Town of Apple Valley

Apple Valley Ranchos Water System Acquisition Project

Final

Environmental Impact Report

SCH #2015061078

November 2015

rincon

Environmental Scientists Planners Engineers

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Prepared for:
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November 2015

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EXECUTIVE SUMMARY

This section summarizes the characteristics of the proposed Project as well as the environmental impacts, mitigation measures, and residual impacts associated with implementation of the proposed Project.

PROJECT SYNOPSIS

Project Proponent and Lead Agency

Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

PROJECT DESCRIPTION

The Town of Apple Valley (Town) is proposing to acquire the Apple Valley Ranchos Water Supply System (AVR System) that currently serves the majority of the incorporated area of the Town as well as some outlying areas in a portion of the incorporated City of Victorville and unincorporated San Bernardino County; the acquisition and subsequent operation of this water supply system by the Town represents the proposed Project. Although Park Water Company/Apple Valley Ranchos Water Company recently acquired the Yermo Water ~~District~~ Company and its facilities, the proposed Project does not include acquisition of the Yermo Water System, which is located east of the City of Barstow. This is because the Yermo Water ~~District~~ Company facilities are located approximately 45 miles from the Town; Yermo Water ~~District~~ Company does not provide any water services to the Town's residents, businesses, or other uses; and the Yermo Water ~~District's~~ Company's facilities do not provide any other benefit to the Town's residents. Furthermore, the Yermo system is an entirely separate and distinct system that is not integrated into the AVR system.

The existing AVR System is currently owned and operated by the Apple Valley Ranchos Water Company, which was first created in 1947, and then purchased by Park Water Company in 1987. As part of the proposed Project, the Town would purchase all rights and interests in the AVR System from Park Water Company. The Town's proposed acquisition of the AVR System would include all associated assets, (i.e., real, intangible, and personal property), including, but not limited to:

- Water systems and production wells, as defined in Section 240 of the California Public Utilities Code;
- Utility plants;
- Water rights;
- Water supply contracts; and
- Records, books, and accounts.

In addition to the Town's acquisition of the AVR System, the proposed Project includes the Town's subsequent operation of the AVR System. The Town is proposing only to acquire and

operate the existing system, and is not proposing changes or expansion to the physical AVR System or to the associated water rights, nor is the Town proposing any changes to the manner of operation of the AVR System or the exercise of the associated water rights. The Town would operate and maintain the system out of Apple Valley Ranchos Water Company's existing operations and maintenance (O&M) facility, which is located at 21760 Ottawa Road, approximately half a mile south of Highway 18 and 300 feet east of the intersection of Navajo Road and Ottawa Road.

Project Objectives

The underlying purpose of the proposed Project is for the Town of Apple Valley to acquire, operate, and maintain the AVR System. The following objectives have been defined for the proposed Project:

- Allow the Town to independently own and operate a water production and distribution system;
- Provide for greater transparency and accountability, as well as increased customer service and reliability;
- Enhance customer service and responsiveness to Apple Valley customers;
- Provide greater local control over the rate setting process and rate increases;
- Provide direct access to locally elected policy makers for the water operations;
- Allow the Town to pursue grant funding and other types of financing for any future infrastructure needs, including grants and financing options which the California Public Utility Commission (CPUC) does not allow private company to include in their rate base (such that private companies do not pursue advanced planning and investment for infrastructure);
- Ensure better coordination amongst Town decisions involving land use, emergency services, policy, the location and need for capital improvements, and overall planning in the water context; and
- Enable the Town to use reclaimed water for public facilities without invoking potential duplication of service issues with Apple Valley Ranchos Water Company.

ALTERNATIVES

Four alternatives to the proposed project were chosen for analysis as follows:

- *Alternative 1: No Project*
- *Alternative 2: Alternative Operator – City of Victorville*
- *Alternative 3: Alternative Operator – City of Hesperia*
- *Alternative 4: Operated by Apple Valley, Alternative O&M Facility*

The No Project alternative assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would not occur. Under this alternative, Apple Valley Ranchos Water Company would continue to operate and maintain the system from its existing facilities.

Alternative 2 (Alternative Operator – City of Victorville) assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would proceed but that the City of Victorville

Public Works Department would be contracted to operate and maintain the System. The assumed location where these operations and maintenance activities would be based is the City of Victorville Public Works Yard located at 14177 McArt Road in Victorville; located approximately four miles from the western border of the AVR System service area (see Figure 6-1 in Section 6.0, *Alternatives)*. The size of the system and the associated infrastructure would be the same as under the proposed Project and no construction would occur.

Alternative 3 (Alternative Operator – City of Hesperia) assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would proceed but the City of Hesperia Public Works Department would be contracted to operate and maintain the system. The assumed location for these operations and maintenance activities would be based in the City of Hesperia Public Works Yard located at 17282 Mojave Street in Hesperia; located approximately three miles from the southwestern border of the AVR System service area (see Figure 6-1 in Section 6.0, *Alternatives*). The size of the system and the associated infrastructure would be the same as under the proposed Project and no construction would occur.

Alternative 4 (Operated by Apple Valley at an Alternate O&M Facility) assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would proceed and the Town would operate and maintain the system. However, under this alternative, rather than continuing to use the current AVR System O&M facility as the base for all operations and maintenance activities, the majority of these would be relocated to the Town of Apple Valley Public Works Yard located at 13450 Nomwaket Road (see Figure 6-1 in Section 6.0, *Alternatives*). The exception would be equipment and material storage, which would continue at the existing AVR System O&M facility. The size of the system and the associated infrastructure would be the same as under the proposed Project and construction of new or expanded facilities would not be required to facilitate this alternative.

As described in Sections 4.0, *Environmental Impact Analysis*, and 6.0, *Alternatives*, no significant impacts would result from implementation of the proposed Project or any of the alternatives considered. Generally, the proposed Project is environmentally preferable to any of the alternatives analyzed in this EIR. While there is no clearly Environmentally Superior Alternative to the proposed Project, of the alternatives considered, Alternative 4 is considered to be Environmentally Superior since it is similar in impact level to the proposed Project for all issue areas analyzed in the EIR.

Refer to Section 6.0, *Alternatives,* for complete descriptions of the four alternatives and the associated analyses.

AREAS OF KNOWN CONTROVERSY

A number of areas of known controversy related to the project were identified during the scoping phase, including project description, project objectives and the CEQA process. These are provided in detail in Table 1-1.

SUMMARY OF IMPACTS AND MITIGATION MEASURES

Table ES-1 includes a brief description of the environmental issues relative to the proposed Project, the identified environmental impacts, proposed mitigation measures, if required, and residual impacts.

Table ES-1 Summary of Significant Environmental Impacts, Mitigation Measures, and Residual Impacts

Impact	Mitigation Measure	Residual Impact
AIR QUALITY		
Impact AQ-1 Implementation of the proposed Project would result in air emissions associated with operation and maintenance of water supply system infrastructure as well as operation of vehicles and equipment in and around the Project Area. However, given that these activities would be similar to those performed under existing operations, the proposed Project would result in little to no increase in air emissions, and these impacts would be Class III, *less than significant*.	None required	Less than significant
GREENHOUSE GAS EMISSIONS		
Impact GHG-1 Implementation of the proposed Project could potentially result in GHG emissions associated with operation and maintenance of system infrastructure as well as operation of vehicles and equipment in and around the Project Area. However, given that these activities would be similar to those performed under the existing ownership, the proposed Project would result in little to no increase in GHG emissions, and these impacts would be Class III, *less than significant*.	None required	Less than significant
Impact GHG-2 The proposed Project would be consistent with SB 375, the 2008 Attorney General Greenhouse Gas Reduction Measures, and the Town of Apple Valley's Climate Action Plan. Impacts would therefore be Class III, *less than significant*.	None required	Less than significant
HYDROLOGY AND WATER QUALITY		
Impact WAT-1 The proposed Project would alter the entity that operates the existing AVR System, which could potentially alter the rate structure and fee charged for water service; if a reduction in pricing occurs, water use in the area could potentially increase because water use is linked to cost. However, the operator of the system would be required to comply with the water use reduction strategies and goals contained within the California Water Conservation Act of 2009, which requires specific reductions in urban water consumption by the year 2020. As a result, water use rates would continue to decline on a per capita basis regardless of potential changes in the system operator or water rate structures. Therefore, potential impacts to groundwater supply would be Class III, *less than significant.*	None required.	Less than significant
LAND USE AND PLANNING		
Impact LU-1 The proposed Project would alter the entity that owns and operates the existing Apple Valley Ranchos Water System, but would not alter the nature or intensity of operation and maintenance of the water system. The Project would not alter existing compliance with applicable land use plans, policies, or regulations. Therefore, potential impacts would be Class III, *less than significant.*	None required	Less than significant
NOISE		
Impact N-1 Implementation of the proposed Project could potentially result in noise impacts associated with operation and maintenance of the water supply system due to maintenance of system infrastructure as well as operation of vehicles and equipment in and around the Project Area. However, given that these activities would be similar to those performed under the existing ownership, the proposed Project would result in little to no increase in noise. Therefore, noise levels would fall within existing ranges and would not expose sensitive receptors to levels exceeding applicable standards. This impact would be a Class III, *less than significant.*	None required	Less than significant

Table ES-1 Summary of Significant Environmental Impacts, Mitigation Measures, and Residual Impacts

Impact	Mitigation Measure	Residual Impact
Impact N-2 Implementation of the proposed Project could potentially result in vibration associated with equipment used to operate and maintain the water supply system and vehicles used to service the system. However, given that operation and maintenance activities would remain similar to existing activities, the proposed Project would result in little to no increase in vibration and would not generate excessive groundborne vibration or groundborne noise. This impact would be a Class III, *less than significant.*	None required	Less than significant
TRANSPORTATION/TRAFFIC		
Impact T-1 Operation of the AVR System by the Town following acquisition would contribute to continued trips on the local street network; however, given that operation and maintenance activities would be similar to those performed under existing operations and no expansion of the system is proposed, the proposed Project would result in little to no increase in traffic and would not degrade LOS at any intersection when compared to baseline conditions. Therefore, these impacts would be Class III, *less than significant.*	None required	Less than significant
UTILITIES AND SERVICE SYSTEMS		
Impact U-1 The proposed Project would not change the nature or amount of water used or the amount of wastewater generated in the Project area, and would not result in the exceedance of Regional Water Quality Control Board wastewater treatment requirements. Because the proposed Project would not result in an increased demand for potable water or the generation of substantial additional wastewater, no increase in capacity of the existing water or wastewater conveyance and treatment system which serve the Project Area would be required. Impacts would be Class III, *less than significant.*	None required	Less than significant
Impact U-2 The proposed Project would not necessitate upgrades to existing stormwater conveyance facilities. Impacts associated with stormwater generation and conveyance would be Class III, *less than significant.*	None required	Less than significant
Impact U-3 The Apple Valley Ranchos Water Company has determined that there is sufficient water supply available to meet water demands in the Project Area through the year 2035. The proposed Project would not result in substantial new or increased water demands in the Project Area, and any new operator of the water system would be required to comply with the California Water Conservation Act of 2009 and requirements for decreased urban water consumption included therein. Therefore, the proposed Project would not require or result in the construction of new water facilities or expansion of existing facilities or require new or expanded entitlements. Potential impacts to water supply would be Class III, *less than significant.*	None required	Less than significant
MANDATORY FINDINGS OF SIGNIFICANCE		
Cumulative Impacts Cumulative impacts are addressed in this EIR for Air Quality, Greenhouse Gas Emissions, Hydrology and Water Quality, Land Use and Planning, Noise, Transportation/Traffic, Utilities and Service Systems. In total, those analyses determine that the proposed Project would not have environmental effects that are individually limited but cumulatively considerable. Therefore, the proposed Project would have a less than significant impact in this regard.	None required	Less than significant
Impacts on Human Beings While changes to the environment that could indirectly affect human beings would be represented by all of the designated CEQA issue areas, those that could directly affect human beings include air quality, greenhouse gas emissions, hydrology and water quality, noise, transportation and traffic, and utilities and service systems, each of which is addressed in this EIR. According to these analyses, the proposed Project would have less than significant impacts on human beings, and therefore would not have the potential to cause substantial adverse effects on human beings.	None required	Less than significant

Note: As discussed in Section IV, Biological Resources, and Section V, Cultural Resources, of the Amended Initial Study (Appendix A) implementation of the proposed Project would not have the potential to physically impact species or habitats, nor would it have the potential to physically affect historical, archaeological, or paleontological resources, or to disturb any human remains. Therefore, this environmental factor was scoped out of the EIR.

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1 INTRODUCTION

This document is an Environmental Impact Report (EIR) that evaluates the proposed Apple Valley Ranchos Water System Acquisition Project (Project), in and around the Town of Apple Valley (Town), California. The EIR was prepared in accordance with the *Guidelines for Implementation of the California Environmental Quality Act*, published by the Resources Agency of the State of California (Title 14, California Code of Regulations 15000 et. seq.), and the Town's procedures for implementing the California Environmental Quality Act (CEQA).

This report was prepared by professional planning consultants in conjunction with Town staff. This EIR contains information necessary to support the Town's CEQA findings that will be made only after the Town Council considers the proposed Project and the administrative record. The Town Council's findings will be incorporated in a stand-alone Resolution that will be presented as part of the agenda packet when this item moves forward for consideration.

This section describes: (1) the general background of the proposed Project and EIR process; (2); the purpose and legal authority of the EIR; (3) the scope and content of the EIR; (4) the type of EIR; (5) lead, responsible, and trustee agencies; and (6) the environmental review process required under the CEQA.

1.1 PROJECT BACKGROUND

The Town of Apple Valley is proposing to acquire the Apple Valley Ranchos Water Supply System (AVR System) that currently serves a 50 square-mile area that encompasses the majority of the incorporated area of the Town as well as some outlying areas located in a portion of the incorporated City of Victorville and unincorporated San Bernardino County. The acquisition would include all associated assets, (i.e., real, intangible, and personal property), including, but not limited to:

- Water systems and production wells, as defined in Section 240 of the California Public Utilities Code;
- Utility plants;
- Water rights;
- Water supply contracts; and
- Records, books, and accounts.

In addition to the Town's acquisition of the AVR System, the proposed Project includes the Town's subsequent operation and maintenance of the AVR System, which would occur out of Apple Valley Ranchos' existing operations and maintenance (O&M) facility, located at 21760 Ottawa Road. The Town is proposing only to acquire and operate the existing system, and is not proposing changes or expansion to the physical AVR System or to the associated water rights nor is the Town proposing any changes to the manner of operation of the AVR System or the exercise of the associated water rights.

The AVR System is currently owned and operated by Apple Valley Ranchos Water Company, a wholly-owned subsidiary of Park Water Company, a Class A investor-owned public utility

regulated by the California Public Utilities Commission (CPUC). Apple Valley Ranchos Water Company was first created in 1947, and then purchased by Park Water Company in 1987. Apple Valley Ranchos currently holds water rights to supply the system as well as infrastructure that allows for the production, distribution, and delivery of water supplies within its service area. As reported, the AVR System includes a system of groundwater wells with a total pumping capacity of approximately 37 million gallons per day; approximately 469 miles of pipeline and 22,431 active service connections, providing service to approximately 62,602 customers; 11.7 million gallons of storage provided in tanks; and 42 assessor parcels with a total area of approximately 34.52 acres that generally support system infrastructure (e.g., groundwater wells and water storage tanks) and public utility right-of-ways.

Although Park Water Company/Apple Valley Ranchos Water Company recently acquired the Yermo Water System and its facilities, the proposed Project does not include acquisition of the Yermo Water System, which is located east of the City of Barstow. This is because the Yermo Water ~~District~~ Company facilities are located approximately 45 miles from the Town; Yermo Water ~~District~~ Company does not provide any water services to the Town's residents, businesses, or other uses; and the Yermo Water ~~District's~~ Company's facilities do not provide any other benefit to the Town's residents

The underlying purpose of the proposed Project is for the Town of Apple Valley to acquire, operate, and maintain the AVR System. The following objectives have been defined for the proposed Project:

- Allow the Town to independently own and operate a water production and distribution system;
- Provide for greater transparency and accountability, as well as increased customer service and reliability;
- Enhance customer service and responsiveness to Apple Valley customers;
- Provide greater local control over the rate setting process and rate increases;
- Provide direct access to locally elected policy makers for the water operations;
- Allow the Town to pursue grant funding and other types of financing for any future infrastructure needs, including grants and financing options which the California Public Utilities Commission (CPUC) does not allow private company to include in their rate base (such that private companies do not pursue advanced planning and investment for infrastructure);
- Ensure better coordination amongst Town decisions involving land use, emergency services, policy, the location and need for capital improvements, and overall planning in the water context; and
- Enable the Town to use reclaimed water for public facilities without invoking potential duplication of service issues with AVR.

1.2 PURPOSE AND LEGAL AUTHORITY

This EIR has been prepared in accordance with CEQA and the *State CEQA Guidelines*. In accordance with Section 15121 of the *State CEQA Guidelines,* the purpose of this EIR is to serve as an informational document that:

> *...will inform public agency decision makers and the public generally of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project.*

Therefore, the EIR is an informational document for use by decision makers, public agencies, and the general public. It is not a policy document and does not set forth Town policy about the desirability of the proposed Project.

The proposed Project requires discretionary approval from the Town of Apple Valley (described in Section 2.7.2, *Discretionary Approvals*) and is therefore subject to the requirements of CEQA (Public Resources Code, Section 21000, et. seq.).

1.3 NOTICE OF PREPARATION AND SCOPING

The Town of Apple Valley implemented an extensive scoping process, which included noticing the public on two occasions, providing an Initial Study with each of these notices, and holding two public scoping meetings. The Town prepared an initial Notice of Preparation (NOP) for an EIR, and distributed the NOP along with the Initial Study for agency and public review for the required 30-day review period from June 26, 2015 to July 27, 2015. The Town held an initial scoping meeting on July 7, 2015 at the Town's Council Chambers at 14955 Dale Evans Parkway. The intent of the scoping meeting was to provide interested individuals, groups, public agencies and others a forum to provide input in an effort to assist in further refining the intended scope and focus of the EIR.

During the initial review period, the Town received several comments regarding the need for a more clearly defined project and additional noticing and review time. The Town responded by extending the NOP review period, amending the Initial Study, scheduling a second scoping meeting, posting notice of the extension and additional scoping meeting in two newspapers, and sending an amended NOP and Initial Study to the initial notification list as well as to any additional recipients identified during the initial scoping process. The extended notice period ran from July 17, 2015 to August 19, 2015 and a second scoping meeting was held on August 4, 2015 at the Apple Valley Conference Center at 14975 Dale Evans Parkway. The original NOP, amended NOP, Amended Initial Study, and the comment letters received on the NOP and Initial Study are included in Appendix A, which is attached hereto and incorporated herein by this reference. Note that the Amended Initial Study indicates where text refinements occurred to the original Initial Study in response to comments received during the first scoping meeting and from early written responses to that document.

The Town received a total of ~~29~~27 written comments in the period that spanned the initial and extended review periods. Table 1-1 summarizes the comments received in the comment letters and at the two public scoping sessions. This EIR reflects many of the suggestions from these letters. Additionally, minor corrections have been made to the Amended Initial Study based on the comments received, as documented in the table below.

