonged power outage that might occur due to storm damage, wildfires, or planned service power shutdowns.

The project objectives are to correct existing DDW identified deficiencies, increase water storage, increase system efficiency and resilience, and improve firefighting capabilities.

BACKGROUND

The Initial Study/Mitigated Negative Declaration (IS/MND) for the Palomino Estates Water System Improvements Project was completed on July 6, 2022, and a Notice of Intent to Adopt a Mitigated Negative Declaration was circulated, providing for a 30-day public review period beginning July 6, 2022, and extending through August 4, 2022. No comments were received, and the State Water Board, the Lead Agency, posted a Notice of Determination on September 13, 2022.

During preparation of the IS/MND, it was discovered that the water system was operating without benefit of a water right. It was determined at that time that the overall construction project would proceed and that the water right could be addressed with an Addendum to the IS/MND since proposed improvements to the well were included in the IS/MND and water diversions associated

with the well had been ongoing since circa 1967 and would be part of the environmental baseline used to assess potential impacts. This Addendum discusses the potential environmental impacts of application for and issuance of a water right to recognize the ongoing diversions.

ADDENDUM TO THE 2022 IS/MND

Since the 2022 IS/MND was adopted, the State Water Board and the Water Company have identified the need for a water right for the water system. This Addendum has been prepared to assess any potentially significant impacts associated with the water right application and issuance of a water right. An Addendum is defined by CEQA as follows (emphasis added):

> 15164. Addendum to an EIR or Negative Declaration
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> (a) The lead agency or 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.
>
> (b) An addendum to an adopted negative declaration may be prepared if only minor technical changes or additions are necessary or none of the conditions described in Section 15162 [included below] calling for the preparation of a subsequent EIR or negative declaration have occurred.
>
> (c) An addendum need not be circulated for public review but can be included in or attached to the final EIR or adopted negative declaration.
>
> (d) The decision making body shall consider the addendum with the final EIR or adopted negative declaration prior to making a decision on the project.
>
> (e) A brief explanation of the decision not to prepare a subsequent EIR pursuant to Section 15162 should be included in an addendum to an EIR, the lead agency's findings on the project, or elsewhere in the record. The explanation must be supported by substantial evidence.

An Addendum is appropriate here due to the small scale of the proposed project changes (a water right to recognize an on-going water use) and limited potential environmental impacts (as described in this Addendum). Section 15164 (b) specifically indicates an Addendum may be prepared for minor technical changes or additions if conditions in Section 15162 do not exist requiring a subsequent IS/MND, as described below:

> 15162. Subsequent EIRs and Negative Declarations [and Mitigated Negative Declarations]
>
> (a) When an EIR has been certified or a negative declaration adopted for a project, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in the light of the whole record, one or more of the following:
>
> (1) Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
>
> (2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or Negative Declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
>
> (3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous

EIR was certified as complete or the Negative Declaration was adopted, shows any of the following:

(A) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;

(B) Significant effects previously examined will be substantially more severe than shown in the previous EIR;

(C) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible, and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or

(D) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

(b) If changes to a project or its circumstances occur or new information becomes available after adoption of a negative declaration, the lead agency shall prepare a subsequent EIR if required under subdivision (a). Otherwise the lead agency shall determine whether to prepare a subsequent negative declaration, an addendum, or no further documentation.

In this case, none of the situations described in Section 15162 (a) exist, as described in this Addendum. The need for a water right for an existing water diversion that has been ongoing since the circa 1967 does not meet the criteria defined in Section 15162 (a). No new or significant environmental effects, no substantial changes to circumstances or to previously identified significant effects, no significant revisions to mitigation measures and no new mitigation measures or alternatives would be associated with the proposed project. As described in Section 15162 (b), the Lead Agency has determined that an Addendum, consistent with Section 15164, is the appropriate course to address potential environmental impacts associated with the need for a water right.

ORIGINAL PROJECT DESCRIPTION

A draft Engineering Report was prepared for the project that identified several project alternatives and recommended a project (Project 1 in the engineering report). The recommended project includes improvements to the supply, treatment, storage, and distribution components, as summarized below. Locations are shown on Figure 3.

Supply Source

Accumulated gravel, sand and silt would be removed from the bottom of the caisson (existing well). The existing submersible pump would be removed, interior plumbing modified, and a 5.0 HP submersible pump would be installed. A new electrical panel, pump controls and a manual generator transfer switch and receptacle would be installed. New water transmission piping would be installed to replace the existing segment uphill of East Branch Road and continue to a 5,000-gallon raw water treatment tank installed on a new concrete slab adjoining the east end of the treatment building.

Treatment

The existing treatment building would be retained and be used to house the new water treatment facilities. A total of four WallSpring units (ultrafiltration) would be installed, each unit with a flow meter and pressure gauges to monitor individual unit performance. The units would be supplied by a one HP pump which would vary pump rates depending on the number of units in service. The treatment system would typically be operated between 16 and 24 gallons per minute.

The common supply line to the bank of units would be connected to a hydro-pneumatic tank to serve as a supply source for membrane flushing. Backwash and instrument water recycle systems would be installed to recycle water generated during treatment unit backwash and flushing.

Pump controls and a manual generator transfer switch and receptacle would be installed. Batteries would be installed to power the supervisory control and data acquisition (SCADA) system during brief outages to allow for remote monitoring of storage.