Table 1-1: NOP and Initial Study Comments and Requests

Commenter	Comment/Request	How and Where Comment was Addressed
Agency Letters		
Mojave Desert Air Quality Management District (AQMD) -- Alan J. De Salvio	The Mojave Desert AQMD concurs with the findings of "Less Than Significant Impact" and "No Impact" for Air Quality.	This comment is noted. For additional analysis, see Section 4.1, *Air Quality*.
State Water Resources Control Board (SWRCB) -- Sean F. McCarthy, P.E.	The SWRCB indicates that the Town would need to apply for and obtain a public water system permit from the SWRCB, which requires the applicant to demonstrate its capability to manage the system.	The SWRCB has been identified as a responsible agency for the proposed Project in this EIR. See Section 1.6, *Lead, Responsible, and Trustee Agencies,* for further detail.
San Bernardino County, Department of Public Works – Nidham Aram Alrayes	1) Stated that County Flood Control District land is not to be used as Project land or mitigation land, and permits would be needed for any encroachment onto this land. 2) Highlighted potential inconsistency related to proposed outsourcing of system operation. 3) Expresses need to explain how the Apple Valley Multiple Species Habitat Conservation Plan (MSHCP) or West Mojave Habitat Conservation Plan (WMHCP) would address impacts. 4) States that the Town would need to contact additional agencies for approval, as the project may alter a stream bed, bank, or channel, and has the potential to affect water quality.	1) Comment noted. 2) The proposed Project has been refined to clarify that the AVR System would be operated by the Town, if acquired. This change was included in the Amended Initial Study and is reflected in this EIR. See Section 2.0, *Project Description*. 3) As discussed in the Initial Study, the proposed Project would have no impact on biological resources; as such it would also have no potential to conflict with any adopted or proposed HCPs. 4) For a discussion of potential impacts on water quality, see Section 4.3, *Hydrology and Water Quality.* As noted previously in this section, the proposed Project does not include any physical change to the infrastructure of the system. Therefore, as noted in the Initial Study, no impact to stream bed, bank or channel would occur.
Local Agency Formation Commission (LAFCO) -- Kathleen Rollings-McDonald)	1) Requested explanation of how the Town would acquire the AVR System without the Yermo system. 2) Alleged the Project location is inaccurate and should include portions of Victorville; also requests inclusion of the Yermo system in the location description and map. 3) Stated LAFCO discretionary approval is not necessary to implement the Project.	1) Apple Valley Ranchos Water Company has recently announced its acquisition of Yermo Water Company. Yermo Water Company is not integrated in any way with the AVR System. The Yermo system is not physically connected to the Apple Valley system and its rates are set independently. Chris Schilling, the CEO of Apple Valley Ranchos Water Company's parent company Park Water Company, has indicated publicly that there are no plans in place to couple the rates of the Yermo and Apple Valley systems. The Yermo water system is a standalone system and has been operated as such for many years. It is located more than 30 miles north of the Town's boundaries and is outside of the Town's sphere of influence. As such, the Town has no intention of acquiring the Yermo system. 2) The description of the service area for the AVR System has been updated in the Amended Initial Study and carried forward to this EIR to reflect that the service area includes a portion of the incorporated area of the City of Victorville. The Town of Apple Valley would acquire this portion of the system as part of the Project, and

Commenter	Comment/Request	How and Where Comment was Addressed
		would continue to operate and maintain this portion of the system along with the rest of the service area in and surrounding the Town of Apple Valley. However, the Town does not propose to acquire the Yermo system. The Yermo system is not physically connected to the Apple Valley System and is not included in this Project. 3) The AVR System currently provides water to customers outside the incorporated boundaries of the Town of Apple Valley, including some customers within the City of Victorville and others in unincorporated County territory. If deemed necessary, the Town will obtain the consent of those jurisdictions in which Apple Valley Ranchos Water Company's customers reside. In addition, the Town will complete any necessary Local Agency Formation Commission approvals, though none are anticipated to be required at this time.
Public Comment Letters Submitted Prior to Extension of Comment Period and Amendment of Initial Study		
Apple Valley Ranchos – Hill, Farrer, & Burrill LLP (Kevin Brogan, Esq.)	Objected to length and timing of notice period and exclusion of the mailing list from the Notice of Preparation (NOP).	In response to comments received during the initial scoping process, the NOP review period was extended, the Initial Study was amended, a second scoping meeting was scheduled, notice of the extension and additional scoping meeting was posted in two newspapers, and an amended NOP and Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. Additionally, during the extended review period, a list of public agencies, responsible agencies, and others who were provided with the NOP was provided either by e-mail or as a hard copy to anybody who requested it from the Town.
David Mueller	1) Expressed dissatisfaction with the public process, specifically regarding noticing and availability of the Initial Study. 2) Does not feel the description of the Project is sufficient to perform the analysis. 3) States that the EIR needs to consider acquisition of all of Apple Valley Ranchos holdings rather than only those in the vicinity of the Town. 4) Expresses concern regarding management of water supplies. 5) Expressed concern regarding the definition of the scope of the Project.	1) In response to comments received during the initial scoping process, the NOP review period was extended, the Initial Study was amended, a second scoping meeting was scheduled, notice of the extension and additional scoping meeting was posted in two newspapers, and an amended NOP and Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. 2) The Amended Initial Study provides a more refined Project Description. Additionally, this EIR provides a detailed description in Section 2.0, *Project Description*. 3) This EIR considers the Project as proposed by the Town at this time; any acquisition beyond that described in this EIR would be subject to its own CEQA process. 4) See Section 4.3, *Hydrology and Water Quality.* 5) Addressed in Section 2.0, *Project Description*, and in the Amended Initial Study.

Commenter	Comment/Request	How and Where Comment was Addressed
Greg Raven	1) Expressed dissatisfaction with the public process and stated that he was unable to obtain a copy of the Initial Study. 2) Protested objectives, premise, and findings of the study.	1) In response to comments received during the initial scoping process, the NOP review period was extended, the Initial Study was amended, a second scoping meeting was scheduled, notice of the extension and additional scoping meeting was posted in two newspapers, and an amended NOP and Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. The Amended Initial Study was mailed to all contacts on the NOP mailing list and made available at the Town Hall and on the Town's website throughout the duration of the 30-day comment period for the NOP. 2) Comment noted. The purpose of the Initial Study is to serve as an informational document, which outlines the anticipated scope of the EIR and the rationale behind that. The comments on the Initial Study have been reviewed and informed the scope of the analysis in this EIR.
Leane Lee	1) Stated that the project description was inadequate. 2) Commented on the need to address potential impacts to other communities served by Apple Valley Ranchos Water Company. 3) Expressed concern that scope may be narrowed as a result of the Initial Study, resulting in exclusion of feasible alternatives. 4) Requested that the NOP and Initial Study be revised and corrected, and that the Town schedule an additional public meeting. Also requested a list of those receiving public notice.	1) The proposed Project was refined to exclude potential outsourcing of operations in response to comments received on the Initial Study. This change was included in the Amended Initial Study and is reflected in this EIR. See Section 2.0, *Project Description*. 2) Potential impacts of the Project to all communities, including those outside the Town are addressed in Section 4.0, *Environmental Impact Analysis*. 3) This EIR addresses all potential impacts found to be Potentially Significant in the Amended Initial Study as well as some that were determined to be Less Than Significant, in order to provide a conservative, robust and transparent analysis. See Section 4.0, *Environmental Impact Analysis*. Additionally, this EIR includes analysis of four alternatives, including the "no project" alternative. See Section 6.0, *Alternatives*. No additional alternatives were suggested for analysis in this comment letter. 4) In response to comments received during the initial scoping process, the NOP review period was extended, the Initial Study was amended, a second scoping meeting was scheduled, notice of the extension and additional scoping meeting was posted in two newspapers, and an amended NOP and Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. Additionally, during the extended review period, a list of public agencies, responsible agencies, and others who were provided with the NOP was provided either by e-mail or as a hard copy to anybody who requested it from the Town.

Commenter	Comment/Request	How and Where Comment was Addressed
Tamara Alaniz	1) Asserted that a change in ownership is not considered a "project" under CEQA. 2) Asserts that the stated purpose of the Project is actually a list of goals as opposed to definitive outcomes. 3) States conservation measures will be needed to address water use. 4) Expressed disappointment in the public process. 5) Indicated the need for a "no project" alternative.	1) Although the acquisition of the AVR System is not a traditional construction or public works "project" that is typically analyzed under CEQA, this EIR was prepared to address any potential physical effects to the environment that could occur as a result of a change in ownership of the system, which is a discretionary decision that the Town Council will consider. This EIR was prepared to provide a physical robust and transparent review of any potential impacts to the environment. The purpose of this EIR is discussed in Section 1.2, *Purpose and Legal Authority*. 2) CEQA Section 15124 states that, "the description of the project shall contain the following information but should not supply extensive detail beyond that needed for evaluation and review of the environmental impact," requiring provision of, "a statement of the objectives sought by the proposed project." The Town includes a statement of purpose for the Project that lists the Town's objectives. These objectives are not necessarily definitive outcomes, but are rather the Town's objectives in pursuing the Project, as required by CEQA. 3) For a discussion of impacts to water supply, see Section 4.3, *Hydrology and Water Quality*. 4) In response to comments received during the initial scoping process, the NOP review period was extended, the Initial Study was amended, a second scoping meeting was scheduled, notice of the extension and additional scoping meeting was posted in two newspapers, and an amended NOP and Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. 5) The "no project" alternative is analyzed in this EIR. See Section 6.0, *Alternatives*.
Alvin Rice	1) Expressed dissatisfaction with the public process, specifically regarding noticing and availability of the Initial Study. 2) Expressed the need to include the Yermo water system in the analysis. 3) Stated that the description needs to include more information about how the system would be operated in order to allow for a robust analysis.	1) In response to comments received during the initial scoping process, the NOP review period was extended, the Initial Study was amended, a second scoping meeting was scheduled, and an amended NOP and Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. The Amended Initial Study was also made available at Town Hall and on the Town website starting the first day of the extended notice period, allowing for a full 30 days of review time from that date. 2) The acquisition of the Yermo Water System is not part of the proposed project (see Section 1.1 for further detail); therefore, this EIR evaluates the Town's proposed acquisition of the AVR System without the Yermo system. 3) The Amended Initial Study provides a more refined Project Description. Additionally, this EIR provides a detailed description in Section

Commenter	Comment/Request	How and Where Comment was Addressed
		2.0, *Project Description*.
Public Comment Letters Submitted Following Extension of Comment Period and Amendment of Initial Study		
Alvin Rice	Made suggestions about how to make the NOP and Initial Study more widely accessible, including: • Posting the NOP as a bulletin; • Increasing the size of the link for accessing related documents on the Town's website; and • Including additional recipients.	The Town responded to these requests by posting the NOP on its website, bolding the link to relevant documents on their website, and sending the Notice of ~~Availability~~ Preparation for this EIR to all organizations and individuals identified in Mr. Rice's letter.
William McLeod	1) Made specific suggestions regarding edits to the document, most notably: • correcting the location description for the Yermo system; • taking into consideration the temporary closure of the local library • reconsider statements regarding the Town's ability to reduce rates 2) Highlights the Projects potential to keep money in the local economy and to eliminate the need for the system to generate a financial return for a private company.	1) These suggestions were considered during the preparation of the EIR and necessary edits, such as the correction of the location for the Yermo system, were made to the Initial Study. 2) Comment noted.
Greg Raven	1) Expressed the need for a more robust project description. 2) Suggested the Town discontinue pursuit of this project.	1) The description of the proposed Project was refined in responses to this comment. This change was included in the Amended Initial Study and is reflected in this EIR. 2) Comment noted.
Alvin Rice	1) Inquires what resource areas are being researched and what was learned. 2) Expresses the need for an analysis of the condition of existing infrastructure and any necessary upgrades.	1) The eight resource areas considered in this EIR are summarized in Section 1.4, *Scope and Content*, and findings are presented in the individual subsections of Section 4.0, *Environmental Impact Analysis*. 2) The Town would acquire the AVR System in its existing condition; no system upgrades are proposed at this time that would require review under CEQA. The Town will maintain the system with the degree of prudence and caution required of a municipal operator of a water system. The continuation of ongoing maintenance activities by the Town is considered and evaluated in Section 4.0, *Environmental Impact Analysis*, of this EIR. It should be noted that, these maintenance activities would be the same as those required by any owner and operator of the system, including Apple Valley Ranchos. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. Any future upgrades of the system, regardless of ownership, would be subject to CEQA and would require associated environmental review and documentation.
Jim Gilpin	1) Would like information about projected water rates, when available	1) Rates are not within the scope of environmental analysis under CEQA, and therefore are not included in this EIR. This

Commenter	Comment/Request	How and Where Comment was Addressed
	2) Requested information regarding the condition of existing infrastructure.	comment has been passed to Town decision-makers for consideration as part of the wider project review process. 2) The Town would acquire the AVR System in its existing condition; no system upgrades are proposed at this time that would require review under CEQA. The Town will maintain the system with the degree of prudence and caution required of a municipal operator of a water system. The continuation of ongoing maintenance activities by the Town is considered and evaluated in Section 4.0, *Environmental Impact Analysis*, of this EIR. It should be noted that, these maintenance activities would be the same as those required by any owner and operator of the system, including Apple Valley Ranchos. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. Any future upgrades of the system, regardless of ownership, would be subject to CEQA and would require associated environmental review and documentation.
Thomas Weber	Inquired how the system would be run differently in order to prevent net loss of water from the aquifer.	For a discussion of effects to water supply, see Section 4.3, *Hydrology and Water Quality.*
DeAnn D'Lean	1) Expressed concerns regarding water rates under the Project. 2) Requested explanation of how the Town will be transparent under the proposed Project	1) Rates are not within the scope of environmental analysis under CEQA, and therefore are not included in this EIR (State CEQA Guidelines, § 15131). This comment has been passed to Town decision-makers for consideration as part of the wider project review process. 2) The Town has prepared this EIR in order to provide a robust and transparent environmental review of the proposed Project. In terms of rate transparency following the acquisition, this issue is not within the scope of CEQA, and therefore not included in this EIR (State CEQA Guidelines, § 15131). This comment has been passed to Town decision-makers for consideration as part of the wider project review process.
Rube Wolf	Indicated she would provide comments by e-mail at a future date.	Thank you for your comment. Please note that comments may also be submitted on this Draft EIR during the comment period for this document.
Sandra Dorman	Inquired why an EIR was being prepared and how the Project would create impacts if it is purely a change of ownership.	This EIR was prepared to address any potential physical effects to the environment that could occur as a result of a change in ownership of the AVR System. This EIR was prepared to provide a robust and transparent review of any potential physical impacts to the environment. The purpose of this EIR is discussed in Section 1.2, *Purpose and Legal Authority*.
Ron Kabalin	1) Inquired about the cost of acquisition, who will bear the cost, and how these costs would affect taxes.	1) Financial information is not within the scope of environmental analysis under CEQA, and therefore is not included in this EIR (State

Commenter	Comment/Request	How and Where Comment was Addressed
	2) Inquired about the duration of this process.	CEQA Guidelines, § 15131). This comment has been passed to Town decision-makers for consideration as part of the wider project review process. 2) The EIR process is intended to provide robust and transparent review of the potential environmental effects of a project and allow time for agencies, organizations, and individuals to review findings and provide comments. The NOA for this EIR was published on September 18, 2015, with the associated review period closing on November 2, 2015. Following the review period, the Final EIR including responses to comments to all comments received will be prepared. The duration of this step varies based on the number of comments received, but is expected to require approximately one month. Lead and responsible agency decision-making bodies will then use the Final EIR in making their final determinations regarding the Project, and the Town will prepare its findings and make a decision about the project. See Section 1.7 *Environmental Review Process*, and Figure 1-1 for a description of this process.
David Mueller	1) Expressed concern of growth inducement as a result of the Project 2) Expressed the need for clarification on what entity would operate the system 3) Alleges that the EIR needs to consider acquisition of all of Apple Valley Ranchos holdings rather than only those in the vicinity of the Town. 4) Expressed concern regarding management of water supplies. 5) Expressed concern regarding the definition of the scope of the Project.	1) Addressed under Population and Housing in the Amended Initial Study in Appendix A and in Section 5.0, Growth Inducement and Other CEQA Issues, in this EIR. 2) Addressed in Section 2.0, *Project Description*, and in the Amended Initial Study. Potential alternate operators are discussed in section 6.0, *Alternatives*. 3) This EIR considers the Project as proposed by the Town at this time; any acquisition beyond that described in this EIR would be subject to its own CEQA process. 4) See Section 4.3, *Hydrology and Water Quality.* 5) Addressed in Section 2.0, *Project Description*, and in the Amended Initial Study.
Alvin Rice	1) Expressed concern about the consulting team not being local 2) Expressed the need to include additional organizations in the NOP distribution, including high-desert environmental groups.	1) See Section 7.2, *List of Preparers*, of this EIR, for the list of preparers and their qualifications. 2) The NOP was distributed to over 100 agencies, organizations, and individuals that were identified as potentially interested parties. During the initial NOP comment period, the Town responded to all comments suggesting that specific organizations be added to the notice list by adding them to the list and sending a copy of the Amended NOP and Initial Study. These organizations and individuals were also included on the NOA distribution list for this EIR.
Diana J. Carloni	1) Requested additional information about provision of service in unincorporated areas and planning	1) The Town would manage operation of the portions of the system that are outside the Town boundaries with the degree of prudence

Commenter	Comment/Request	How and Where Comment was Addressed
	associated with future Town growth. 2) Requested explanation of the process and costs of the acquisition and financial effects of the Project. 3) Requested additional information regarding the repair and maintenance plan and condition of the AVR System. 4) Requested mitigation relating to water supply. 5) Requested discussion of capital improvement plans. 6) Expressed concern regarding impacts to Public Services. 7) Requested expanded description of the benefits of the Project and how it would better serve customers.	and caution required of a municipal operator of a water system; no change in service to these areas would occur as a result of the proposed Project as described in Section 2.0, *Project Description*. Additionally, extraterritorial water service by a municipality to unincorporated residents is a fairly common practice in California. The Town will comply with all constitutional and statutory requirements in providing water to customers outside its boundaries. The Town will work with the San Bernardino County Local Area Formation Commission, as necessary, throughout the acquisition process to ensure that reliable service is provided. Town residents are not expected to be impacted as the rates are covered by Proposition 218. 2) The legal acquisition process and financial effects of the Project are not within the scope of environmental analysis under CEQA, and therefore are not included in this EIR (State CEQA Guidelines, § 15131). This comment has been passed to Town decision-makers for consideration as part of the wider project review process. 3) The Town would acquire the AVR System in its existing condition; no system upgrades are proposed at this time that would require review under CEQA. The Town will maintain the system with the degree of prudence and caution required of a municipal operator of a water system. The continuation of ongoing maintenance activities by the Town is considered and evaluated in Section 4.0, *Environmental Impact Analysis*, of this EIR. It should be noted that, these maintenance activities would be the same as those required by any owner and operator of the system, including Apple Valley Ranchos. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. Any future upgrades of the system, regardless of ownership, would be subject to CEQA and would require associated environmental review and documentation. . 4) See Section 4.3, *Hydrology and Water Quality.* 5) As discussed under #3 above, the Town would be responsible for ongoing system maintenance and any, as yet undefined, necessary upgrades. 6) See Section 4.7, *Utilities and Service Systems.* In addition, the Town will operate the system with the degree of prudence and caution required of a municipal operator of a water system. The Town will maintain the following in accordance with all existing laws and standards: (1) fireflow requirements; (2) an adequate distribution system; (3) an emergency

Commenter	Comment/Request	How and Where Comment was Addressed
		water management plan; (4) an emergency water provision plan; (5) harmony with wastewater facilities. 7) This document analyzes potential environmental effects of the proposed Project. The anticipated financial benefits and improvements to customer service and system reliability are outside the scope of CEQA, and are not included in this document (State CEQA Guidelines, § 15131). This comment has been passed to Town decision-makers for consideration as part of the wider project review process.
Roy Buchoz	Expressed support of Project and concern for the Town potentially being required to purchase investments beyond those discussed as part of the Project.	Comment noted. This EIR considers the Project as proposed by the Town at this time; any acquisition beyond that described in this EIR would be subject to its own CEQA process
Alvin Rice	1) Asserted that the analysis in the Amended Initial Study was insufficient. 2) Asserts that the stated purpose of the Project is not a definitive outcome of the acquisition. 3) Expressed disappointment in the fact that there is no analysis regarding Valley Fever included in the Initial Study.	1) The Amended Initial Study provides initial analysis in order to determine the need for and scope of further evaluation in an EIR. Eight resource areas were identified for further analysis and are analyzed in Section4.0, *Environmental Impact Analysis*, of this document. 2) CEQA Section 15124 states that, "the description of the project shall contain the following information but should not supply extensive detail beyond that needed for evaluation and review of the environmental impact," requiring provision of, "a statement of the objectives sought by the proposed project." The Town includes a statement of purpose for the Project that lists the Town's objectives. These objectives are not necessarily definitive outcomes, but are rather the Town's objectives in pursuing the Project, as required by CEQA. 3) Valley Fever is associated with the mobilization of particulate matter (dust) and subsequent inhalation by area residents. The potential for the Project to result in air quality impacts, including emission of particulate matter, is included in Section 4.1, *Air Quality*.
Greg Raven	1) Reiterated opposition to the Project. 2) Asserted that the Town does not have the expertise to operate the AVR System. 3) Asserted that the Town has not been transparent about its reason for trying to acquire the AVR System or about its financial status (claiming they have a budget deficit and do not have the resources to maintain the AVR System), and alleged that the Town would not be able to deliver on their goal of improved rate management, customer service, and access to local elected officials. 4) Objected to the Town's stated	1) Comment noted. 2) In order to obtain the necessary permits to acquire the AVR System, the Town would have to demonstrate to SWRCB its ability to operate the system, as discussed in Section 1.6, *Lead, Responsible, and Trustee Agencies*. 3) Comment noted. Financial matters are not within the scope of environmental analysis under CEQA, and therefore are not evaluated in this document (State CEQA Guidelines, § 15131). However, in compliance with the directives of CEQA, this EIR was prepared to provide a robust and transparent review of any potential impacts to the environment that could result from the Project. The purpose of this EIR

Commenter	Comment/Request	How and Where Comment was Addressed
	purpose of enabling use of reclaimed water, claiming that Apple Valley Ranchos welcomes use of reclaimed water. 5) Objected to the project based on the lack of financial incentive to the Town's residents, given that the Town already has an existing system managed by Apple Valley Ranchos Water Company. 6) Claimed the Project is wasting money and no EIR should support the Project. 7) Asserted the acquisition would result in additional costs related to misalignment of the Town boundary versus the service area. 8) Asserted that the Town's purpose in the acquisition is to gain cash flow.	is discussed in Section 1.2, *Purpose and Legal Authority*. This comment has been passed to Town decision-makers for consideration as part of the wider project review process. 4) Comment noted. 5) Comment noted. 6) Under CEQA, an EIR neither supports nor opposes a project, and does not consider projects in terms of their financial merit (State CEQA Guidelines, § 15131). An EIR is intended to provide analysis of the potential physical impacts of a project and a range of alternatives, including "no project," and based on that analysis determine the environmentally superior alternative. 7) Comment noted. 8) Comment noted.
Leane Lee	1) Suggested that more environmental agencies should be noticed. 2) Requested expanded dialogue with the community. 3) Pointed out that the alternatives are not included in the Initial Study. 4) Alleged that the project description, particularly the operation plan, is speculative. 5) Requested a third round of noticing with amended documents and a third scoping meeting. 6) Requests consideration of an alternate consultant.	1) The NOP was distributed to over 100 agencies, organizations, and individuals that were identified as potentially interested parties. During the initial NOP comment period, the Town responded to all comments suggesting that specific organizations be added to the notice list by adding them to the list and sending a copy of the Amended NOP and Initial Study. These organizations and individuals were also included on the NOA distribution list for this EIR. 2) Two scoping meetings and an extended comment period were provided. The public may also comment on the EIR during the public comment period on the Draft EIR. See Figure 1-1 for an illustration of the public comments periods provided under the EIR process. 3) Alternatives are included in Section 6.0, *Alternatives*, of this EIR. 4) The proposed Project is based on existing operation of the system. 5) The comment period is intended to allow the public an opportunity to comment on what should be studied in the EIR, and is now closed. The public may also on the EIR during the public comment period on the Draft EIR. See Figure 1-1 for an illustration of the public comments periods provided under the EIR process. 6) Comment noted.

1.4 SCOPE AND CONTENT

This EIR addresses those issues that have been determined by the Town of Apple Valley to be potentially significant or were found to be less than significant but warranted additional

evaluation. This determination was based on the analysis performed in the Amended Initial Study and responses to the NOP. The issues addressed in this EIR include:

- Air Quality
- Greenhouse Gas Emissions
- Hydrology and Water Quality
- Land Use and Planning
- Noise
- Transportation and Traffic
- Utilities and Service Systems
- Mandatory Findings of Significance

Impacts related to the following topics were determined to be less than significant and not to warrant additional analysis in the Amended Initial Study (Appendix A), and are not discussed further in this EIR:

- Aesthetics
- Agriculture and Forest Resources
- Biological Resources
- Cultural Resources
- Geology/Soils
- Hazards and Hazardous Materials
- Mineral Resources
- Population/Housing
- Public Services
- Recreation

This EIR addresses the eight issue areas referenced above and identifies the potentially significant environmental impacts, including cumulative effects, of the proposed Project. In addition, the EIR, where required, identifies existing environmental regulations and standard conditions of approval that, when taken into consideration, ensure that the proposed Project's environmental effects are all less than significant.

The EIR references pertinent Town policies and guidelines, certified EIRs and adopted CEQA documents. A full reference list is contained in Section 7.0, *References and Report Preparers*.

The Alternatives section of the EIR (Section 6.0) was prepared in accordance with Section 15126.6 of the State CEQA Guidelines. The Alternatives discussion evaluates the CEQA required "no project" alternative and three alternative scenarios for operation of the Project. It also identifies the environmentally superior alternative among the alternatives assessed.

The level of detail contained throughout this EIR is intended to be fully consistent with the requirements of CEQA and applicable court decisions. The State CEQA Guidelines provide the standard of adequacy on which this document is based. The State CEQA Guidelines Section 15151 states:

> *An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account of environmental consequences. An evaluation of the environmental effects of the proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection, but for adequacy, completeness, and a good faith effort at full disclosure.*

1.5 TYPE OF EIR

This EIR has been prepared as a Project EIR pursuant to Section 15161 of the State CEQA Guidelines. A Project EIR is appropriate for a specific development project. As stated in the CEQA Guidelines Section 15161:

> *This type of EIR should focus primarily on the changes in the environment that would result from the development project. The EIR shall examine all phases of the project, including planning, construction, and operation.*

While the proposed Project is not what would normally be defined as a traditional "development" project, it is also not part of a larger plan or program where a programmatic EIR would be appropriate. Because the Project would result in a specific action (i.e. acquisition of the AVR System) by the Town, it has been determined that a Project EIR is the appropriate CEQA document for the proposed Project.

1.6 LEAD, RESPONSIBLE, AND TRUSTEE AGENCIES

The Town of Apple Valley is considered the lead agency in preparing this EIR because the Town Council would need to make a discretionary approval of acquisition of the AVR System from Apple Valley Ranchos in order to implement the proposed Project.

Section 15367 of the State CEQA Guidelines defines a "lead agency" as:

> *…the public agency which has the principal responsibility for carrying out or approving a project. The Lead Agency will decide whether an EIR or negative declaration will be required for the project and will cause the document to be prepared.*

The State Water Resources Control Board (SWRCB), Regional Water Quality Control Board (RWQCB), and CPUC may act as responsible agencies for the proposed Project under CEQA. The change of ownership of the AVR System would need to be approved by the SWRCB under California Health and Safety Code (CHSC) Section 116525, which requires a new purveyor to apply for and obtain a public water system permit prior to a change in ownership. The permit review process requires the applicant to demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water. Therefore, the Town would need to apply for and obtain a public water system permit from the SWRCB prior to the change of ownership, and the SWRCB would be considered a responsible agency for the proposed Project.

If the AVR System is acquired through a negotiated purchase, the Town would also need to obtain approval from the CPUC for transfer of ownership and operation, thereby making the CPUC a responsible agency. Once acquired, the regulatory responsibility of the CPUC over the AVR System would cease. Additionally, the Town may need approval from the Regional Water Quality Control Board as part of permit issuance in compliance with the Statewide General NPDES Permit for Discharges from Drinking Water Systems, making this agency a responsible agency as well.

Section 15381 of the State CEQA Guidelines defines a "responsible agency" as:

> *…a public agency which proposed to carry out or approve a project, for which a Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of CEQA, the term "Responsible Agency" includes all public agencies other than the Lead Agency which have discretionary approval power over the project.*

In addition, San Bernardino County may have an interest in the potential acquisition by the Town of the AVR System as a portion of unincorporated area in the county is currently served by the system. The Town circulated the NOP thereby notifying the county of the Town's commencement of the EIR process and soliciting input from the county regarding the content of the EIR.

Trustee agencies have jurisdiction over certain resources held in trust for the people of California but do not have a legal authority over approving or carrying out the project. Section 15386 of the State CEQA Guidelines designates four agencies as trustee agencies: the California Department of Fish and Wildlife with regards to fish and wildlife, native plants designated as rare or endangered, game refuges, and ecological reserves; the State Lands Commission, with regard to state-owned "sovereign" lands, such as the beds of navigable waters and state school lands; the California Department of Parks and Recreation, with regard to units of the state park system; and, the University of California, with regard to sites within the Natural Land and Water Reserves System. No trustee agencies have been identified for the proposed Project.

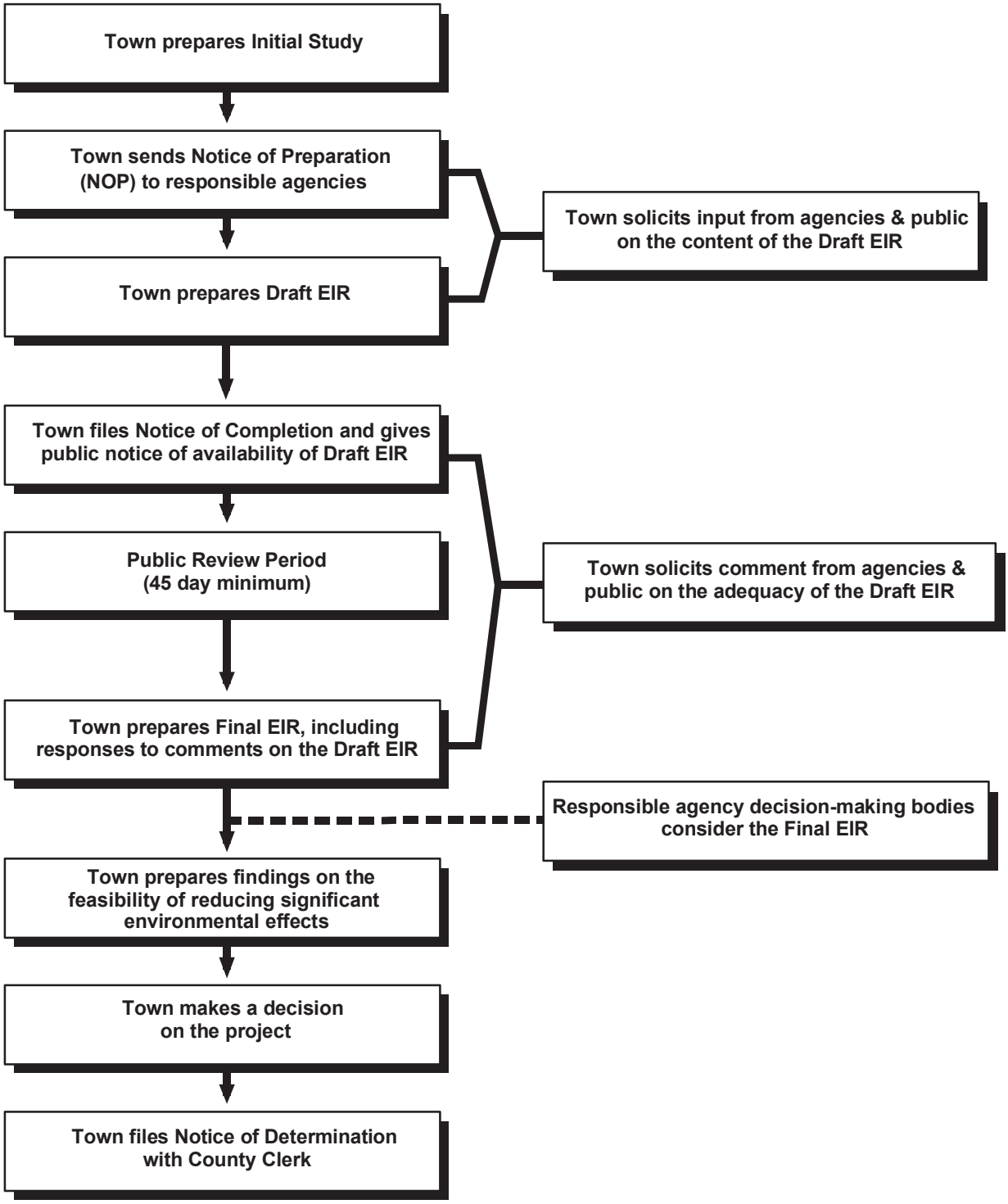
1.7 ENVIRONMENTAL REVIEW PROCESS

The major steps in the environmental review process, as required under CEQA, are outlined below. The steps are presented in sequential order. Figure 1-1 illustrates the review process.

1. **Notice of Preparation (NOP).** After deciding that an EIR is required, the lead agency must file an NOP soliciting input on the EIR scope from the State Clearinghouse, other concerned agencies, and parties previously requesting notice in writing *(CEQA Guidelines* Section 15082; Public Resources Code [PRC] Section 21092). The NOP must be posted in the County Clerk's office for not less than 30 days. The NOP may be accompanied by an Initial Study that identifies the issues for which the proposed project could create significant environmental impacts.

2. **Draft Environmental Impact Report (Draft EIR) Prepared.** The Draft EIR must contain: a) table of contents or index; b) summary; c) project description; d) environmental setting; e) discussion of significant impacts (direct, indirect, cumulative, growth-inducing and unavoidable impacts); f) a discussion of alternatives; g) mitigation measures; and, h) discussion of irreversible changes.

3. **Notice of Completion.** A lead agency must file a Notice of Completion with the State Clearinghouse when it completes a Draft EIR and prepares a Public Notice of Availability of a Draft EIR**.** The lead agency must place the Notice in the County Clerk's office for 30 days (PRC Section 21092) and send a copy of the Notice to anyone requesting it *(CEQA Guidelines* Section 15087). Additionally, public notice of



Environmental Review Process Figure 1-1

Draft EIR availability must be given through at least one of the following procedures: a) publication in a newspaper of general circulation; b) posting on and off the project site; and c) direct mailing to owners and occupants of contiguous properties. The lead agency must solicit input from other agencies and the public, and respond in writing to all comments received (PRC Section 21153). The minimum public review period for a Draft EIR is 30 days. When a Draft EIR is sent to the State Clearinghouse for review, the public review period must be at least 45 days (PRC Section 21091).

4. **Final EIR.** A Final EIR must include: a) the Draft EIR; b) copies of comments received during public review; c) list of persons and entities commenting; and, d) responses to comments.

5. **Certification of Final EIR.** Prior to making a decision on a proposed project, the lead agency must certify that: a) the Final EIR has been completed in compliance with CEQA; b) the Final EIR was presented to the decision-making body of the lead agency; and, c) the decision-making body reviewed and considered the information in the Final EIR prior to approving a project *(CEQA Guidelines* Section 15090).

6. **Lead Agency Project Decision.** A lead agency may: a) disapprove a project because of its significant environmental effects; b) require changes to a project to reduce or avoid significant environmental effects; or, c) approve a project despite its significant environmental effects, if the proper findings and statement of overriding considerations are adopted *(CEQA Guidelines* sections 15042 and 15043).

7. **Findings/Statement of Overriding Considerations.** For each significant impact of the project identified in the EIR, the lead or responsible agency must find, based on substantial evidence, that either: a) the project has been changed to avoid or substantially reduce the magnitude of the impact; b) changes to the project are within another agency's jurisdiction and such changes have or should be adopted; or, c) specific economic, social, or other considerations make the mitigation measures or project alternatives infeasible *(CEQA Guidelines* Section 15091). If an agency approves a project with unavoidable significant environmental effects, it must prepare a written Statement of Overriding Considerations that sets forth the specific social, economic, or other reasons supporting the agency's decision.

8. **Mitigation Monitoring Reporting Program.** When an agency makes findings on significant effects identified in the EIR, it must adopt a reporting or monitoring program for mitigation measures that were adopted or made conditions of project approval to mitigate significant effects (*State CEQA Guidelines* Section 15097).

9. **Notice of Determination (NOD).** The lead agency then files a Notice of Determination after deciding to approve a project for which an EIR is prepared *(CEQA Guidelines* Section 15094). The NOD is filed with the County Clerk and must be posted for 30 days and sent to anyone previously requesting notice. Posting of the Notice starts a 30-day statute of limitations on CEQA legal challenges [PRC Section 21167(c)].

2 PROJECT DESCRIPTION

2.1 PROJECT PROPONENT/LEAD AGENCY

Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

2.2 PROJECT LOCATION AND SETTING

The Project Area is located in San Bernardino County and is comprised of the approximately 50 square-mile area currently served by the Apple Valley Ranchos Water Company water supply system (AVR System). The majority of the Project Area is in the incorporated area of the Town of Apple Valley, with the remainder of the Project Area located outside the Town of Apple Valley's corporate boundary in the following locations:

- Along the eastern boundary of the incorporated area of the City of Victorville; and
- In the unincorporated areas of San Bernardino County, east of the Town, including
    - The area running east along Cahuilla Road for approximately five miles, within approximately one mile north and south of the road (Figure 2-1).
    - A small area within one tenth of a mile of the Town's boundary, south of Yucca Loma Road near its intersection with Joshua Road.