Storage

A temporary 10,000-gallon plastic tank would be installed easterly of the work area to maintain service during construction. The existing storage tank would then be demolished, the tank pad expanded, and an 82,000-gallon bolted steel tank would be erected, generally within the footprint of the existing tank. The tank would be approximately 26 feet in diameter with an approximately 24-foot-high side shell with an operating water level of 20 feet. Anchorage for seismic protection would be required for a tank of this configuration.

Once the tank is completed, finish water piping would be disconnected from the temporary tank and rerouted to the new tank. The temporary tank would be retained and relocated to its permanent home next to the new tank for water storage redundancy.

Distribution System

New distribution piping would be installed throughout the service area. The system would include four fire hydrants, all capable of flowing at least 1,000 gallons per minute. New metered services would be installed to all improved parcels and reconnected to existing private service piping. A total of approximately 2,500 lineal feet of new main would be installed, all in existing roadways and driveways.

PROJECT CONSTRUCTION

It is anticipated that most of the construction would include two five-man crews working weekdays. One crew would likely work on pipeline installation and the other would work on the well, treatment and storage improvements. It is possible that one crew would construct the entire project. Equipment is anticipated to include: an excavator, a loader, a dump truck, a skip loader, an air compressor, a transport truck, an earth compactor, a pavement grinder, and a paving machine. Operations and material stockpiling would be constrained to paved areas or cleared areas at the existing water treatment site.

Schedule

It is anticipated that the construction would last approximately eight months if constructed in one construction season and begin in spring 2023 [currently expected in 2024]. It is possible the project will be constructed over two construction seasons. It is assumed that there would be two crews working on different parts of the project, one on pipeline installation and one on the other

improvements. Ground disturbing work during the rainy season would be limited by the project's erosion control plan, but construction within stabilized areas may occur during the rainy season.

Construction Equipment and Activities

Pipeline Construction

In most areas, the pipeline would be installed using open cut trenching. The pipeline would primarily be installed within existing paved roadways and a driveway. One segment would be installed cross-country by pulling it through an existing pipe so no ground disturbance would occur. Another approximately 320-foot section toward the south end of the project would be installed with trenchless technology (directional drilling) cross country to avoid existing trees and a small wetland area. Pipeline construction rates are expected to be approximately 100 feet per day.

It is expected that the pipeline crew would utilize an excavator (midi or small standard size excavator), compaction equipment and loader and be supported by a one or two-axle six-yard dump truck for handling spoils and supplying backfill materials. A large hoe-ram may be needed to complete the excavation if large boulders are encountered. The trench depths would generally be 36 inches deep and 24 inches wide. It is anticipated that 20 to 25 cubic yards of material would be exported from trenches per day and the same amount of material would be imported per day for backfill resulting in approximately two truck trips per day associated with trenching. Total ground disturbance associated with pipeline installation is estimated to be approximately 7,000 square feet.

If shallow groundwater is encountered during construction activities, dewatering activities would be required. Groundwater would be discharged to an appropriate on-site area or pumped into tanks for proper disposal off-site. In the event that groundwater encountered during pipeline construction could not be contained on site or could not be pumped into tank trucks and transported to a disposal facility, the groundwater could be discharged to a surface water body. This would require obtaining a General Order for Dewatering and Other Low Threat Discharges to Surface Water Permit (National Pollutant Discharge Elimination System (NPDES) North Coast Regional Water Quality Control Board (Regional Board).

During construction, vertical wall trenches would be temporarily closed at the end of each workday, either by covering with steel trench plates, using backfill material, or installing barricades to restrict access.

Trench Backfill

Trench backfilling would begin immediately after the pipe is installed in the trenches. Appropriate backfill materials would be used to prevent damage to the pipelines and allow adequate backfill compaction. Imported backfill would be delivered to stockpiles near the open trenching. Once backfilling is complete, road surface restoration would occur.

Surface Restoration

Typical surface restoration within paved roadways would include compacting 18-inches of Class 2 aggregate base and installing a 3-inch thick pavement patch that extends six inches beyond each side of the trench over its entire length after backfilling and compaction are complete. The surface restoration crew would typically use a grinder, a skip loader, a roller, and a paving machine. It is anticipated that the paving would produce about one truck of off-haul and require two trucks of asphalt.

Tank Construction and Treatment Building Rehabilitation

Tank construction would occur in the following sequence: prep pad for temporary tank site; deconstruct the existing concrete storage tank; construct retaining wall and prepare pad for new bolted storage tank; construct new storage tank; and move temporary tank to permanent location. Treatment plant improvements would occur simultaneously to ensure continuous water treatment during construction. Approximately 1,150 square feet of concrete would be placed for tank foundations. The remainder of the site would be surfaced with Class 2 aggregate base (approximately 2,240 square feet).

Construction of the tank and treatment improvements would likely occur concurrently with water main installation. It is estimated that total ground disturbance would be approximately 5,000 square feet to accommodate the proposed improvements.

PROJECT DESCRIPTION ADDITIONS

As part of the project, the Water Company has applied for an appropriative water right from the State Water Resources Control Board, Division of Water Rights (DWR) to recognize its ongoing withdrawal of water from the underflow of the North Fork of the South Fork of the Eel River since circa 1967. Water is, and would continue to be, used to support existing domestic and limited irrigation demands on 19 developed rural residential lots. An average annual daily use of 77.5 gallons per person was indicated as the use in 2021, expected to potentially rise to 104 gallons per person in 2032 (use in 2021 was likely constrained by voluntary drought-related use restrictions). The maximum month average rate of diversion is expected to be 0.025 cubic feet per second by 2032 with a maximum annual diversion of 8.6 acre-feet per year.