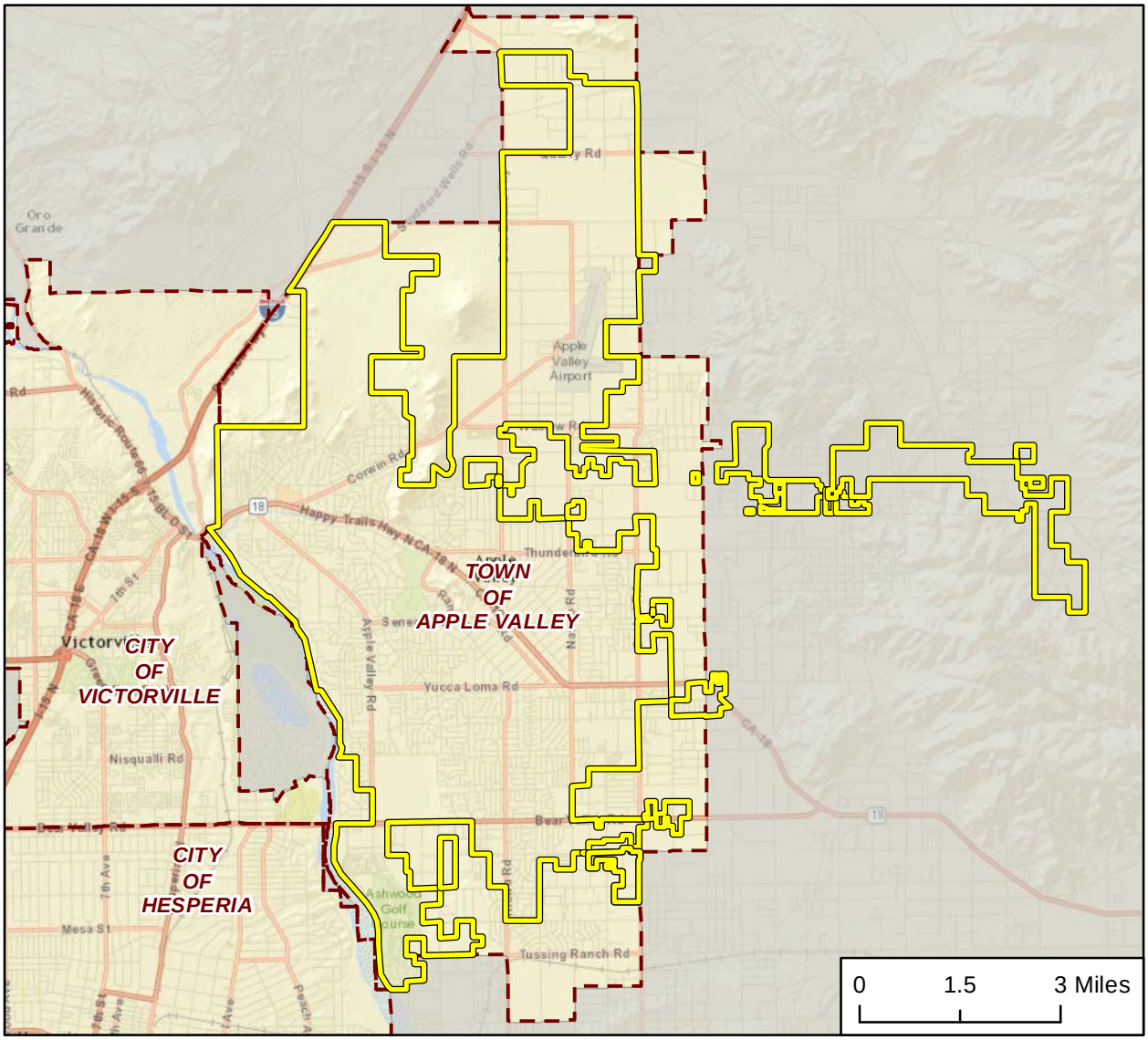
The Project Area is bordered by the City of Victorville to the west and City of Hesperia to the southwest, and surrounded by unincorporated areas of San Bernardino County to the north, east, and south.

The territory currently served by the AVR System is primarily residential in nature but also includes other land uses such as commercial, institutional, and industrial facilities. The Project Area is located on gently sloping alluvial fans ranging in elevation from approximately 3,400 feet near the base of the Fairview Mountains to the northeast to 2,700 feet along the Mojave River to the west (Town of Apple Valley, 2009). Through Apple Valley, the Mojave River is an intermittent river with most of its flow occurring underground and in surface channels that remain dry the majority of the time, appearing as a wide floodplain that generally defines Apple Valley's western boundary.

2.3 REGULATORY SETTING

2.3.1 Safe Drinking Water Act

The Safe Drinking Water Act (SDWA) is the main federal law that ensures the quality of Americans' drinking water. Under SDWA, the United States Environmental Protection Agency (U.S. EPA) sets standards for drinking water quality and oversees the states, localities, and water suppliers who implement those standards.



Imagery provided by National Geographic Society, ESRI and its licensors © 2015. Apple Valley Ranchos Water Company Service Area from Apple Valley Ranchos Water Company, 2010 UWMP - Final.

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Apple Valley Ranchos Water Company Service Area
Unincorporated Areas
City/Town Corporate Boundary

Apple Valley Ranchos Water Company Service Area Figure 2-1

SDWA was originally passed by Congress in 1974 to protect public health by regulating the nation's public drinking water supply. The law was amended in 1986 and 1996 and requires many actions to protect drinking water and its sources: rivers, lakes, reservoirs, springs, and groundwater wells. SDWA does not regulate private wells which serve fewer than 25 individuals.

SDWA authorizes the U.S. EPA to set national health-based standards for drinking water to protect against both naturally-occurring and man-made contaminants that may be found in drinking water. These National Primary Drinking Water Regulations set enforceable maximum contaminant levels for particular contaminants in drinking water or required ways to treat water to remove contaminants. Each standard also includes requirements for water systems to test for contaminants in the water to make sure standards are achieved. In addition to setting these standards, the U.S. EPA provides guidance, assistance, and public information about drinking water, collects drinking water data, and oversees state drinking water programs. The AVR System is subject to the National Primary Drinking Water Regulations as they relate to the System's provision of potable water to its customers.

2.3.2 Urban Water Management Planning Act

Pursuant to the Urban Water Management Planning Act (California Water Code §§ 10610 - 10656) urban water suppliers having more than 3,000 service connections or water use of more than 3,000 acre-feet per year (AFY) for retail or wholesale uses are required to submit an Urban Water Management Plan (UWMP) every five years to the California Department of Water Resources (DWR). The Water Conservation Act of 2009 (often referred to as SBX7-7) requires increased emphasis on water demand management and requires the state to achieve a 20 percent reduction in urban per capita water use by December 31, 2020. Retail urban water suppliers are required to report baseline and compliance data in their UWMPs in accordance with the requirements of SBX7-7. UWMPs are prepared by California's urban water suppliers to support their long-term resource planning and to ensure that reliable and adequate water supplies are available to meet existing and future water demands over a 20-year planning horizon during normal, single-dry, and multiple-dry year periods.

UWMPs typically must be submitted to DWR by December 31 of years ending in 0 and 5; however, SBX7-7 extended the most recent UWMP deadline to July 1, 2011. Apple Valley Ranchos Water Company's most recent UWMP was adopted June 23rd, 2011, and the next update is due to be completed in July 1, 2016.

2.3.3 State Water Resources Control Board

The State Water Resources Control Board's Division of Drinking Water regulates public drinking water systems in the Project Area through its Southern California Field Operations Branch (FOB), which is responsible for enforcement of the federal and California SDWAs and the regulatory oversight of public water systems to assure the delivery of safe drinking water in this area. FOB staff performs field inspections, issue operating permits, review plans and specifications for new facilities, take enforcement actions for non-compliance with laws and regulations, review water quality monitoring results, and support and promote water system security. In addition, FOB staff are involved in conducting source water assessments, evaluating

projects utilizing recycled treated wastewater, and promoting and assisting public water systems in drought preparation and water conservation. The State Water Resources Control Board is also responsible for reviewing and approving applications for changes in ownership of public water systems, as documented in California Health and Safety Code Section 116525. Applicants are required to demonstrate that they possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water as part of the application process.

2.4 APPLE VALLEY RANCHOS WATER COMPANY SUPPLY SYSTEM

Apple Valley Ranchos Water Company is a wholly-owned subsidiary of Park Water Company, a Class A investor-owned public utility regulated by the CPUC, U.S. EPA, and SWRCB. The Apple Valley Ranchos Water Company was first created in 1947 and has been operating in the Apple Valley area since that time. Apple Valley Ranchos Water Company owns and operates the AVR System. This system currently supplies water to the majority of Apple Valley residents, with over 62,000 customers in the service area.

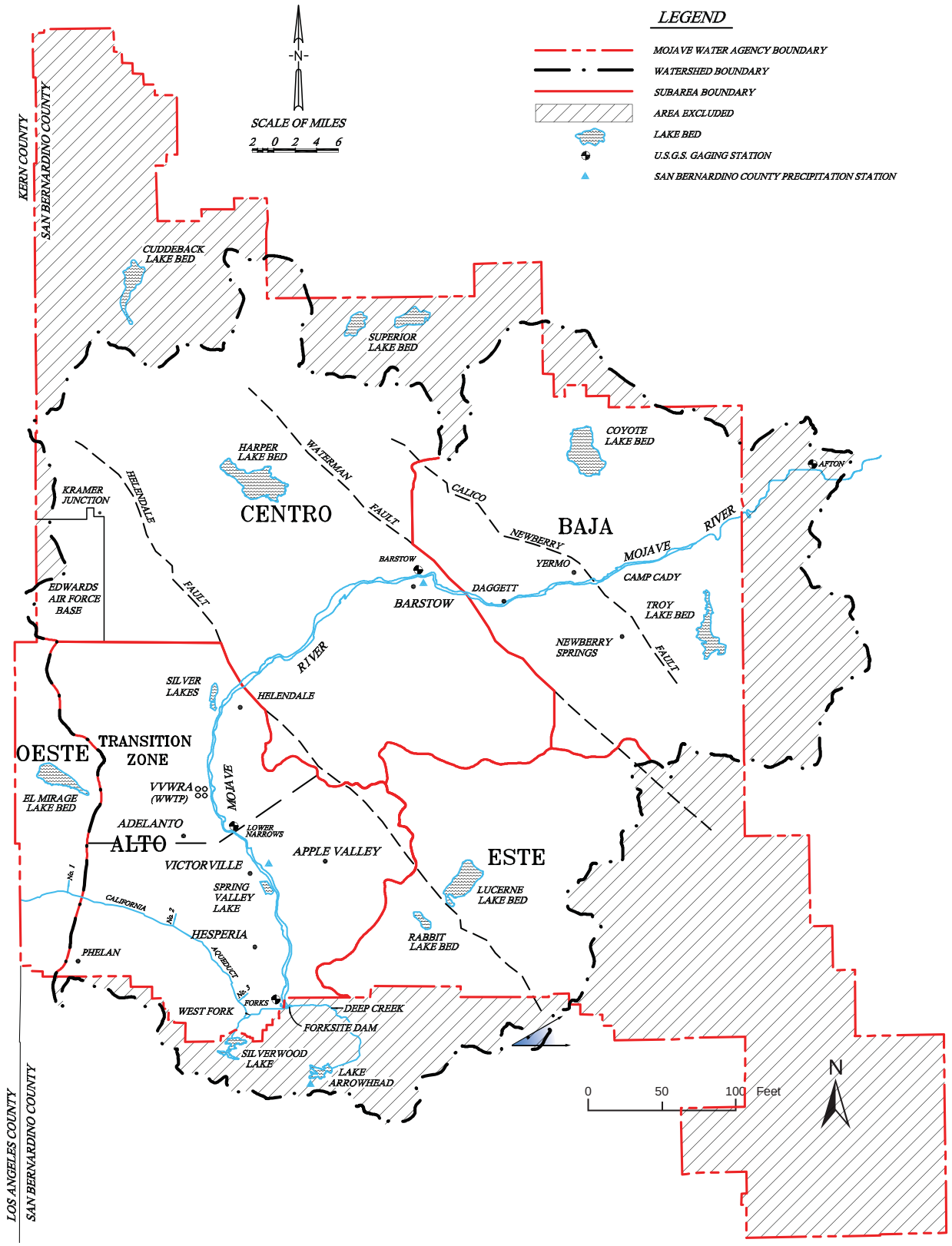
2.4.1 Water Supply Source

a. Groundwater

The Apple Valley Ranchos Water Company obtains its water supply from the Mojave Groundwater Basin, which was adjudicated in 1996, and supplements these supplies as necessary by purchasing supplemental water from the State Water Project, when available.[1] The Mojave Water Agency (MWA), which is a State Water Project contractor serving an area of 4,900 square miles in the Project vicinity, acts as the Watermaster for this adjudication. The basin has been divided into five separate subareas, with the AVR System wells drawing from the Alto subarea (Figure 2-2) (Apple Valley Ranchos Water Company, 2011).

Groundwater rights are assigned based on the Mojave Basin Area Judgment, which assigned Base Annual Production (BAP) quotas to each producer using 10 AFY or more, based on historical production over the five-year period from 1986 to 1990. Apple Valley Ranchos Water Company's initial BAP was determined to be 13,022 in 1989, and then in the period from 1993 to 2014 it purchased rights to an additional 588 AFY; its current BAP is 13,610 AFY. Each user, including Apple Valley Ranchos Water Company, is assigned a variable Free Production Allowance (FPA), which is calculated as the user's BAP times a uniform percentage that is applied to each subarea each year. The percentage that is applied is intended to bring the cumulative of all FPAs in a given subarea into balance with available supplies. The FPA for any user represents the actual amount of water they have the right to in a given year. The MWA determined the Alto Subarea to have a production safe yield of 73,044 AFY in the 2013-14 water year, and therefore assigned a FPA of 73,032 for the 2014-15 water year to maintain sustainable use of this water supply. For municipal and industrial users in the Alto Subarea, their FPA is 60

1 AVR has purchased supplemental SWP water through MWA in 4 of the last 10 years, including the following water years: 06/07, 07/08, 08/09, and 12/13 (personal communication, Mojave Water Agency, September 2015).



Mojave Groundwater Basin and Subareas Figure 2-2

percent of their BAP, resulting in an FPA of 8,166 AFY for the Apple Valley Ranchos Water Company (Table 2-2; MWA, 2015).

Table 2-2: Water Quotas for the Alto Subarea and the AVR System Service Area

Area	BAP	FPA (2014-15)
Alto Subarea	116,412 AFY	73,032 AFY
AVR System Service Area	13,610 AFY	8,166 AFY

Abbreviations: BAP = Base Annual Production; FPA = Free Production Allowance; and AFY = acre-feet per year.
Notes: The FPA is currently 60 percent of the BAP for municipal and industrial users.
Source: Apple Valley Ranchos Water Company, 2011.

In the event that the Apple Valley Ranchos Water Company or another user withdraws more water than is allowed in their FPA, they must compensate for their excess withdrawals by:

1. Purchasing replenishment water from the State Water Project through MWA in the amount of the overage (these payments were levied at a rate of $448 per acre-foot for the 2013-14 water year), when available; or

2. Transferring a water allocation for unused water rights from another party within the same subarea.

Given that the Apple Valley Ranchos Water Company's ongoing demand is beyond its FPA, it has been pumping groundwater beyond its allocation and then replenishing this water by purchasing water from the State Water Project or other users with excess FPA (Table 2-3).

Table 2-3: Apple Valley Ranchos Water Company Water Allocation and Withdrawals in AFY

Area	Allocation		Withdrawals				
	BAP	FPA	2009-10	2010-11	2011-12	2012-13	2013-14
Alto Subarea	116,412	73,032	78,493	73,201	76,512	78,110	77,631
AVR System	13,610	8,166	12,143	11,173	11,056	11,051	10,544

Abbreviations: BAP = Base Annual Production; FPA = Free Production Allowance; and AFY = acre-feet per year.
Source: MWA, 2015.

b. Imported Water

Although the Alto Subarea of the Mojave Groundwater Basin is the primary water supply for the Project Area, surface water supplies from the State Water Project are used to augment groundwater supplies by recharging the Alto Subarea or serving as a substitute source. As discussed above, MWA is a contractor for the State Water Project and has the ability to purchase water from the State Water Project and facilitate delivery of water from additional sources (Town of Apple Valley, 2009).

2.4.2 Water Supply Infrastructure

In addition to water rights, the AVR System includes infrastructure that allows for the production, distribution, and delivery of potable water supplies within its service area. The AVR System provides domestic water from its system of 23 wells, which has a total pumping capacity of approximately 37 million gallons per day; these wells were drilled throughout the

55-year period from 1953 when the first well was drilled to 2008 when the newest wells were completed (Apple Valley Ranchos Water Company, 2011) (Figure 2-3 and Figure 2-4).

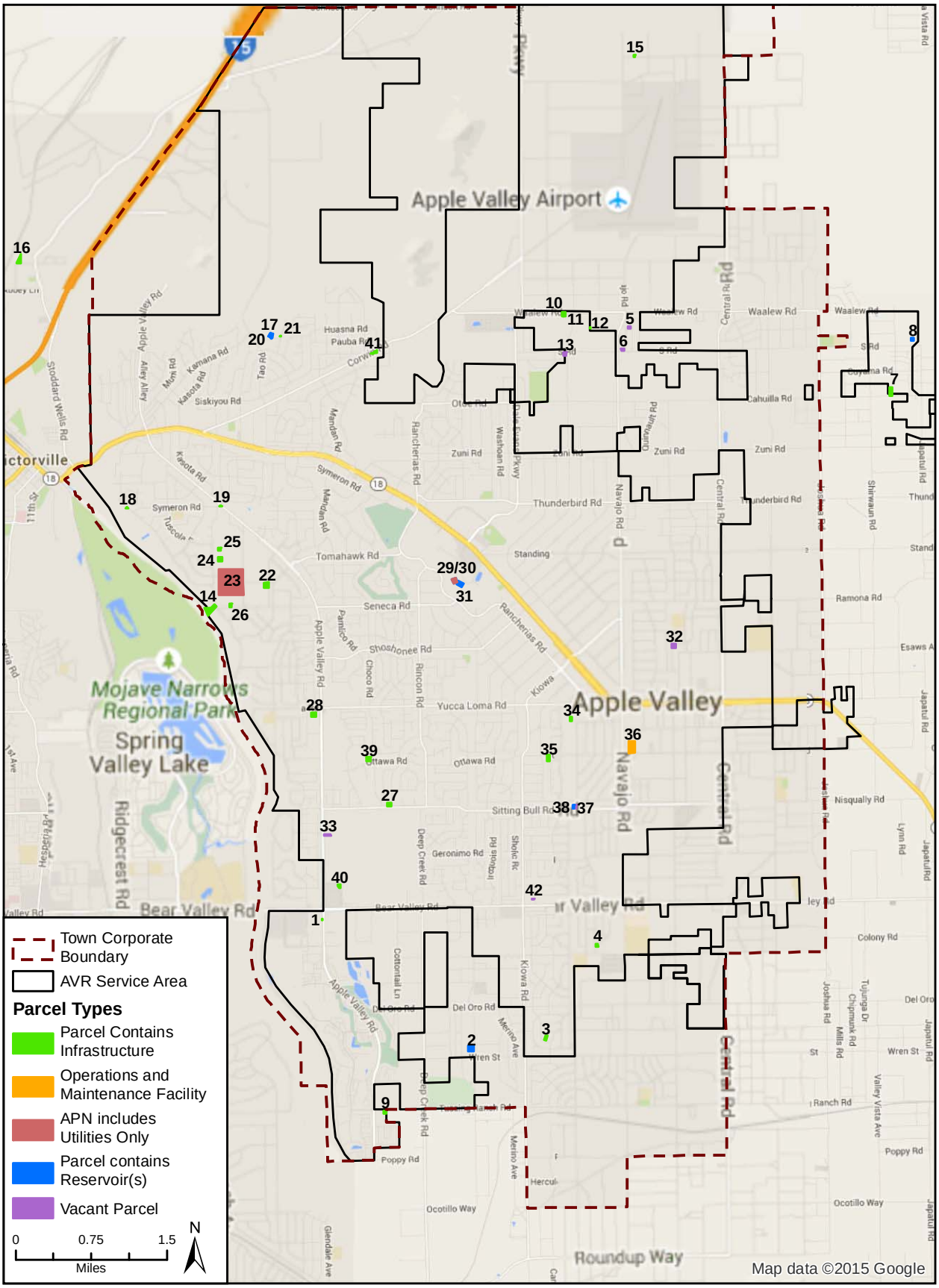
The AVR System proposed for acquisition is comprised of approximately 469 miles of pipeline and includes 22,431 active service connections (Table 2-4), providing service to approximately 62,602 customers. The system also includes 11.7 million gallons of storage provided in 11 storage tanks. As reported, the AVR System's water mains are manufactured from various different materials, generally depending on the time of installation, including: ductile iron, PVC (polyvinyl chloride) plastic, asbestos cement, and steel (Apple Valley Ranchos Water Company, 2015a). As reported, the AVR System is separated into 14 active interconnected pressure zones to manage pressure related to varying elevations in the Project Area; the Company owns 8 booster sites/pump stations to manage pressure in these zones (Kinnard, Chief Operator/Production Supervisor of Apple Valley Ranchos Water Company, 2015). Most of the AVR System's groundwater wells pump directly into the portion of the distribution system referred to as the Main Pressure Zone (Apple Valley Ranchos Water Company, 2011).