The Point of Diversion (POD), the existing well, is located at latitude 40.0684, longitude -123.7624 between APN 033-290-08 and 01. The Place of Use is described as the Palomino Estates Subdivision Nos. 1 and 2 and several adjoining rural residential parcels (the Place of Use is congruent with the original project location): NW1/4 of SW1/4, SW1/4 of SW1/4 and SW1/4 of NW1/4, Section 32, Township 4S, Range 4E.

No physical changes to the existing well are proposed beyond those assessed in the 2022 IS/MND and described herein under the Original Project Description.

2022 CEQA Checklist Analysis of Proposed Project Additions

The following sections assess the necessary addition of securing a water right according to the checklist contained in the 2022 Guidelines and the degree to which, if any, they would change the findings of the 2022 IS/MND.

I. Aesthetics

Except as provided in Public Resources Code Section 21099, would the project:

a. Have a substantial adverse effect on a scenic vista? No impact

b. Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway? No impact

c. In nonurbanized areas, substantially degrade the existing visual character or quality of public views of the site and its surroundings? (Public views are those that are experienced from publicly accessible vantage point). If the project is in an urbanized area, would the project conflict with applicable zoning and other regulations governing scenic quality? No Impact

d. Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area? No Impact

The 2022 IS/MND did not identify any potentially significant impacts associated with aesthetics. All impacts were found to be less than significant or no impact. The proposed water right would formally recognize a water withdrawal that has been ongoing for approximately 55 years. No physical changes are associated with the water right application or issuance. None of the situations described in Section 15162 (a) exist that would require preparation of a Subsequent IS/MND. No new impacts to aesthetics would occur and the 2022 IS/MND findings remain valid.

II. Agriculture and Forestry Resources

a. Would the project convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use? No impact

b. Would the project conflict with existing zoning for agricultural use, or a Williamson Act contract? No impact

c. Would the project conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))? No impact

d. Would the project result in the loss of forest land or conversion of forest land to non-forest use? No impact

e. Would the project involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use? No impact

The findings contained in the 2022 IS/MND remain valid. The Farmland Mapping and Monitoring Program has not mapped Important Farmland in Humboldt County. However, project components would generally be located within developed roadways, roadway shoulders, gravel driveways or already developed areas that do not support farmland. Similarly, no Forestland is within the project locations. Application for and issuance of a water right would not alter those conditions. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

III. Air Quality

Where available, the significance criteria established by the applicable air quality management district or air pollution control district may be relied upon to make the following determinations:

a. Would the project conflict with or obstruct implementation of the applicable air quality plan? No impact

b. Would the project result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard? Less than significant with incorporation of mitigation measure AQ1

c. Would the project expose sensitive receptors to substantial pollutant concentrations? Less than significant with incorporation of mitigation measure AQ1

d. Would the project result in other emissions (such as those leading to odors) adversely affecting a substantial number of people? No impact

The 2022 IS/MND included discussion of potential air quality impacts. Modeled project emissions would not exceed North Coast Unified Air Quality Management District (NCUAQMD) Best Available Control Technology (BACT) emission rates for stationary sources as defined and listed in NCUAQMD Rule and Regulations, Rule 110. The IS/MND identified the potential for construction-related dust and emissions and mitigation AQ1 was specified to reduce those impacts. A water right application and issuance of a water right do not alter physical infrastructure assessed in the 2022 IS/MND. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

IV. Biological Resources

a. Would the project have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special-status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Wildlife (CDFW) or U.S. Fish and Wildlife Service (USFWS)? Less than significant with the incorporation of mitigation measure BIO1, BIO2 and BIO3.

b. Would the project have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Wildlife or US Fish and Wildlife Service? Less than significant

c. Would the project have a substantial adverse effect on state or federally protected wetlands (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means? Less than significant

d. Would the project interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites? Less than significant with the incorporation of mitigation measure BIO1, BIO2 and BIO3.

e. Would the project conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance? No impact

f. Would the project conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan? No impact

The 2022 IS/MND provided a project-level analysis of biological resources for the proposed physical improvements and ongoing operation of those improvements. The IS/MND identified potential impacts to special status and nesting birds, red-bellied newts and special status bat species. Mitigation Measures BIO1, BIO2 and BIO3, respectively, were included to reduce potential impacts to less than significant.

While the environmental analysis assessed the existing well site and proposed improvements to the well, the water right application was not part of that analysis. Technically, since the well has been in use since circa 1967, the application for and issuance of a water right does not have new physical environmental impacts. However, there are potential impacts associated with stream flow and aquatic species potentially impacted by changes in streamflow.

Section 15125 of the CEQA Guidelines describe provision of an appropriate environmental setting. It states: "Generally, the lead agency should describe physical environmental conditions as they exist

at the time the notice of preparation is published, or if no notice of preparation is published, at the time environmental analysis is commenced, from both a local and regional perspective. Where existing conditions change or fluctuate over time, and where necessary to provide the most accurate picture practically possible of the project's impacts, a lead agency may define existing conditions by referencing historic conditions, or conditions expected when the project becomes operational, or both, that are supported with substantial evidence."