Table 2-4: Pipelines, Service Connections, and Other Infrastructure Owned by Apple Valley Ranchos Water Company and proposed for Acquisition by the Town

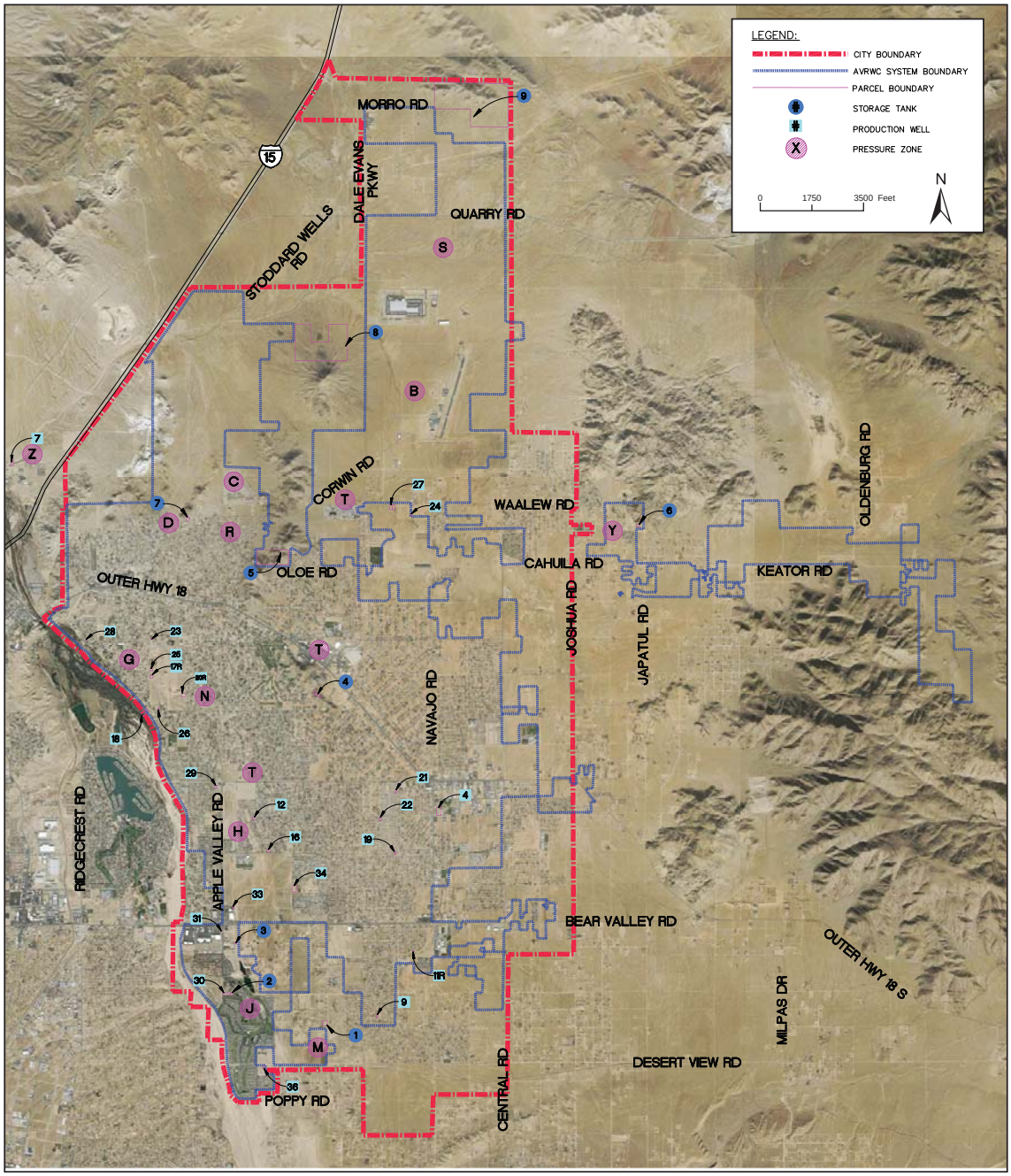
Water Supply Pipelines by Size	
Diameter (in inches)	**Total Length (in miles)**
1 to 5 inches	52.8
6 to 10 inches	271.5
11 to 15 inches	119.4
16 to 30 inches	25.4
Total	**469.1**
Active Service Connections	
Classification	**Number of Connections**
Residential	17,913
Commercial (including domestic)	1,393
Irrigation	162
Others	52
Private Fire Connections	225
Public Fire Hydrants	2,686
Total	**22,431**
Other Water Supply Infrastructure	
Infrastructure	**Number (Total Capacity)**
Groundwater wells	23 (37 million gallons per day)
Storage tanks	11 (11.7 million gallons)
Emergency generators	16
Booster pump stations	8

Source: Apple Valley Ranchos Water Company 2015a; Apple Valley Ranchos Water Company 2015b; Kinnard, Chief Operator/Production Supervisor of Apple Valley Ranchos Water Company, 2015.

Apple Valley Ranchos Water Company also owns property that generally supports system infrastructure (e.g., groundwater wells and water storage tanks) and public and franchise utility



Apple Valley Ranchos Water Company Holdings Figure 2-3



PRESSURE ZONES

A) AZTEC 3080' ELEV
B) BELL MOUNTAIN 3140' ELEV
Z) BELLVUE 2920' ELEV
C) CORWIN 3380' ELEV
D) DESERT KNOLLS 3340' ELEV
H) HIGH COUNTRY 3060' ELEV
J) JESS RANCH 3038' ELEV
M) MAIN 3155' ELEV
N) MANDAN 3044' ELEV
R) REDUCED CORWIN 3190' ELEV
G) RIVERSIDE 2953' ELEV
S) STODDARD 3370' ELEV
T) TRACT 15250 2953' ELEV
Y) YOUNGSTOWN 3175' ELEV

WELLS:

4) WELL 4 APN: 3087-351-08-0000
7) WELL 7 APN: 0472-061-22-0000
9) WELL 9 APN: 0434-353-09-0000
11R) WELL 11R APN: 0434-446-05-0000
12) WELL 12 APN: 3084-711-24-0000
16) WELL 16 APN: 3087-072-13-0000
17) WELL 17R APN: 0479-073-29-0000
18) WELL 18 APN: 0444-233-01-0000
19) WELL 19 APN: 3087-471-12-0000
20R) WELL 20R APN: 0479-072-07-0000
21) WELL 21 APN: 3087-271-01-0000
22) WELL 22 APN: 3087-291-01-0000
23) WELL 23 APN: 0473-069-01-0000
25) WELL 25 APN: 0479-073-35-0000 18555 Tuscola Rd
26) WELL 26 APN: 0479-073-37-0000 18588 Seneca Rd
27) WELL 27 (STANDBY) APN: 0440-014-05-0000 21271 WAALEW ROAD
28) WELL 28 APN: 0473-141-60-0000
29) WELL 29 APN: 3088-431-30-0000 19237 Yucca Loma Rd
30) WELL 30 APN: 0434-671-06-0000 11401 Apple Valley Rd
31) WELL 31 APN: 0339-271-38-0000
33) WELL 33 APN: 3087-751-03-0000 12297 APPLE VALLEY RD.
34) WELL 34 APN: 3087-201-01-0000 12500 Geronimo Rd
36) WELL 36 APN: 0438-021-46-0000 19739 TUSSING RANCH ROAD

STORAGE TANKS:

1) MOCKINGBIRD TANK 1.6 MG, 3043' ELEV APN: 0434-191-80-0000
2) JR DEL ORO TANK 0.29 MG, 2886' ELEV APN: 0434-671-05-0000
3) JR HILLTOP TANK 0.29 MG, 2914' ELEV APN: 0434-021-52-0000
4) HILLTOP TANKS 2 TANKS 3.0 MG, 3160' ELEV APN: 3112-181-04-0000, 3112-181-05-0000
5) CORWIN TANK 1.6 MG, 3398' ELEV APN: 0441-041-11-0000
6) YOUNGSTOWN TANK 0.12 MG, 3184' ELEV APN: 0437-553-24-000
7) DESERT KNOLLS TANKS 2 TANKS 2.7 MG, 3160' ELEV APN: 0473-011-31-0000, 0473-481-04-0000
8) BELL MOUNTAIN TANK 1.0 MG, 3140' ELEV APN: 0472-302-34-0000
9) STODDARD TANK 1.0 MG, 3374' ELEV APN: 0463-081-10-0000

Source: TKE Engineering

Water System Infrastructure and Pressure Zones

Figure 2-4

right-of-ways, including 42 assessor parcel numbers with a total area of approximately 34.52 acres (see Appendix B).

2.4.3 Water Supply Quality

The drinking water quality of the AVR System must comply with the SDWA and its primary and secondary drinking water standards. Water quality sampling is performed at each well and within the distribution system to ensure compliance with regulatory standards. According to Apple Valley Ranchos Water Company's 2009/2010, 2013/2014 and 20114/2015 Consumer Confidence Report & Annual Water Quality Reports, hundreds of water samples from the AVR System are analyzed every month by Apple Valley Ranchos Water Company contract certified laboratories to ensure that all primary (health related) and secondary (aesthetic) drinking water standards are being met. Based on information in ~~that~~ those reports, there have been no contaminants detected that exceed any federal or state drinking water standards. Apple Valley Ranchos Water Company attributes the high water quality with the deep Alto Subarea of the Mojave Groundwater Basin, which is supplied by snowmelt from the San Bernardino Mountains to the south and the Mojave River to the west (Apple Valley Ranchos Water Company 2010, 2014 and 2015c).

2.4.4 System Operation and Maintenance

Apple Valley Ranchos Water Company currently operates and maintains the AVR System from its operation and maintenance (O&M) facility, located at 21760 Ottawa Road, approximately half a mile south of Highway 18 and 300 feet east of the intersection of Navajo Road and Ottawa Road. This facility is located on a 4.69-acre lot (assessor parcel number 3087-351-08-0000), and provides office space and work area for Apple Valley Ranchos Water Company's 39 employees, including approximately 20 office workers and 19 technical and field staff (Table 2-5). The AVR System O&M facility currently houses the operation and maintenance functions of the AVR System, with many of the employees based in this location working in the field conducting various maintenance operations. Operations conducted at this location include fleet maintenance functions, including service and repair of primary system equipment. Other operations include minor equipment/tool repair, storage of building materials, traffic control materials, tools, and other supplies.

Table 2-5: Apple Valley Ranchos Water Company: Employee Makeup

Employee Classification	Number of Employees
Officers	1
General Office Staff	16
Customer Account Staff	3
Transmission and Distribution Staff	13
Plumbing System Staff	5
Water Treatment Staff	1
Total	**39**

Source: Apple Valley Ranchos Water Company, 2015a

The O&M facility includes a number of buildings, which house a combination of functions. The parking ~~lot~~ areas provide~~s~~ parking to all employee, ~~guests~~ customers, vendors, and consultants

that may have business at the location. Parking areas include the following areas, approximated from aerial imagery:

- 13,500 square feet of paved area at the front of the property, providing 30 marked spaces
- 11,500 square feet of paved area behind the office buildings, providing 15 marked spaces
- 14,000 square feet of unpaved open area north of the buildings, providing open parking

2.5 PROJECT CHARACTERISTICS

The Town of Apple Valley (Town) is proposing to acquire the AVR System that currently serves the majority of the incorporated area of the Town as well as some outlying areas located in a portion of the incorporated City of Victorville and unincorporated San Bernardino County; the acquisition and subsequent operation of this water supply system by the Town represents the proposed Project. Although Park Water Company/Apple Valley Ranchos Water Company recently acquired the Yermo Water ~~District~~ Company and its facilities, the proposed project does not include acquisition of the Yermo Water System, which is located east of the City of Barstow and is currently undergoing a transfer from its current owner to Apple Valley Ranchos Water Company. This is because the Yermo Water ~~District~~ Company facilities are located approximately 45 miles from the Town; Yermo Water ~~District~~ Company does not provide any water services to the Town's residents, businesses, or other uses; and the Yermo Water ~~District's~~ Company's facilities do not provide any other benefit to the Town's residents. Furthermore, the Yermo system is an entirely separate and distinct system that is not integrated into the AVR System.

As noted in Section 2.4, the existing system is currently owned and operated by the Apple Valley Ranchos Water Company. The Apple Valley Ranchos Water Company was first created in 1947, and then purchased by Park Water Company in 1987. As part of the proposed Project, the Town would purchase all rights and interests in the AVR System from Park Water Company. The Town's proposed acquisition of the AVR System would include all associated assets, (i.e., real, intangible, and personal property), including, but not limited to the following:

- Water systems and production wells, as defined in Section 240 of the California Public Utilities Code
- Utility plants
- Water rights
- Water supply contracts
- Records, books, and accounts

In addition to the Town's acquisition of the AVR System, the proposed Project includes the Town's subsequent operation of the AVR System. The Town is proposing only to acquire and operate the existing system, and is not proposing changes or expansion to the physical AVR System or to the associated water rights nor is the Town proposing any changes to the manner of operation of the AVR System or the exercise of the associated water rights. As discussed previously, the Town would operate and maintain the system out of Apple Valley Ranchos Water Company's existing operations and maintenance facility, which is located at 21760

Ottawa Road, approximately half a mile south of Highway 18 and 300 feet east of the intersection of Navajo Road and Ottawa Road.

a. AVR System Proposed to be Acquired

As described in Section 2.4.2, the AVR System is reported to be currently comprised of 23 groundwater wells, 11 storage tanks, 16 emergency generators, 8 booster pump stations, 469 miles of pipeline, and 22,431 active service connections, covering 14 interconnected pressure zones and providing service to approximately 62,602 customers (Table 2-4).

The AVR System supplies approximately 11,193 AFY (based on the average deliveries from 2009 to 2014) of water to customers within the AVR System service area, which includes some customers outside of the Town's corporate boundary (Table 2-3). Connections to the AVR System located outside the Town boundaries would continue to be served and no change in service to those connections would occur as a result of the proposed Project.

The Town's acquisition of Apple Valley Ranchos Water Company's interest in the AVR System would include its water rights to the Mojave Groundwater Basin. These water rights would entitle the Town to the currently established BAP and associated FPA allocations to the Alto Subarea assigned to the Apple Valley Ranchos Water Company, and would require the Town meet the same standards in terms of replenishment of water supplies if it were to exceed established limits on withdrawals.

b. Operation and Maintenance Facility

For the purpose of the technical analyses in this EIR, it is proposed that O&M activities would be managed from the same location from which they are currently performed: 21760 Ottawa Road. Additionally, it is proposed that AVR System infrastructure, including supply pipelines and storage tanks, would remain at existing locations within the existing AVR System service area (Figure 2-3 and Figure 2-4). Finally, it is proposed that the Town of Apple Valley would operate the AVR System and exercise the associated water rights in the same manner as Apple Valley Ranchos Water Company has done. Other potential operational scenarios for the system, including other public agencies and private contractors, are considered in Section 6.0, *Alternatives*, of this document as required under CEQA.

The AVR System O&M facility currently houses the operation and maintenance functions of the AVR System, with approximately 39 employees working from this facility, many of whom are in the field regularly conducting various maintenance operations. The existing 4.69-acre O&M facility would continue providing office space for approximately ~~5~~ 1 division managers~~, 8 supervisors,~~ and ~~35~~ 38 staff. Fleet maintenance functions, including service and repair of primary system equipment, would continue to be performed out of this location, as well as other operations include minor equipment/tool repair, storage of building materials, traffic control materials, tools, customer service, billing, engineering and human resources, and other supplies. The Town would also maintain equipment and vehicles at the location ranging from emergency plumbing equipment to dump trucks to tractors.

The regular business hours of the facility would continue as under existing operations, from Monday through Friday from 7:30 AM to 5:30 PM. It is anticipated that operation and

maintenance activities associated with the AVR System occurring at the site would occur during the usual business hours, with the exception of during calls for emergency services.

The existing buildings at the site would be maintained at their current locations and continue to house their current O&M functions. The existing parking ~~lot is~~ areas are more than sufficient to continue providing parking to all employee, ~~guests~~ customers, vendors, and consultants that may have business at the location. Given that the existing O&M facility has sufficient existing space and facilities to support current O&M staff and activities, the proposed Project would not involve construction of new facilities, as identified in the Amended Initial Study prepared for the proposed Project and included in Appendix A.

2.6 PROJECT OBJECTIVES

The underlying purpose of the proposed Project is for the Town of Apple Valley to acquire, operate, and maintain the AVR System. The following objectives have been defined for the proposed Project:

- Allow the Town to independently own and operate a water production and distribution system
- Provide for greater transparency and accountability, as well as increased customer service and reliability
- Enhance customer service and responsiveness to Apple Valley customers
- Provide greater local control over the rate setting process and rate increases
- Provide direct access to locally elected policy makers for the water operations
- Allow the Town to pursue grant funding and other types of financing for any future infrastructure needs, including grants and financing options which the CPUC does not allow private company to include in their rate base (such that private companies do not pursue advanced planning and investment for infrastructure)
- Ensure better coordination amongst Town decisions involving land use, emergency services, policy, the location and need for capital improvements, and overall planning in the water context
- Enable the Town to use reclaimed water for public facilities without invoking potential duplication of service issues with Apple Valley Ranchos Water Company

2.7 INTENDED USES OF THIS EIR

2.7.1 Agencies Expected to Use this EIR

The following agencies are expected to use this EIR in their review or permitting of the Project:

- The Town of Apple Valley in its capacity as the lead agency for the Project
- The State Water Resources Board
- The California CPUC, as appropriate
- The San Bernardino County Local Agency Formation Commission (LAFCO)
- The Regional Water Quality Control Board

- The San Bernardino County Department of Public Health

2.7.2 Discretionary Approvals and Other Permits

Discretionary actions required by the Town include the following approvals:

- Approval by the Town Council for acquisition of the AVR System from Apple Valley Ranchos Water Company/Park Water Company
- Reports under Government Code section 65402

In addition, if the AVR System is acquired through a negotiated purchase, the Town of Apple Valley will need to obtain approval from the CPUC for transfer of ownership and operation of the AVR System from Apple Valley Ranchos Water Company/Park Water Company to the Town. The San Bernardino Local Agency Formation Commission ("LAFCO") may also review the Project insofar as the Project involves the Town's acquisition and operation of extra-jurisdictional water systems. Similarly, the County Department of Public Health may review and/or issue permits to the Town for the Town's operation of a drinking water system. Finally, the Regional Water Quality Control Board and/or State Water Resources Control Board would review the Town's operation of the drinking water system as part of permit issuance in compliance with the Statewide General NPDES Permit for Discharges from Drinking Water Systems.