The environmental setting included in the 2022 IS/MND was based on conditions between 2021 and 2022 that included existing diversions from the well. Diversions have been ongoing since circa 1967, approximately 55 years. Construction of the well preceded enactment of CEQA that occurred in 1970 so it would not have been subject to environmental review. Because no environmental review was likely conducted and records of the project's initial approvals would not have included CEQA, establishing a historic baseline of flow conditions prior to development of Palomino Estates is not feasible and not likely to be supported with substantial evidence.

While it is not reasonably possible to determine instream conditions prior to the development of the subdivision, it is possible to qualitatively assess impacts of the proposed project to instream conditions. The project includes several elements that will reduce water consumption in the community, thus lowering withdrawal from the well and reducing impacts to the river. Additionally, a Water Supply Report was conducted that concluded that the project would be consistent with the DWR's "Policy for Maintaining Instream Flows in Northern California Coastal Streams" (see the Hydrology and Water Quality section of this Addendum for additional information).

There are two primary water conservation measures built into the project. The first is provision of water meters at services. Currently, services are unmetered and there is no financial incentive to conserve water. Metering services almost universally reduces water consumption in the range of ten to 30 percent[1]. Secondly, the project would replace the existing water storage and distribution system, reducing existing system leaks. Additionally, process water generated during treatment would be recycled rather than disposed of. All of these project elements will reduce pre project withdrawals from the existing water well resulting in less underflow diverted. Without existing meters, it is not possible to quantify the water savings, but it can be definitively stated that the proposed project will result in less water being diverted from the underflow.

On September 20, 2022, a water rights preapplication meeting was conducted with Monty Larson, Water Rights Coordinator, California Department of Fish & Wildlife, Region 1, to discuss the project and the water rights application. The project was reviewed with Mr. Larson and designed conservation measures were discussed. It was agreed that an Addendum was an acceptable CEQA review of the water rights process for CDFW to utilize for the eventual Lake and Streambed Agreement (LSA) that will be required concurrent with DWR's processing of the water rights application. The LSA will require development of additional water conservation measures related to river flow conditions that would be negotiated between CDFW, DWR and the Water Company during the processing of the LSA and water right application.

Because a water right application is necessary to provide funding to implement the project, the water right application, and eventual issuance, will have the effect of reducing diversions from the river's underflow through system metering and leak reduction, a beneficial impact.

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1 https://pacinst.org/wp-content/uploads/2014/09/pacinst-metering-in-california-1.pdf

The biological resources findings contained in the 2022 IS/MND remain valid and no new negative impacts associated with the water right have been identified. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

V. Cultural Resources

a. Would the project cause a substantial adverse change in the significance of a historical resource pursuant to §15064.5? Less than significant with incorporation of mitigation measure CR1

b. Would the project cause a substantial adverse change in the significance of an archaeological resource pursuant to §15064.5? Less than significant with incorporation of mitigation measure CR1

c. Would the project disturb any human remains, including those interred outside of dedicated cemeteries? Less than significant with incorporation of mitigation measure CR1

A project-level assessment of cultural resources was conducted for the 2022 IS/MND. The study included a records search of files at the Northwest Information Center (NWIC), a Sacred Lands File (SLF) search at the Native American Heritage Commission (NAHC), Native American outreach, examination of the library and files of Tom Origer & Associates, and a field inspection. An archaeological literature and records search was conducted at the NWIC, of the California Historical Resources Information System (CHRIS) housed at Sonoma State University, on May 4, 2021, with a half-mile buffer around the project footprint. No historical, unique archaeological, or tribal cultural resources were found in or near the project site.

The IS/MND included mitigation measures for incidental discovery of cultural resources contained in Mitigation Measure CR1 to reduce incidental discovery of resources to a level of less than significant. Application for and issuance of a water right would not physically alter existing conditions and has no potential to impact cultural resources. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

VI. Energy

a. Would the project result in potentially significant environmental impact due to wasteful, inefficient, or unnecessary consumption of energy resources, during project construction or operation? No impact

b. Would the project conflict with or obstruct a state or local plan for renewable energy or energy efficiency? No impact

No impacts to energy were identified in the 2022 IS/MND. Application for and issuance of a water right would not alter those finding as the water withdrawal has been continuous since 1967 and the water right would not alter that condition. The new well pump will be a variable frequency drive that will reduce the existing energy use at the well site. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

VII. Geology and Soils

a. Would the project directly or indirectly cause potential substantial adverse effects, including the risk of loss, injury, or death involving:

i. Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42. Less than significant

ii. Strong seismic ground shaking? Less than significant

iii. Seismic-related ground failure, including liquefaction? Less than significant

iv. Landslides? No impact

b. Would the project result in substantial soil erosion or the loss of topsoil? Less than significant

c. Would the project be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on- or off-site landslide, lateral spreading, subsidence, liquefaction or collapse? Less than significant

d. Would the project be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial direct or indirect risks to life or property? Less than significant

e. Would the project have soils incapable of adequately supporting the use of septic tanks or alternative wastewater disposal systems where sewers are not available for the disposal of wastewater? No impact

f. Would the project directly or indirectly destroy a unique paleontological resource or site or unique geologic feature? Less than significant with incorporation of mitigation measure GS1

The 2022 IS/MND assessed potential project impacts to/from geology and soils. The only impact identified was the potential for accidental discovery of a paleontological resource and Mitigation Measure GS1 was provided to reduce that to less than significant. The assessment included the well location and proposed improvements. Application for and issuance of a water right would not alter the analysis as no physical changes are proposed. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

VIII. Greenhouse Gas Emissions

a. Would the project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment? Less than significant

b. Would the project Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases? No impact

The 2022 IS/MND assessed potential project impacts to/from greenhouse gases and modeled construction emissions (operational emissions would remain essentially unchanged). Modeled emissions were considerably below thresholds of significance. The assessment included the well location and proposed improvements. Application for and issuance of a water right would not alter the analysis as no physical changes are proposed. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

IX. Hazards and Hazardous Materials

a. Would the project create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials? No impact

b. Would the project create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment? Less than significant with incorporation of mitigation measure HM1

c. Would the project emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school? No impact

d. Would the project be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and, as a result, would it create a significant hazard to the public or the environment? No impact

e. For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard or excessive noise for people residing or working in the project area? No impact

f. Would the project impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan? Less than significant

g. Would the project expose people or structures, either directly or indirectly, to a significant risk of loss, injury or death involving wildland fires? No impact2

The 2022 IS/MND assessed potential hazards and hazardous materials associated with the project. Generally, impacts were considered to be less than significant. The only impact identified was related to the potential for accidental spills during project construction, mitigated with Mitigation Measure HM1. The water rights application would not alter that assessment. The findings contained in the 2022 IS/MND remain valid and no new impacts have been identified. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

X. Hydrology and Water Quality

a. Would the project violate any water quality standards or waste discharge requirements or otherwise substantially degrade surface or ground water quality? Less than significant

b. Would the project substantially decrease groundwater supplies or interfere substantially with groundwater recharge such that the project may impede sustainable groundwater management of the basin? No impact

c. Would the project substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river or through the addition of impervious surfaces, in a manner which would:

i. result in a substantial erosion or siltation on- or off-site? No impact

ii. substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or offsite? No impact

iii. create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff? No impact

iv. impede or redirect flows? No impact

d. In flood hazard, tsunami, or seiche zones, would the project risk release of pollutants due to project inundation? No impact

e. Would the project conflict with or obstruct implementation of a water quality control plan or sustainable groundwater management plan? Less than significant with incorporation of mitigation

The existing water diversion associated with the water system has been ongoing since circa 1967 and was considered part of the environmental baseline during the IS/MND analysis. The 2022 IS/MND did not identify any potentially significant impacts to hydrology and water quality. However, specific to water rights, DWR requires a Water Supply Report, consistent with the "Policy for Maintaining Instream Flows in Northern California Coastal Streams." A Water Supply Report was prepared by OEI[3], consistent with the Policy to evaluate unappropriated water in the East Branch South Fork Eel River watershed, HUC 1801010602.

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2 The July 6, 2022, Initial Study/Mitigated Negative Declaration incorrectly indicated in the checklist "less than significant with incorporation of mitigation." The text of the Initial Study did not identify any impact or mitigation. The correct finding is "no impact" as indicated here. The "no impact" finding is further supported by the analysis in this Addendum.

3 *Water Supply Report—East Branch South Fork Eel River Tributary to South Fork Eel River Thence Eel River, NW ¼ of SW ¼, Projected Section 32, T4S, R4E, HB&M, Humboldt County near Benbow*. O'Connor Environmental, Inc. August 16, 2022.

The Water Company has been diverting water for beneficial use since receipt of its initial Water Supply Permit by the Humboldt County Health Department in December 1967, shortly after the existing diversion and water system was built. The water system currently operates under a Water Supply Permit issued by DDW in May 1996, Water System Number CA1206002.

The Water Supply Report included: Points of Diversion (POD) of senior priority water right holders and water right claimants in the watershed; analysis of unimpaired flows at the proposed project point of diversion (POD) and a downstream senior POD based on adjustment of stream flow records; a flow frequency analysis at the historical East Branch South Fork Eel River U.S. Geological Survey stream gage with comparisons to demand at the project POD and the downstream senior POD.

Based on filed paper record values, the Water Supply Report found that at the project POD, after all upstream senior PODs are accounted for, both water demand and proposed project water demand have average monthly flows with over 80% available flow remaining. At POD A032267 (the nearest downstream diversion from the project), after all upstream senior PODs are accounted for with the current project POD water demand and proposed project POD water demand the majority of the average monthly flows have over 75% available flow remaining after all upstream senior PODs are accounted for. The lowest average remaining estimated flow is in September, with around 44% available flow remaining.

Based on electronic records (E-WRMS) of actual use, at the project POD, after all upstream senior PODs are accounted for, both current water demand and proposed project water demand over 90% available average monthly flow. At POD A032267, after all upstream senior PODs are accounted for with the current project POD water demand and proposed project POD water demand, the majority of the average monthly flows have over 75% available flow after all upstream senior PODs are accounted for. The lowest average remaining estimated flow is in September with about 53% available streamflow.