3 ENVIRONMENTAL SETTING

This section provides a general overview of the environmental setting for the proposed Project. More detailed descriptions of the environmental setting germane to each environmental issue can be found in Section 4.0, *Environmental Impact Analysis*.

3.1 REGIONAL AND PROJECT AREA SETTING

The Project Area is located in San Bernardino County and is comprised of the approximately 50 square-mile area currently served by the Park Water Company/Apple Valley Ranchos Water Company water supply system (AVR System). The majority of the Project Area is in the incorporated area of the Town of Apple Valley (Town), with the remainder of the Project Area located outside the Town's corporate boundary in a portion of the incorporated City of Victorville and unincorporated San Bernardino County as shown in Figure 2-1 in Section 2.0, *Project Description*. The Project Area is bordered by the City of Victorville to the west and City of Hesperia to the southwest, and surrounded by unincorporated areas of San Bernardino County to the north, east, and south.

The Town is located in the high desert region of southwest San Bernardino County. The mountains and foothills of the San Bernardino Mountains occur to the south, with the San Gabriel Mountains further southwest. The Project Area is located on gently sloping alluvial fans ranging in elevation from approximately 3,400 feet near the base of the Fairview Mountains to the northeast to 2,700 feet along the Mojave River to the west (Town of Apple Valley, 2009a). Through Apple Valley, the Mojave River is an intermittent river with most of its flow occurring underground and in surface channels that remain dry the majority of the time, appearing as a wide floodplain that generally defines Apple Valley's western boundary. Like the rest of southern California, the Project Area is within a seismically active region.

Climate in the Project Area is representative of a high desert ecosystem, with extreme fluctuations of daily temperature, strong seasonal winds, and relatively low annual precipitation. The mountains that surround the Project Area effectively isolate the Town from moderating coastal influences and create a hot and dry desert environment. Strong winds out of the west and southwest from 5 to 10 knots per hour are common and occur due to the buildup of a thermal low pressure area. Temperatures in the low lying areas of Apple Valley range from the lower teens during winter months to highs above 100 degrees Fahrenheit during summer months. The Town experiences average rainfall of approximately 7.5 inches per year, with the surrounding mountains receiving substantially more precipitation (Town of Apple Valley, 2009b).

The territory currently served by the AVR System is primarily residential in nature but also includes other land uses such as parks and open space as well as commercial, institutional, and industrial facilities. In general, Apple Valley has developed most densely along major roadways in the Town, including State Highway 18 and Bear Valley Road. Highway 18 (Happy Trails Highway), runs generally southeast to northwest through the Town, while Bear Valley Road is south of Highway 18, and runs east to west. Lands in the southern and central portion of the Town are the most developed. Residential densities in these areas range from very low to high

densities (1 dwelling unit per 5 acres or more, to 20 dwelling units per acre). The majority of single-family development in the Town occurs on lots of between 0.5 and 2.5 acres. Lands containing sparser development and lands remaining vacant are generally located in the northern one-third of the Town, northerly of Waalew Road. East of the Town of Apple Valley, the Project Area includes unincorporated San Bernardino County as well as federal lands administered by the Bureau of Land Management. These lands are largely vacant, undeveloped and sparsely populated desert and mountainous areas, with some residential and industrial development, including the County land use designations on lands to the east of the Town are predominantly Rural Living, but also include Regional and Community Industrial, Resource Conservation, and to a limited extent, Single Residential and General Commercial. The area to east of Apple Valley included in the AVR System service area is rural in nature with very low density residential development present.

Viewsheds in the area are characterized by uninterrupted expanses of wide skies and panoramic vistas of distant mountains, as well as views associated with the Mojave River that include areas of riparian forest and the bluffs and terraces of the floodplain. The low-lying terrain surrounding the Town allows unobstructed views in all direction, creating a sense of openness and spaciousness that is enhanced by the muted colors of the desert landscape.

Apple Valley is located east of U.S. Interstate 15 (I-15), a north-south transcontinental interstate highway that runs generally southwest to northeast through the region. State Highway 18 (Happy Trails Highway) intersects the Town, running southeast to northwest. The Town's arterial roadway network is laid out in a one-mile grid pattern and provides connection between various locations in Town as well as access to I-15. Dale Evans Parkway is the largest road within the Town's major north-south arterial network; other major north-south roadways in this network include Central Road and segments of Apple Valley Road and Kiowa Road. Major east-west arterial roadways in the Town, in addition to Highway 18, discussed above, include Bear Valley Road and Tussing Ranch Road. A system of major and secondary roadways interconnects the local circulation network.

3.2 CUMULATIVE PROJECTS SETTING

CEQA defines "cumulative impacts" as two or more individual events that, when considered together, are considerable or will compound other environmental impacts. Cumulative impacts are the changes in the environment that result from the incremental impact of development of the proposed Project and other nearby projects. For example, traffic impacts of two nearby projects may be insignificant when analyzed separately, but could have a significant impact when analyzed together. Cumulative impact analysis allows the EIR to provide a reasonable forecast of future environmental conditions and can more accurately gauge the effects of a series of projects.

For this analysis the cumulative projects are assumed to be the buildout of the 2009 Apple Valley General Plan, which was adopted on August 11, 2009 as well as selected specific development projects proposed in the vicinity of the Plan Area within the Town of Apple Valley and the unincorporated area of San Bernardino County east of the town where a portion of the AVR System service area is located. The Community Development Chapter of the Apple

Valley General Plan projects that implementation of the General Plan could result in a population of 185,858 persons in Apple Valley at buildout. This would be an increase of 115,766 persons from the General Plan's 2008 population baseline of 70,092, and an increase of 114,462 persons from the City's current population of 71,396 (California Department of Finance, 2015).

Specific development projects proposed in the vicinity of the Project Area included in the cumulative impacts analysis of this EIR are listed in Table 3-1. This list was sourced from the Town of Apple Valley Planning Department in June 2015.

Table 3-1: Cumulative Projects

No.	Cumulative Project	Location/Address	City/Jurisdiction	Description
1	Tapestry Specific Plan	Located on approximately 9,365 acres in the southeastern portion of the City of Hesperia at the southern edge of the San Bernardino County High Desert area. Project site is approximately eight miles east of Interstate 15. SR 173 generally serves as the Project site's southern and eastern boundary. The northerly boundary is Ranchero Road.	City of Hesperia	The Specific Plan proposes a maximum of 19,311 residential units with a mix of densities ranging from very low density and estate to high density and mixed-use. The Specific Plan also proposes: two mixed-use town centers with approximately 500,000 to 700,000 square feet of commercial and retail; approximately 367 acres of park land; trail systems; 12 schools; public and civic facilities; a wastewater reclamation plant; other supporting infrastructure; and preservation of approximately 3,526 acres of open space.
2	Desert Gateway	Desert Gateway is located at the interchange of the planned High Desert Corridor expressway and Interstate 15. Located at the northern edge of the City of Victorville, immediately northwest of the Town of Apple Valley.	City of Victorville	Desert Gateway comprises a 10,203-acre area, and provides for 26,100 residential units of varying sizes and densities, as well as 283 acres of commercial, 4,564 acres of institutional and 1,085 acres of industrial uses.
3	Hacienda at Fairview Valley	Located in the eastern portion of the Town of Apple Valley's Sphere of Influence	County of San Bernardino	The Specific Plan provides for a master planned residential community. Supporting land uses include, but are not limited to, retail/commercial, parks, recreation, open space, public safety, and public facilities. The Specific Plan provides a mix of approximately 3,114 residential homes, 15 acres of Neighborhood Commercial, and approximately 336 acres of Parks/Recreation/Open Space.

Source: Town of Apple Valley Planning Department, June 2015

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4 ENVIRONMENTAL IMPACT ANALYSIS

This section discusses the possible environmental effects of the proposed Project for the specific issue areas that were identified through the Initial Study and Notice of Preparation process as having the potential to experience significant impacts. "Significant effect" is defined by *State CEQA Guidelines* Section 15382 as "a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by a project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance. An economic or social change by itself shall not be considered a significant effect on the environment, but may be considered in determining whether the physical change is significant."

The assessment of each issue area begins with a discussion of the setting relevant to that issue. To be clear, the environmental setting and the CEQA "baseline" used for evaluating impacts throughout this EIR are the same. Specifically, and as permitted by *State CEQA Guidelines* Section 15125, the setting and the baseline are the physical conditions in the area of the Project site at the time that the Notice of Preparation was released. Following the setting is a discussion of the Project's impacts relative to the issue. Within the impact analysis, the first subsection identifies the methodologies used and the "significance thresholds," which are those criteria adopted by the Town, other agencies, universally recognized, or developed specifically for this analysis to determine whether potential impacts are significant. The next subsection describes each impact of the proposed Project, mitigation measures for significant impacts, and the level of significance after mitigation. Each impact is listed in bold text, with the discussion of the impact and its significance immediately following. Each bolded impact listing also contains a statement of the significance determination for the environmental impact as follows:

> **Class I, Significant and Unavoidable:** An impact that cannot be reduced to below the threshold level given all reasonably available and feasible mitigation measures. Such an impact requires a Statement of Overriding Considerations to be issued if the Project is approved.
>
> **Class II, Significant but Mitigable:** An impact that can be reduced to below the threshold level given all reasonably available and feasible mitigation measures. Such an impact requires findings to be made.
>
> **Class III, Not Significant:** An impact that may be adverse, but does not exceed the threshold levels and does not require mitigation measures. However, mitigation measures that could further lessen the environmental effect may be suggested if readily available and easily achievable.
>
> **Class IV, Beneficial:** An impact that would reduce existing environmental problems or hazards.

Following each environmental impact discussion is a listing of recommended mitigation measures (if required) and the residual effects or level of significance remaining after the implementation of the measures. In those cases where the mitigation measure for an impact

could have a significant environmental impact in another issue area, this impact is discussed as a residual effect.

The impact analysis concludes with a discussion of cumulative effects, which evaluates the impacts associated with the proposed Project in conjunction with the projects listed in Table 3-1 in Section 3.0, *Environmental Setting*.

Although none are proposed as part of this Project nor are any specific improvements reasonably foreseeable at this time, the AVR System and O&M facility may require construction improvements and upgrades at an unknown future date. Such upgrades may include pipeline replacements, building improvements, or other activities. The need for these types of future projects would remain the same as those currently required for the AVR system, regardless of who owns the system. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system and supporting facilities. Moreover, any future upgrades of the system or facilities are not conditions caused by the Project but would exist, regardless of ownership. Finally, any such improvements would be subject to CEQA and would comply with any associated environmental review and documentation requirements. Therefore, these types of future improvements are not considered in this analysis.

4.1 AIR QUALITY

This section analyzes the proposed Project's potential temporary and long-term impacts on local and regional air quality. Greenhouse gas emissions are discussed in Section 4.2, *Greenhouse Gas Emissions*.

4.1.1 Setting

a. Climate and Meteorology

The Project Area is located in the Mojave Desert Air Basin within the southern portion of the Mojave Desert, which is considered a high desert, with elevations ranging from 2,000 to 5,000 feet above mean sea level. Correspondingly, the climate is representative of a high desert ecosystem, with extreme fluctuations of daily temperature, strong seasonal winds, and relatively low annual precipitation.

The mountains that surround the Project Area effectively isolate the Town from moderating coastal influences and create a hot and dry desert environment. Strong winds out of the west and southwest from 5 to 10 knots per hour are common and occur due to the buildup of a thermal low pressure area. Temperatures in the low lying areas of Apple Valley range from the lower teens during winter months to highs above 100 degrees Fahrenheit during summer months. The Town experiences average rainfall of approximately 7.5 inches per year, with the surrounding mountains receiving substantially more precipitation (Town of Apple Valley, 2009b).

Natural vegetation in the Town and surrounding region is sparse and widely spaced, thereby exposing surface soils to wind. Because the area is frequently subjected to strong winds, sand and dust can become airborne. Aeolian processes (erosion caused by wind) sweep up, suspend and transport large quantities of sand and dust, reducing visibility, damaging property, and constituting a significant health threat (Town of Apple Valley, 2009b).

b. Criteria Air Pollutants

The Federal and State Clean Air Acts regulate the emission of particular airborne pollutants of concern, referred to as criteria pollutants, from various mobile and stationary sources. These criteria pollutants are regulated due to their potential to result in adverse effects to human health and the natural environment. The seven criteria pollutants that are regulated under these acts include ozone (O_3), carbon monoxide (CO), nitrogen dioxide (NO_2), sulfur dioxide (SO_2), particulates less than 10 microns in diameter (PM_{10}), particulates less than 2.5 microns in diameter ($PM_{2.5}$), and lead (Pb). The State of California also regulates sulfates, hydrogen sulfide, vinyl chloride, and visibility-reducing particles. The general characteristics of these pollutants, their sources, and their potential harmful effects are described below.

- Ozone. Ozone is produced by a photochemical reaction (triggered by sunlight) between nitrogen oxides (NOx) and reactive organic gases (ROG). NOx is formed during the combustion of fuels, while ROG are formed during combustion and evaporation of organic solvents. Because ozone requires sunlight to form, it mostly occurs in substantial

concentrations between the months of April and October. Ozone is a pungent, colorless toxic gas with direct health effects on humans including respiratory and eye irritation and possible changes in lung functions. Groups most sensitive to ozone include children, the elderly, people with respiratory disorders, and people who exercise strenuously outdoors.

- Carbon Monoxide. CO is a local pollutant that is found in high concentrations only near a source of CO. The major source of CO, a colorless, odorless, poisonous gas, is automobile traffic. Elevated concentrations, therefore, are usually only found near areas of high traffic volumes. CO's health effects are related to its affinity for hemoglobin in the blood. At high concentrations, CO reduces the amount of oxygen in the blood, causing heart difficulty in people with chronic diseases, reduced lung capacity, and impaired mental abilities.

- Nitrogen Dioxide. NO_2 is a by-product of fuel combustion, with the primary source being motor vehicles and industrial boilers and furnaces. The principal form of nitrogen oxide produced by combustion is nitric oxide (NO), but NO reacts rapidly to form NO_2, creating the mixture of NO and NO_2 commonly called NOx. NO_2 is an acute irritant. A relationship between NO_2 and chronic pulmonary fibrosis may exist, and an increase in bronchitis in young children at concentrations below 0.3 parts per million (ppm) may occur. NO_2 absorbs blue light and causes a reddish brown cast to the atmosphere and reduced visibility. It can also contribute to the formation of PM_{10} and acid rain.

- Particulate Matter. Atmospheric particulate matter is comprised of finely divided solids and liquids such as dust, soot, aerosols, fumes, and mists. The particulates that are of particular concern are small particulates (PM_{10}), which measures no more than 10 microns in diameter, and fine particulates ($PM_{2.5}$), which measures no more than 2.5 microns in diameter. The characteristics, sources, and potential health effects associated with PM_{10} and $PM_{2.5}$ can be different. Major man-made sources of PM_{10} are agricultural operations, industrial processes, combustion of fossil fuels, construction, demolition operations, and entrainment of road dust into the atmosphere. Natural sources include wind-blown dust, wildfire smoke, and sea spray salt. The finer $PM_{2.5}$ particulates are generally associated with combustion processes as well as being formed in the atmosphere as a secondary pollutant through chemical reactions. $PM_{2.5}$ is more likely to penetrate deeply into the lungs and poses a serious health threat to all groups, but particularly to the elderly, children, and those with respiratory problems. More than half of the small and fine particulate matter that is inhaled into the lungs remains there, which can cause permanent lung damage. These materials can damage health by interfering with the body's mechanisms for clearing the respiratory tract or by acting as carriers of an absorbed toxic substance.

- Sulfur Dioxide. SO_2 is one of a group of highly reactive gasses known as "oxides of sulfur." The largest sources of SO_2 emissions are from fossil fuel combustion at power plants (73 percent) and other industrial facilities (20 percent). Smaller sources of SO_2 emissions include industrial processes such as extracting metal from ore, and the burning of high sulfur containing fuels by locomotives, large ships, and non-road equipment. SO_2 is linked with a number of adverse effects on the respiratory system.

- Lead. Lead (or Pb) is a toxic metal that can be emitted from industrial sources, leaded aviation gasoline, and lead-based paint. Lead may cause a range of health effects, from behavioral problems and learning disabilities, to seizures and death. The Mojave Desert Air Basin (Basin) is currently in compliance with Federal and State standards for lead and monitoring is only conducted periodically since the primary sources of atmospheric lead (leaded gasoline and lead-based paint) are no longer available in the State.

c. Existing Environment

The existing environment includes sources of air emissions throughout Apple Valley as well as receptors that are sensitive to poor air quality.

Air Quality. Over the past few decades, a noticeable deterioration in air quality has occurred in the Town of Apple Valley and the region due to increased local development and population growth, traffic, construction activity and various site disturbances. Although air pollution is emitted from various sources locally, some of the degradation of air quality can be attributed to sources outside of the Basin, including air basins to the west and southwest. Additionally, the Town of Apple Valley is susceptible to air inversions, which trap a layer of stagnant air near the ground, where it can be further loaded with pollutants (Town of Apple Valley, 2009a).

Apple Valley is under the jurisdiction of the Mojave Desert Air Quality Management District (MDAQMD). As the local air quality management agency, MDAQMD is required to monitor air pollutant levels to ensure that State and Federal air quality standards are met and, if they are not met, to develop strategies to meet them. Depending on whether or not the standards are met or exceeded, the Basin is classified as being in "attainment" or "nonattainment." Apple Valley is located in the portion of the Basin that is in nonattainment for both the Federal and State standards for ozone and PM_{10}, as well as the State standard for $PM_{2.5}$. Thus, the Basin currently exceeds several State and Federal ambient air quality standards and is required to implement strategies to reduce pollutant levels to acceptable standards (California Air Resources Board, 2015b). Since publication of the Draft EIR, the U.S. EPA has adopted revised primary and secondary National Ambient Air Quality Standards for ozone. The U.S. EPA is revising the levels of both standards to 0.070 parts per million (ppm), and retaining their indicators (O_3), forms (fourth-highest daily maximum, averaged across three consecutive years) and averaging times (eight hours).

Table 4.1-1 lists the Federal and State standards for criteria pollutants.

Table 4.1-1:
Federal and State Ambient Air Quality Standards

Pollutant	Averaging Time	Federal Primary Standards	California Standard
Ozone	1-Hour	---	0.09 ppm
	8-Hour	0.0750 ppm	0.070 ppm
Carbon Monoxide	8-Hour	9.0 ppm	9.0 ppm
	1-Hour	35.0 ppm	20.0 ppm
Nitrogen Dioxide	Annual	0.053 ppm	0.030 ppm

Table 4.1-1:
Federal and State Ambient Air Quality Standards

Pollutant	Averaging Time	Federal Primary Standards	California Standard
	1-Hour	0.100 ppm	0.18 ppm
Sulfur Dioxide	Annual	---	---
	24-Hour	---	0.04 ppm
	1-Hour	0.075 ppm	0.25 ppm
PM_{10}	Annual	---	20 $\mu g/m^3$
	24-Hour	150 $\mu g/m^3$	50 $\mu g/m^3$
$PM_{2.5}$	Annual	12 $\mu g/m^3$	12 $\mu g/m^3$
	24-Hour	35 $\mu g/m^3$	---
Lead	30-Day Average	---	1.5 $\mu g/m^3$
	3-Month Average	0.15 $\mu g/m^3$	---

ppm = parts per million; $\mu g/m^3$ = micrograms per cubic meter
Sources: California Air Resources Board, 2015b.