Results of OEI's flow frequency analysis compared to current and proposed water demand indicate that seasonal streamflow (May 1 – October 31) would be sufficient to maintain a ratio of streamflow to unimpaired streamflow greater than 50% at the project POD and accounting for upstream senior diverters in all months and years in the gage record. Results indicate that seasonal streamflow (May 1 – October 31) would not be sufficient to maintain a ratio of streamflow to unimpaired streamflow greater than 50% during all years and months at the POD A032267 and accounting for upstream senior diverters. OEI concluded that the proposed 0.1 AF per year increase in project use would not significantly alter existing demand conditions or available streamflow conditions.

The issuance of a water right would not have a significant impact to hydrology and water quality. The Water Supply Report indicates that required flows are maintained with the diversion and, as described in the Biological Resources section of this Addendum, the project will reduce required withdrawals through metering and correction of existing system leaks. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XI. Land Use and Planning

a. Would the project physically divide an established community? No impact

b. Would the project cause a significant environmental impact due to a conflict with any land use plan, policy, or regulation adopted for the purpose of avoiding or mitigating an environmental effect? No impact

The 2022 IS/MND did not identify any potentially significant impacts to land use and planning. Application for and issuance of a water right permit would not alter those findings but would benefit the community by formalizing its historic water uses. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XII. Mineral Resources

a. Would the project result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state? No impact

b. Would the project result in the loss of availability of a locally-important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan? No impact

The 2022 IS/MND did not identify impacts to mineral resources and the water rights application would not alter that finding. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XIII. Noise

a. Would the project result in generation of a substantial temporary or permanent increase in ambient noise levels in the vicinity of the project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies? Less than significant with incorporation of mitigation measure N1

b. Would the project result in generation of excessive ground borne vibration or ground borne noise levels? No impact

c. For a project located within the vicinity of a private airstrip or an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels? No impact

The 2022 IS/MND identified construction-related noise as a potential impact and Mitigation Measure N1 to reduce that potential impact to less than significant. Operationally, the project would not result in increased noise levels. Application for and issuance of a water right would not alter the noise environment as the water system has been in operation since circa 1967. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XIV. Population and Housing

a. Would the project induce substantial unplanned population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)? No impact

b. Would the project displace substantial numbers of people or existing housing, necessitating the construction of replacement housing elsewhere? No impact

The 2022 IS/MND did not identify any potentially significant impacts to population and housing. While the water rights application would formalize the community's historic water use, it does not represent a new or expansion of water service to support new growth. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XV. Public Services

a. Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:

i. Fire protection? No impact

ii. Police protection? No impact

iii. Schools? No impact

iv. Parks? No impact

v. Other public facilities? No impact

The 2022 IS/MND did not identify potentially significant impacts to public services. The water rights application would not impact public services as the use is historic and serves an existing community. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XVI. Recreation

a. Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated? No impact

b. Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment? No impact

The 2022 IS/MND did not identify potentially significant impacts to recreation and the water rights application would not alter those findings. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XVII. Transportation

a. Would the project conflict with a program, plan, ordinance or policy addressing the circulation system, including transit, roadway, bicycle and pedestrian facilities? No impact

b. Would the project conflict or be inconsistent with CEQA Guidelines § 15064.3, subdivision (b)? Less than significant with incorporation or mitigation measure TT1

c. Would the project substantially increase hazards due to a geometric design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)? No impact

d. Would the project result in inadequate emergency access? Less than significant with incorporation of mitigation measure TT2

The 2022 IS/MND findings remain valid. A vehicle miles traveled analysis was not conducted as the project does not have the potential to increase vehicle miles traveled. Potential construction-related impacts to internal circulation and emergency response were identified and would be mitigated by Mitigation Measures TT1 and TT2. Application for a water right will not alter the assessment. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XVIII. Tribal Cultural Resources

a) Would the project cause a substantial adverse change in the significance of a tribal cultural resource, defined in Public Resources Code section 21074 as either a site, feature, place, cultural landscape that is geographically defined in terms of the size and scope of the landscape, sacred place, or object with cultural value to a California Native American tribe, and that is:

> i) Listed or eligible for listing in the California Register of Historical Resources, or in a local register of historical resources as defined in Public Resources Code section 5020.1(k)? Less than significant with incorporation of mitigation measure CR1
>
> ii) A resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to criteria set forth in subdivision (c) of Public Resources Code Section 5024.1. In applying the criteria set forth in subdivision (c) of Public Resources Code Section 5024.1, the lead agency shall consider the significance of the resource to a California Native American tribe. Less than significant with incorporation of mitigation measure CR1

As indicated in the Cultural Resources section of this Addendum, a cultural resources assessment was conducted for the project. No resources were identified. The State Water Board engaged the Wiyot Tribe and the Bear River Band of the Rohnerville Rancheria in AB52 consultation in December 2021. No Tribal Cultural Resources were identified. Measures for the incidental discovery of cultural resources were provided in the 2022 IS/MND (MM CR1). An application for a water right would not alter assessed potential impacts. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XVIIII. Utilities and Service Systems

a. Would the project require or result in the relocation or construction of new or expanded water, wastewater treatment or storm water drainage, electric power, natural gas, or telecommunications facilities, the construction or relocation of which could cause significant environmental effects? No impact

b. Would the project have sufficient water supplies available to serve the project and reasonably foreseeable future development during normal, dry and multiple dry years? No impact

c. Would the project result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments? No impact

d. Would the project generate solid waste in excess of state or local standards, or in excess of the capacity of local infrastructure, or otherwise impair the attainment of solid waste reduction goals? No impact

e. Would the project comply with federal, state, and local management and reduction statutes and regulations related to solid waste? No impact

The original project assessed in the 2022 IS/MND did not identify any potentially significant impacts associated with utilities and service systems. As indicated in the Hydrology and Water Quality section, a Water Supply Report was conducted and found available flows after diversion meet the 50 percent threshold the majority of the time and that the proposed 0.1 AF per year increase in project use would not significantly alter existing demand conditions or available streamflow conditions. Further, the project will reduce existing water demands through metered connections and system improvements. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XX. Wildfire

If located in or near state responsibility areas or lands classified as very high fire hazard severity zones, would the project:

a. Substantially impair an adopted emergency response plan or emergency evacuation plan? Less than significant with incorporation of mitigation measure TT2

b. Due to slope, prevailing winds, and other factors, exacerbate wildfire risks, and thereby expose project occupants to pollutant concentrations from a wildfire or the uncontrolled spread of a wildfire? No impact

c. Require the installation or maintenance of associated infrastructure (such as roads, fuel breaks, emergency water sources, power lines or other utilities) that may exacerbate fire risk or that may result in temporary or ongoing impacts to the environment? No impact

d. Expose people or structures to significant risks, including downslope or downstream flooding or landslides, as a result of runoff, post-fire slope instability, or drainage changes? No impact

The 2022 IS/MND identified potential construction-related emergency access disruptions as the only negative impact associated with wildfire, mitigated by Mitigation Measure TT2. Improved water storage and hydrant availability will improve conditions in the community with regard to wildfire.

The water rights application would not result in any new potentially significant impacts and does not require any new mitigation measures. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

XXI. Mandatory Findings of Significance.

The proposed water rights application is limited to those impacts associated with the overall project, as assessed in the 2022 IS/MND. No new, collective or cumulative impacts have been identified with the entirety of the project that cannot be mitigated to a level of less than significant with mitigation measures contained in the 2022 IS/MND. No impacts associated with the entirety of the project would trigger a mandatory finding of significance. The findings contained in the 2022 IS/MND remain valid. None of the situations described in Section 15162 exist that would require preparation of a Subsequent IS/MND.

REQUIRED MITIGATION MEASURES

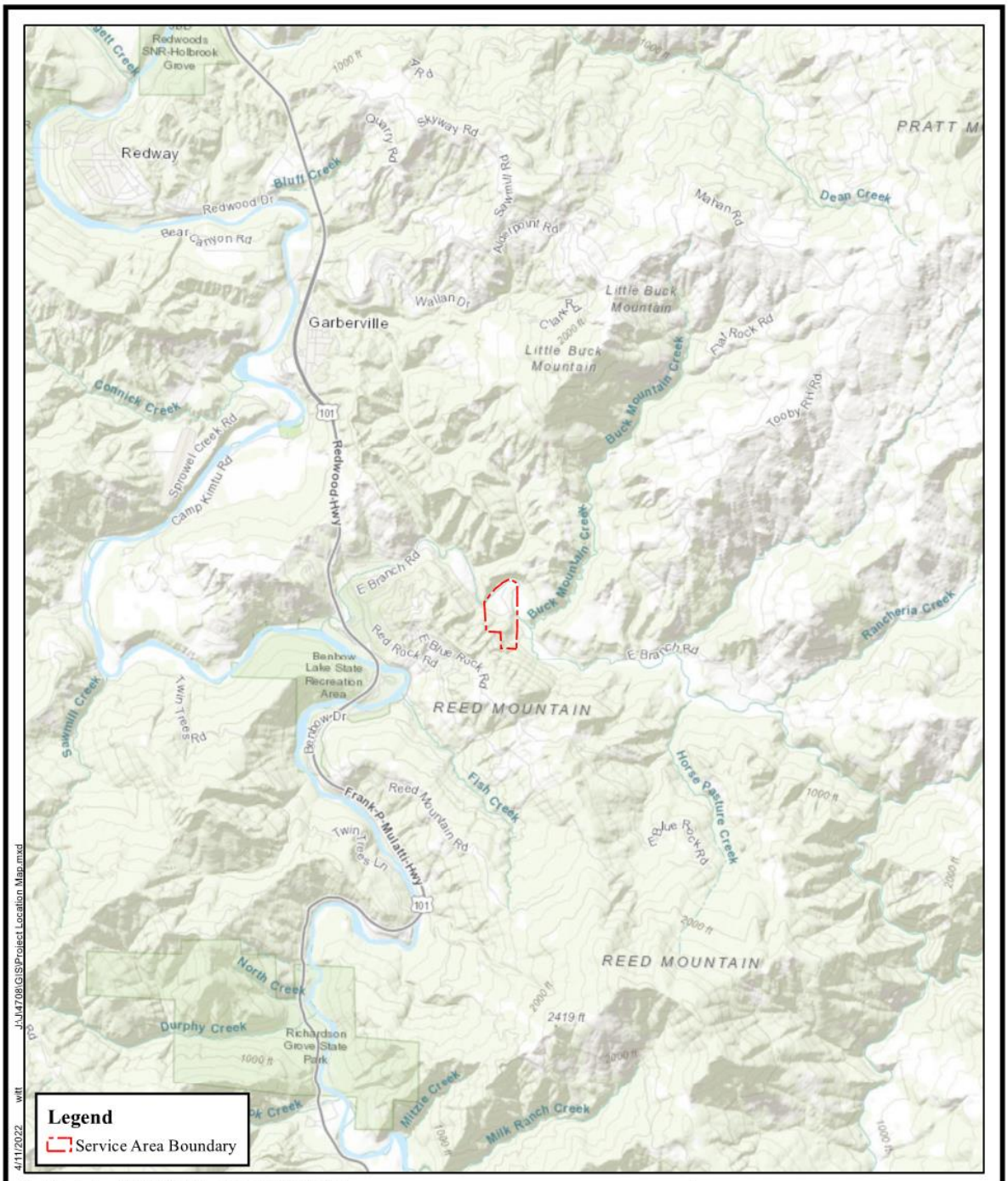
This Addendum has not identified any new impacts or mitigation measures that were not identified in the 2022 IS/MND. The Mitigation Monitoring and Reporting Plan adopted with the IS/MND shall be incorporated into the project plans and specifications.