The air quality monitoring station closest to Apple Valley is located at 14306 Park Avenue in Victorville, approximately three miles west of the Town. This station monitors all criteria pollutants, and is representative of the ambient air quality in and around the Project Area. Table 4.1-2 indicates the number of days that each of the standards has been exceeded at this station. As shown, in the period from 2012 to 2014, State and Federal air quality standards were exceeded for ozone (8-hour average) and PM_{10}. Additionally, the State air quality standard for ozone (hourly average) was also exceeded. The most frequently exceeded air quality standard was the 8-hour ozone concentration, which exceeded the State standard 58 times in 2011, 60 times in 2012, and 40 times in 2013. No exceedances of either the State or Federal standards for NO_2 or CO have occurred at this monitoring station in the last three years.

Table 4.1-2:
Ambient Air Quality Data

Pollutant	2012	2013	2014
Ozone (8-Hour), Worst 8-Hour Average (in ppm)	0.095	0.097	0.097
Number of days of State exceedances (>0.070 ppm)	58	60	40
Number of days of Federal exceedances (>0.075 ppm)	28	31	18
Ozone (Hourly), Worst Hour (in ppm)	0.111	0.120	0.122
Number of days of State exceedances (>0.09 ppm)	6	9	3
Carbon Monoxide, Worst 8 Hours (in ppm)	1.83	*	*
Number of days of State/Federal exceedances (>9.0 ppm)	0	0	0
Nitrogen Dioxide, Worst Hour (in ppb)	56.0	64.6	66.6
Number of days of State exceedances (>180 ppm)	0	0	0
Number of days of Federal exceedances (>100 ppb)	0	0	0

Pollutant	2012	2013	2014
Particulate Matter <10 microns, Worst 24 Hours (in μg/m^3)	45.0	77.9	246.2
Number of samples of State exceedances (>50 μg/m^3)	0	2	*
Number of samples of Federal exceedances (>150 μg/m^3)	0	0	1
Particulate Matter <2.5 microns, Worst 24 Hours (in μg/m^3)	12.0	13.1	24.1
Number of samples of Federal exceedances (>35 μg/m^3)	0	0	0

** Insufficient data available to determine the value*
Source: California Air Resources Board, 2015c.

Sensitive Receptors. Sensitive receptors are persons or land uses that may be subject to respiratory stress or other significant adverse impacts as a result of exposure to air contaminants. The California Air Resources Board designates people with cardiovascular and chronic respiratory diseases, children under 14, seniors over 65, and athletes as sensitive receptors. Accordingly, hospitals, nursing and retirement homes, schools, daycares, playgrounds, parks, athletic facilities, churches, and residential and hotel/motel facilities are all considered sensitive land uses. These types of land uses are distributed throughout the Town and are all considered to be sensitive receptors for the purposes of this analysis.

The closest sensitive receptors to the Apple Valley Ranchos Water Company's operation and maintenance (O&M) facility, where many system maintenance activities are performed and where maintenance vehicles enter and exit the lot, are as follows:

- The James A. Woody Community Center park grounds and athletic facilities; located adjacent to the O&M facility on the northern property line and approximately 300 feet to the east
- Residential properties directly adjacent to the O&M facility on the western and eastern property lines
- Residential property south of Ottawa Road, approximately 80 feet southwest of the facility's western driveway
- First Assembly of God church south of Ottawa Road, approximately 100 feet southeast of one of the eastern driveway

d. Regulatory Setting.

Federal. The United States Environmental Protection Agency (U.S. EPA) is the Federal agency responsible for administering the Clean Air Act. In this role, the U.S. EPA sets limits on certain criteria air pollutants, including limits on how much of any given pollutant can be in the air as well as limits on emissions from stationary sources of air pollutants, such as chemical plants, utilities, and steel mills.

State. The California Air Resources Board is the department within the California Environmental Protection Agency that is responsible for administering Federal air pollution control programs at the State level as well as State air pollution control programs. The California Air Resources Board sets the State's limits on criteria air pollutants, compiles emission inventories, develops suggested control measures, provides oversight of local programs, and prepares the State Implementation Plan (SIP) for compliance with the Federal program. The California Air Resources Board also establishes emissions standards for motor

vehicles, consumer products, and various types of commercial equipment sold and used in the State, and sets fuel specifications to reduce emissions from vehicles.

Local. Local air quality management control and planning is provided through regional Air Pollution Control Districts (APCDs) established by the California Air Resources Board for the 14 air basins throughout the State. The California Air Resources Board is responsible for control of mobile emission sources, while the local APCDs are responsible for control of stationary sources and enforcing regulations. Apple Valley is located within the Mojave Desert Air Basin (Basin), which is under the jurisdiction of MDAQMD. MDAQMD has adopted various plans that provide strategies for the attainment of State and Federal air quality standards, including:

- Mojave Desert Planning Area, Federal Particulate Matter (PM10) Attainment Plan (1995);
- MDAQMD 2004 Ozone Attainment Plan (State and Federal) (2004);
- List and Implementation Schedule for District Measures to Reduce PM Pursuant to Health & Safety Code §39614(d) (2005);
- 8-Hour Reasonably Available Control Technology – State Implementation Plan Analysis (RACT SIP Analysis) (2006);
- Smoke Management Program (2006);
- MDAQMD Federal 8-Hour Ozone Attainment Plan (Western Mojave Desert Non-attainment Area) (2008); and
- 8-Hour Reasonably Available Control Technology – State Implementation Plan Analysis (RACT SIP Analysis) (2015).

MDAQMD has also published significance thresholds for use when performing environmental assessments, as discussed below. A response to the Notice of Preparation for the proposed Project was provided by MDAQMD (included in Appendix A), stating that the District had no comment on the scope of the Draft EIR.

4.1.2 Impact Analysis

a. Methodology and Significance Thresholds

This analysis considers air emissions associated with existing and future operation and maintenance activities of the proposed Project, including emissions associated with traffic along area roadways. As the proposed Project does not include any new construction, no construction emissions would be generated and this activity is not discussed further. Air emissions are analyzed based on the significance thresholds contained in Appendix G of the State CEQA Guidelines as well as the significance thresholds provided by MDAQMD.

Methodology. This analysis considers air emissions associated with operation and maintenance of the proposed Project, including emissions from vehicles used to operate and maintain the water supply system. The proposed Project would entail the Town's acquisition and subsequent operation of the water supply system. The system would maintain its existing size and capacity, including approximately 23 groundwater wells with a total capacity of 37 million gallons per day, 11 storage tanks with a total capacity of 11.7 million gallons, 16 emergency generators, 8 booster pump stations, 22,431 service connections, 469 miles of pipelines. Therefore, system

operation is expected to continue to require a staff of approximately 39 employees, including approximately 20 office workers and 19 technical and field staff. No new facilities are proposed under the Project; however, operation and maintenance events may occur as part of the ongoing operation and maintenance of the system. As discussed in Section 2.0, Project Description, the Town would operate the system out of the existing O&M facility at 21760 Ottawa Road, and therefore there would be little to no change in the length, distribution, or number of truck trips required to operate and maintain the system. This analysis discusses emissions from these activities and the potential for the proposed Project to produce any air emissions beyond existing baseline conditions.

Significance Thresholds. In accordance with the Town's CEQA Checklist and Appendix G of the State CEQA Guidelines, a significant air quality impact would occur if the proposed Project would:

a. Conflict with or obstruct implementation of the applicable air quality plan?
b. Violate any air quality standard or contribute substantially to an existing or projected air quality violation?
c. 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 (including releasing emissions which exceed quantitative thresholds for ozone precursors)?
d. Expose sensitive receptors to substantial pollutant concentrations?
e. Create objectionable odors affecting a substantial number of people?

This analysis also considers the thresholds of significance provided by MDAQMD in its guidance for performing environmental assessments from its *California Environmental Quality Act (CEQA) and Federal Conformity Guidelines* (2011). According to these guidelines, a project's air emissions would be considered significant if the project:

- Generates total emissions (direct and indirect) in excess of the thresholds given in Table 4.1-3; and/or,
- Generates a violation of any ambient air quality standard when added to the local background; and/or,
- Does not conform with the applicable attainment or maintenance plan(s); and/or,
- Exposes sensitive receptors to substantial pollutant concentrations, including those resulting in a cancer risk greater than or equal to 10 in a million and/or a Hazard Index (HI) (non-cancerous) greater than or equal to 1.

Table 4.1-3:
Emission Significance Thresholds in the Mojave Desert Air Basin

Criteria Pollutant	Annual Threshold (tons)	Daily Threshold (pounds)
Carbon Monoxide (CO)	100	548
Oxides of Nitrogen (NO_x)	25	137
Volatile Organic Compounds (VOC)	25	137
Oxides of Sulfur (SO_x)	25	137

Table 4.1-3:
Emission Significance Thresholds in the Mojave Desert Air Basin

Criteria Pollutant	Annual Threshold (tons)	Daily Threshold (pounds)
Particulate Matter (PM_{10})	15	82
Particulate Matter ($PM_{2.5}$)	15	82
Hydrogen Sulfide (H_2S)	10	54
Lead (Pb)	0.6	3

Source: Mojave Desert Air Quality Management District, 2011.

The Amended Initial Study for the proposed Project (Appendix A) found the Project would not create objectionable odors, and therefore this impact (Significance Threshold e) is not discussed further in this section.

b. Project Impacts and Mitigation Measures.

Threshold:	*Conflict with or obstruct implementation of the applicable air quality plan*
Threshold:	*Violate any air quality standard or contribute substantially to an existing or projected air quality violation*
Threshold:	*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 (including releasing emissions which exceed quantitative thresholds for ozone precursors)*
Threshold:	*Expose sensitive receptors to substantial pollutant concentrations*

Impact AQ-1 Implementation of the proposed Project would result in air emissions associated with operation and maintenance of water supply system infrastructure as well as operation of vehicles and equipment in and around the Project Area. However, given that these activities would be similar to those performed under existing operations, the proposed Project would result in little to no increase in air emissions, and these impacts would be Class III, *less than significant*.

Long-term air pollutant emission impacts are those associated with stationary sources and mobile sources related to operation of the AVR System. The existing water supply system is fully functional and would not require any additional new infrastructure as a result of the proposed Project, i.e. transfer of ownership to the Town. In addition, the proposed Project does not include any expansion in the delivery capacity of the AVR System nor does it contemplate any physical upgrades to any of the AVR System facilities (i.e., no construction is proposed). Given that there would be no new construction associated with the proposed Project, there would be no impacts associated with generation of dust or other air pollutants associated with construction.

Although some level of maintenance activity would be required in order to operate and maintain the water supply system, this activity would be in line with what would occur under the existing ownership. Because the proposed Project would not result in any population

increase or new physical facilities, it would not result in any increase in stationary operational emissions from increased water delivery or treatment. In addition, as operation of the system is expected to continue in much the same manner as under existing conditions, the proposed Project would not require installation of new equipment at any system location that would combust diesel nor would it require any new APCD-permitted stationary sources. Therefore, the proposed Project would not result in additional stationary operational emissions of dust or other air pollutants as compared to existing baseline conditions.

Mobile source emissions are generated from truck trips from the AVR System O&M facility to locations throughout the Town. As no new facilities are proposed under the Project, it is assumed that the system would require the same number of technical and field staff (19 employees) and the same number of truck trips to operate and maintain the system as under existing conditions; therefore, the proposed Project would not generate any new truck trips. Given that the AVR System would continue to be operated out of the existing AVR System O&M facility after the acquisition, and the only change would be that these activities would be performed by the Town instead of by Apple Valley Ranchos Water Company following the acquisition, the proposed Project would not result in substantial changes in the distribution or length of these truck trips. Therefore, the number of vehicle miles travelled associated with operation and maintenance of the AVR System, and thus the associated amount of vehicular (mobile) air emissions, would not substantially increase as a result of the proposed Project.

Given that the proposed Project would not result in an increase in ~~air~~ emissions of dust and other air pollutants from operation or maintenance activities, it would not conflict with any air quality plans, violate any air quality standards, result in a cumulatively considerable net increase of any criteria pollutant, or expose sensitive receptors to substantial pollutant concentrations. Correspondingly, the proposed Project would not contribute to any air-pollution related health impacts, such as Valley Fever or asthma.2 Therefore, these impacts are less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts.

The EIR for the Apple Valley General Plan determined that buildout of the Town and the surrounding area would contribute to regional air pollution, and these impacts can be considered cumulatively significant. The air emissions that would be generated by the proposed Project have been ongoing since the time that the Apple Valley General Plan EIR was prepared and the emissions were fully accounted for in the General Plan EIR. As discussed under Impact AQ-1, the proposed Project would not result in an increase in daily operational emissions from stationary or mobile sources. Therefore, the proposed Project would not result in addition of criteria pollutants to the Basin. Given that the proposed Project would not contribute any additional air pollutants, it would not contribute to any cumulative impacts when considered in

2 Valley Fever is a fungal disease that occurs in some desert environments, including throughout the San Joaquin Valley. It is associated with the mobilization of particulate matter (dust) and subsequent inhalation by area residents.

conjunction with other projects in the region, and it would not exceed MDAQMD thresholds. Therefore, the proposed Project's contribution to cumulative regional long-term air quality impacts would not be cumulatively considerable.

4.2 GREENHOUSE GAS EMISSIONS

This section discusses global climate change, its causes and the contribution of human activities, as well as the existing regulatory framework related to greenhouse gas (GHG) emissions. This section describes the criteria for determining the significance of a project's GHG emissions, and analyzes the proposed Project's impacts related to global climate change and GHG emissions.

4.2.1 Setting

a. Climate Change and Greenhouse Gases.

Climate change is the observed increase in the average temperature of the Earth's atmosphere and oceans along with other substantial changes in climate (such as wind patterns, precipitation, and storms) over an extended period of time. The term "climate change" is often used interchangeably with the term "global warming," but "climate change" is preferred to "global warming" because it helps convey that there are other changes in addition to rising temperatures that occur during this process.

GHGs are gases that absorb and re-emit infrared radiation in the atmosphere. They are present in the atmosphere naturally, released by natural sources, or formed from secondary reactions taking place in the atmosphere. The gases that are widely seen as the principal contributors to human-induced climate change include carbon dioxide (CO_2), methane (CH_4), nitrous oxides (N_2O), fluorinated gases such as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF_6). Water vapor is excluded from the list of GHGs because it is short-lived in the atmosphere and its atmospheric concentrations are largely determined by natural processes, such as oceanic evaporation.

GHGs are emitted by both natural processes and human activities. Of these gases, CO_2 and CH_4 are emitted in the greatest quantities from human activities. Emissions of CO_2 are largely by-products of fossil fuel combustion, whereas CH_4 results from off-gassing associated with agricultural practices and landfills.

All of the different types of GHGs have varying global warming potentials (GWPs). The GWP of a GHG is the potential of a gas or aerosol to trap heat in the atmosphere over a specified timescale (generally, 100 years). Because GHGs absorb different amounts of heat, a common reference gas (CO_2) is used to relate the amount of heat absorbed to the amount of the gas emissions, referred to as "carbon dioxide equivalent" (CO_2E), and is the amount of a GHG emitted multiplied by its GWP. Carbon dioxide has a 100-year GWP of one. By contrast, CH_4 has a GWP of 25, meaning its global warming effect is 25 times greater than CO_2 on a molecule per molecule basis. Man made GHGs, such as fluorinated gases, can have a GWP of up to 23,500 and stay in the atmosphere for thousands of years (United States Environmental Protection Agency [U.S. EPA], 2014).

The accumulation of GHGs in the atmosphere regulates the earth's temperature. Without the natural heat trapping effect of GHGs, the Earth's surface would be about 34°C cooler (CalEPA, 2006). However, it is believed that emissions from human activities, particularly the consumption of fossil fuels for electricity production and transportation, have elevated the

concentration of these gases in the atmosphere beyond the level of naturally occurring concentrations. The following discusses the primary GHGs of concern.

Carbon Dioxide. The global carbon cycle is made up of large carbon flows and reservoirs. Billions of tons of carbon in the form of CO_2 are absorbed by oceans and living biomass (i.e., sinks) and are emitted to the atmosphere annually through natural processes (i.e., sources). When in equilibrium, carbon fluxes among these various reservoirs are roughly balanced (U.S. EPA, 2012). CO_2 was the first GHG demonstrated to be increasing in atmospheric concentration, with the first conclusive measurements being made in the last half of the 20th Century. The average annual CO_2 concentration growth rate was larger between 1995 and 2005 (average: 1.9 ppm per year) than it has been since the beginning of continuous direct atmospheric measurements (1960–2005 average: 1.4 ppm per year), although there is year-to-year variability in growth rates (NOAA, 2010). Currently, CO_2 represents an estimated 82.8% of total GHG emissions (Department of Energy [DOE] Energy Information Administration [EIA], 2010). The largest source of CO_2, and of overall GHG emissions, is fossil fuel combustion.

Methane. Methane (CH_4) is an effective absorber of radiation, though its atmospheric concentration is less than that of CO_2 and its lifetime in the atmosphere is limited to 10 to 12 years. It has a global warming potential approximately 25 times that of CO_2. Anthropogenic sources of CH_4 include enteric fermentation associated with domestic livestock, landfills, natural gas and petroleum systems, agricultural activities, coal mining, wastewater treatment, stationary and mobile combustion, and certain industrial processes (U.S. EPA, 2012).

Nitrous Oxide. Concentrations of nitrous oxide began to rise at the beginning of the industrial revolution and continue to increase at a relatively uniform growth rate (NOAA, 2010). Nitrous oxide is produced by microbial processes in soil and water, including those reactions that occur in fertilizers that contain nitrogen, fossil fuel combustion, and other chemical processes. Use of these fertilizers has increased over the last century. Agricultural soil management and mobile source fossil fuel combustion are the major sources of nitrous oxide emissions. The GWP of nitrous oxide is approximately 298 times that of CO_2 (U.S. EPA, 2015).

Fluorinated Gases (HFCS, PFCS and SF_6). Fluorinated gases, such as hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfurhexafluoride (SF_6), are powerful GHGs that are emitted from a variety of industrial processes. Fluorinated gases are used as substitutes for ozone-depleting substances such as chlorofluorocarbons (CFCs), hydrochlorofluorocarbons (HCFCs), and halons, which have been regulated since the mid-1980s because of their ozone-destroying potential and are phased out under the Montreal Protocol (1987) and Clean Air Act Amendments of 1990. Electrical transmission and distribution systems account for most SF_6 emissions, while PFC emissions result from semiconductor manufacturing and as a by-product of primary aluminum production. Fluorinated gases are typically emitted in smaller quantities than CO_2, CH_4, and N_2O, but these compounds have much higher GWPs.

b. Greenhouse Gas Emissions Inventory.