FIGURE 1

REGIONAL LOCATION

PALOMINO ESTATES

APRIL 2022



Coordinate System: NAD 1983 StatePlane California II FIPS 0402 Feet
Projection: Lambert Conformal Conic
Datum: North American 1983
Units: Foot US

NORTH

0 0.25 0.5 1 Miles

Brelje & Race

FIGURE 2
PROJECT LOCATION

PALOMINO ESTATES
APRIL 2022

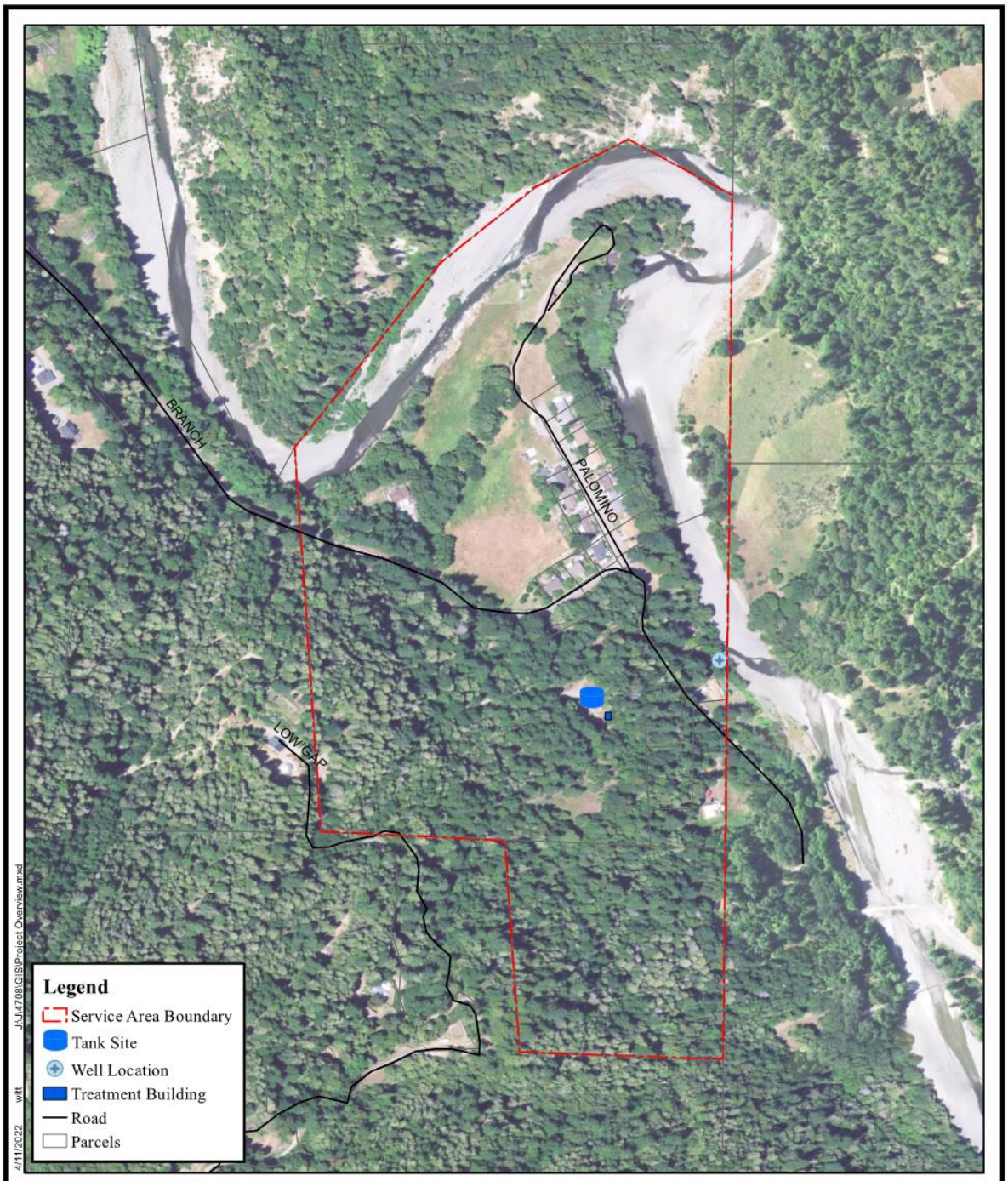


FIGURE 3

PROJECT OVERVIEW

PALOMINO ESTATES

APRIL 2022