Total U.S. GHG emissions were 6,821.8 MMT CO_2E in 2009 (U.S. EPA, 2012). Total U.S. emissions have increased by 10.5 percent since 1990; emissions rose by 3.2 percent from 2009 to 2010 (U.S. EPA, 2012). This increase was primarily due to (1) an increase in economic output

resulting in an increase in energy consumption across all sectors; and (2) much warmer summer conditions resulting in an increase in electricity demand for air conditioning. Since 1990, U.S. emissions have increased at an average annual rate of 0.5 percent. In 2010, the transportation and industrial end-use sectors accounted for 32 percent and 26 percent of CO_2 emissions from fossil fuel combustion, respectively. Meanwhile, the residential and commercial end-use sectors accounted for 22 percent and 19 percent of CO_2 emissions from fossil fuel combustion, respectively (U.S. EPA, 2012).

Based upon the California Air Resources Board California Greenhouse Gas Inventory for 2000-2013 (California Air Resources Board, 2015d), California produced 459 MMT CO_2E in 2011. The major source of GHGs in California is transportation, contributing 37 percent of the State's total GHG emissions. Industrial activity is the second largest source, contributing 23 percent of the State's GHG emissions (California Air Resources Board, 2015d). California emissions are due in part to its large size and large population compared to other states. However, a factor that reduces California's per capita fuel use and GHG emissions, as compared to other states, is its relatively mild climate. The California Air Resources Board has projected statewide unregulated GHG emissions for the year 2020 will be 509 MMT CO_2E (California Air Resources Board, 2015e). These projections represent the emissions that would be expected to occur in the absence of any GHG reduction actions.

c. Potential Effects of Climate Change.

According to the CalEPA's *2010 Climate Action Team Biennial Report*, potential impacts of climate change in California may include loss in snow pack, sea level rise, more extreme heat days per year, more high ozone days, more large forest fires, and more drought years (CalEPA, 2010). Below is a summary of some of the potential effects that could be experienced in California as a result of climate change.

Sea Level Rise. According to *The Impacts of Sea-Level Rise on the California Coast*, prepared by the California Climate Change Center (California Climate Change Center; 2009), climate change has the potential to induce substantial sea level rise in the coming century. The rising sea level increases the likelihood and risk of flooding. Sea levels are rising faster now than in the previous two millennia, and the rise is expected to accelerate, even with robust GHG emission control measures. The California Climate Adaptation Strategy (2009) estimates a sea level rise of up to 55 inches by the end of this century.

Air Quality. Higher temperatures, which are conducive to air pollution formation, could worsen air quality in California. Climate change may increase the concentration of ground-level ozone, but the magnitude of the effect, and therefore its indirect effects, are uncertain. If higher temperatures are accompanied by drier conditions, the potential for large wildfires could increase, which, in turn, would further worsen air quality. However, if higher temperatures are accompanied by wetter, rather than drier conditions, the rains would tend to temporarily clear the air of particulate pollution and reduce the incidence of large wildfires, thereby ameliorating the pollution associated with wildfires. Additionally, severe heat accompanied by drier conditions and poor air quality could increase the number of heat-related deaths, illnesses, and asthma attacks throughout the state (California Energy Commission, 2009).

Water Supply. Analysis of paleoclimatic data (such as tree-ring reconstructions of stream flow and precipitation) indicates a history of naturally and widely varying hydrologic conditions in California and the west, including a pattern of recurring and extended droughts. Uncertainty remains with respect to the overall impact of climate change on future water supplies in California. However, the average early spring snowpack in the Sierra Nevada decreased by about 10 percent during the last century, a loss of 1.5 million acre-feet of snowpack storage. During the same period, sea level rose eight inches along California's coast. California's temperature has risen 1°F, mostly at night and during the winter, with higher elevations experiencing the highest increase. Many Southern California cities have experienced their lowest recorded annual precipitation twice within the past decade. In a span of only two years, Los Angeles experienced both its driest and wettest years on record (California Department of Water Resources [DWR], 2008; California Climate Change Center, 2009).

This uncertainty complicates the analysis of future water demand, especially where the relationship between climate change and its potential effect on water demand is not well understood. The Sierra snowpack provides the majority of California's water supply by accumulating snow during the State's wet winters and releasing it slowly when needed during the dry springs and summers. Based upon historical data and modeling, DWR projects that the Sierra snowpack will experience a 25 to 40 percent reduction from its historical average by 2050. Climate change is also anticipated to bring warmer storms that result in less snowfall at lower elevations, reducing the total snowpack (DWR, 2008). Some water management agencies, including the Mojave Water Agency, have access to underground aquifers that can capture rainfall and store water for later use. In some cases, recharge facilities have been developed to increase the amount of water entering the aquifer system.

Hydrology. As discussed above, climate change could potentially affect: the amount of snowfall, rainfall, and snow pack; the intensity and frequency of storms; flood hydrographs (flash floods, rain or snow events, coincidental high tide and high runoff events); sea level rise and coastal flooding; coastal erosion; and the potential for salt water intrusion. The rate of increase of global mean sea levels over the 2001-2010 decade, as observed by satellites, ocean buoys and land gauges, was approximately 3.2 mm per year, which is double the observed 20th Century trend of 1.6 mm per year (World Meteorological Organization [WMO], 2013). As a result, sea levels averaged over the last decade were about 8 inches higher than those of 1880 (WMO, 2013). Sea level rise may be a product of climate change through two main processes: expansion of sea water as the oceans warm and melting of ice over land. A rise in sea levels could result in coastal flooding and erosion and could jeopardize California's water supply due to salt water intrusion. Increased CO_2 emissions can cause oceans to acidify due to the carbonic acid it forms. Increased storm intensity and frequency could affect the ability of flood-control facilities, including levees, to handle storm events.

Agriculture. California has a $30 billion dollar a year agricultural industry that produces half of the country's fruits and vegetables. Higher CO_2 levels can stimulate plant production and increase plant water-use efficiency. However, if temperatures rise and drier conditions prevail, water demand could increase, crop-yield could be threatened by a less reliable water supply and greater air pollution could render plants more susceptible to pest and disease outbreaks. In addition, temperature increases could change the time of year certain crops, such as wine

grapes, bloom or ripen, and thereby affect their quality (California Climate Change Center, 2006).

Ecosystems and Wildlife. Climate change and the potential resulting changes in weather patterns could have ecological effects on a global and local scale. Increasing concentrations of GHGs are likely to accelerate the rate of climate change. Scientists project that the average global surface temperature could rise by 1.0-4.5°F (0.6-2.5°C) in the next 50 years, and 2.2-10°F (1.4-5.8°C) in the next century, with substantial regional variation. Soil moisture is likely to decline in many regions, and intense rainstorms are likely to become more frequent. Rising temperatures could have four major impacts on plants and animals: (1) timing of ecological events; (2) geographic range; (3) species' composition within communities; and (4) ecosystem processes, such as carbon cycling and storage (Parmesan, 2006; Parmesan and Galbraith, 2004).

While the above-mentioned potential impacts identify the possible effects of climate change at a global and potentially statewide level, in general, scientific modeling tools are currently unable to predict what impacts would occur locally.

d. Regulatory Setting.

The following regulations address both climate change and GHG emissions.

Federal Regulations. The United States Supreme Court in *Massachusetts et al. v. Environmental Protection Agency et al*. ([2007] 549 U.S. 05-1120) held that the U.S. EPA has the authority to regulate motor-vehicle GHG emissions under the federal Clean Air Act. The U.S. EPA issued a Final Rule for mandatory reporting of GHG emissions in October 2009. This Final Rule applies to fossil fuel suppliers, industrial gas suppliers, direct GHG emitters, and manufacturers of heavy-duty and off-road vehicles and vehicle engines, and requires annual reporting of emissions. The first annual reports for these sources were due in March 2011.

On May 13, 2010, the U.S. EPA issued a Final Rule that took effect on January 2, 2011, setting a threshold of 75,000 metric tons (MT) CO_2E per year for GHG emissions. New and existing industrial facilities that meet or exceed that threshold will require a permit after that date. On November 10, 2010, the U.S. EPA published the "PSD and Title V Permitting Guidance for Greenhouse Gases." The U.S. EPA's guidance document is directed at state agencies responsible for air pollution permits under the federal Clean Air Act to help them understand how to implement GHG reduction requirements while mitigating costs for industry. It is expected that most states will use the U.S. EPA's new guidelines when processing new air pollution permits for power plants, oil refineries, cement manufacturing, and other large pollution point sources.

On January 2, 2011, the U.S. EPA implemented the first phase of the Tailoring Rule for GHG emissions Title V Permitting. Under the first phase of the Tailoring Rule, all new sources of emissions are subject to GHG Title V permitting if they are otherwise subject to Title V for another air pollutant and they emit at least 75,000 MT CO_2E per year. Under Phase 1, no sources were required to obtain a Title V permit solely due to GHG emissions. Phase 2 of the Tailoring Rule went into effect July 1, 2011. At that time new sources were subject to GHG Title V permitting if the source emits 100,000 MT CO_2E per year, or they are otherwise subject to Title V permitting for another pollutant and emit at least 75,000 MT CO_2E per year.

On July 3, 2012 the U.S. EPA issued the final rule that retains the GHG permitting thresholds that were established in Phases 1 and 2 of the GHG Tailoring Rule. These emission thresholds determine when Clean Air Act permits under the New Source Review Prevention of Significant Deterioration (PSD) and Title V Operating Permit programs are required for new and existing industrial facilities.

California Regulations. The California Air Resources Board is responsible for the coordination and oversight of State and local air pollution control programs in California. Various statewide and local initiatives to reduce the State's contribution to GHG emissions have raised awareness about climate change and its potential for severe long-term adverse environmental, social, and economic effects.

California's major initiative for reducing GHG emissions is outlined in Assembly Bill 32 (AB 32), the "California Global Warming Solutions Act of 2006," signed into law in 2006. AB 32 codifies the statewide goal of reducing GHG emissions to 1990 levels by 2020 (essentially a 15% reduction below 2005 emission levels; the same requirement as under S-3-05), and requires the California Air Resources Board to prepare a Scoping Plan that outlines the main State strategies for reducing GHGs to meet the 2020 deadline. In addition, AB 32 requires the California Air Resources Board to adopt regulations to require reporting and verification of statewide GHG emissions.

After completing a comprehensive review and update process, the California Air Resources Board approved a 1990 statewide GHG level and 2020 limit of 427 MMT CO_2E. The Scoping Plan was approved by the California Air Resources Board on December 11, 2008, and includes measures to address GHG emission reduction strategies related to energy efficiency, water use, and recycling and solid waste, among other measures. The Scoping Plan includes a range of GHG reduction actions that may include direct regulations, alternative compliance mechanisms, monetary and non-monetary incentives, voluntary actions, and market-based mechanisms.

In early 2013, the California Air Resources Board initiated activities to update the AB 32 Scoping Plan. The first update to the Scoping Plan was adopted in October 2013. The 2013 Scoping Plan update defines ARB's climate change priorities and lays the groundwork to reach post-2020 goals set forth in Executive Orders S-3-05. The update highlights California's progress toward meeting the "near-term" 2020 GHG emission reduction goals defined in the original Scoping Plan (2008). It also evaluates how to align the State's longer-term GHG reduction strategies with other State policy priorities, such as for water, waste, natural resources, clean energy and transportation, and land use (California Air Resources Board, 2015d).

Executive Order (EO) S-01-07 was enacted on January 18, 2007. The order mandates that a Low Carbon Fuel Standard ("LCFS") for transportation fuels be established for California to reduce the carbon intensity of California's transportation fuels by at least 10 percent by 2020.

Senate Bill (SB) 97, signed in August 2007, acknowledges that climate change is an environmental issue that requires analysis in California Environmental Quality Act (CEQA) documents. In March 2010, the California Resources Agency (Resources Agency) adopted amendments to the *State CEQA Guidelines*, which require lead agencies to identify, evaluate and mitigate to the extent feasible GHG emissions or the effects of GHG emissions. The adopted

guidelines give lead agencies the discretion to set quantitative or qualitative thresholds for the assessment and mitigation of GHGs and climate change impacts. However, recent case law suggests a quantitative analysis is preferred. To date, the Bay Area Air Quality Management District (BAAQMD), the South Coast Air Quality Management District (SCAQMD), the San Luis Obispo Air Pollution Control District (SLOAPCD), and the San Joaquin Air Pollution Control District (SJVAPCD) have adopted quantitative significance thresholds for GHGs.[3]

California Air Resources Board Resolution 07-54 establishes 25,000 MT of GHG emissions as the threshold for identifying the largest stationary emission sources in California for purposes of requiring the annual reporting of emissions. This threshold is just over 0.005 percent of California's total inventory of GHG emissions for 2004.

Senate Bill (SB) 375, signed in August 2008, enhances the State's ability to reach AB 32 goals by directing ARB to develop regional GHG emission reduction targets to be achieved from vehicles for 2020 and 2035. In addition, SB 375 directs each of the State's 18 major Metropolitan Planning Organizations (MPO) to prepare a "sustainable communities strategy" (SCS) that contains a growth strategy to meet these emission targets for inclusion in the Regional Transportation Plan (RTP). On September 23, 2010, the California Air Resources Board adopted final regional targets for reducing GHG emissions from 2005 levels by 2020 and 2035. The Southern California Association of Governments (SCAG) was assigned targets of an 8% reduction in GHGs from transportation sources by 2020 and a 13% reduction in GHGs from transportation sources by 2035. In the SCAG region, SB 375 also provides the option for the coordinated development of subregional plans by the subregional councils of governments and the county transportation commissions to meet SB 375 requirements.

Finally, in April 2011, Governor Brown signed SB 2X requiring California to generate 33% of its electricity from renewable energy by 2020.

For more information on the Senate and Assembly bills, Executive Orders, and reports discussed above, and to view reports and research referenced above, please refer to the following websites: www.climatechange.ca.gov and www.arb.ca.gov/cc/cc.htm.

Local Regulations. As noted previously, the adopted *State CEQA Guidelines* provide general regulatory guidance on the analysis and mitigation of GHG emissions in CEQA documents, while giving lead agencies the discretion to set quantitative or qualitative thresholds for the assessment and mitigation of GHGs and climate change impacts.

Apply Valley is located in the Mojave Desert Air Quality Management District (MDAQMD), which regulates air emissions in the Project Area. The MDAQMD, has adopted a GHG significance threshold of 100,000 tons of CO_2e per year, not to exceed 548,000 pounds of CO_2e per day, for use in CEQA analyses (MDAQMD, 2011). In 2010, the Town of Apple Valley

3 On March 5, 2012 the Alameda County Superior Court issued a judgment finding that the BAAQMD had failed to comply with CEQA when it adopted the thresholds contained in the BAAQMD's 2010 CEQA Guidelines. The BAAQMD has been ordered to set aside the thresholds and is no longer recommending that these thresholds be used as a general measure of a project's significant air quality impacts. In August 2013, the First District Court of Appeal overturned the trial court and held that the thresholds of significance adopted by the BAAQMD were not subject to CEQA review. The California Supreme Court has agreed to hear an appeal of this case. The case is currently being briefed and the matter is still pending. Thus, BAAQMD will not issue a further recommendation until this litigation is complete.

adopted a Climate Action Plan, which was most recently updated in 2013. In this plan, the Town set a reduction target of 15% below 2005 levels by the year 2020 for both community and municipal operations. New projects that demonstrate a reduction in emissions of 15% or more are considered to be consistent with this Climate Action Plan. The plan includes policies aimed at meeting this goal, including Policy MO-24: Encourage Apple Valley Ranchos, Golden State and other water purveyors to replace water systems with energy efficient motors, pumps and other equipment.

4.2.2 Impact Analysis

a. Methodology and Significance Thresholds

Pursuant to the requirements of SB 97, the Resources Agency adopted amendments to the *State CEQA Guidelines* for the feasible mitigation of GHG emissions or the effects of GHG emissions in March 2010. These guidelines are used in evaluating the cumulative significance of GHG emissions from the proposed Project.

Methodology. This analysis considers GHG emissions associated with operation and maintenance of the proposed Project, including emissions from vehicles used to operate and maintain the water supply system. As the proposed Project does not include any new construction, no construction emissions would be generated and this activity is not discussed further. The proposed Project would entail the Town's acquisition and subsequent operation of the water supply system. The system would maintain its existing size and capacity, including approximately 23 groundwater wells with a total capacity of 37 million gallons per day, 11 storage tanks with a total capacity of 11.7 million gallons, 16 emergency generators, 8 booster/pump stations, 22,431 service connections, 469 miles of pipelines. Therefore, system operation is expected to continue to require a staff of approximately 39 employees, including approximately 20 office workers and 19 technical and field staff. No new facilities are proposed under the Project; however, maintenance events may occur as part of the ongoing operation and maintenance of the system. As discussed in Section 2.0, *Project Description*, the Town would operate the system out of the existing operations and maintenance facility at 21760 Ottawa Road, and therefore there would be little to no change in the length, distribution, or number of truck trips required to operate and maintain the system. This analysis discusses emissions from these activities and the potential for the proposed Project to produce any GHG emissions beyond existing baseline conditions.

- **On-Site Operational Emissions.** The day-to-day operations of the AVR System would be the same as they are under current ownership. Therefore, new sources of on-site operational emissions, including from energy use, would not occur.
- **Direct Emissions from Mobile Combustion.** The proposed project would not generate additional vehicle trips, therefore it would not result in any additional GHG emissions from mobile sources.

Significance Thresholds. According to the adopted *CEQA Guidelines*, impacts related to GHG emissions from the proposed Project would be significant if the Project would:

- Generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment; and/or
- Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of GHGs.

The vast majority of individual projects do not generate sufficient GHG emissions to create a project-specific impact through a direct influence on climate change; therefore, the issue of climate change typically involves an analysis of whether a project's contribution towards an impact is cumulatively considerable. "Cumulatively considerable" means that the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, other current projects, and probable future projects (CEQA Guidelines, Section 15355).

For future projects, the significance of GHG emissions may be evaluated based on locally adopted quantitative thresholds, or consistency with a regional GHG reduction plan (such as a Climate Action Plan). The MDAQMD, which regulates air emissions in the Project Area, has adopted a GHG significance threshold of 100,000 tons of CO_2e per year, not to exceed 548,000 pounds of CO_2e per day, for use in CEQA analyses (MDAQMD, 2011). Additionally, the Town of Apple Valley adopted a Climate Action Plan in 2010 (updated in 2013) that includes a list GHG reduction measures. Although the plan does not include specific GHG significance thresholds for use in analyses under CEQA, it states that new projects demonstrating a reduction in emissions of 15% or more are considered to be consistent with the plan (Town of Apple Valley, 2013). Therefore, the proposed Project would result in a significant if it would:

- Produce more than 100,000 tons of CO_2e per year
- Produce over 548,000 pounds of CO_2e in any given day

In order to determine whether or not the proposed Project's GHG emissions are "cumulatively considerable," this analysis considers the proposed Project's consistency with applicable GHG emissions reduction strategies.

b. Project Impacts and Mitigation Measures.

Threshold	*Would the proposed project generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?*

Impact GHG-1 **Implementation of the proposed Project could potentially result in GHG emissions associated with operation and maintenance of system infrastructure as well as operation of vehicles and equipment in and around the Project Area. However, given that these activities would be similar to those performed under the existing ownership, the proposed Project would result in little to no increase in GHG emissions, and these impacts would be Class III, *less than significant*.**

Operational Emissions. The existing water supply system is fully functional and would not require any additional new infrastructure as part of the proposed Project, i.e. transfer of ownership to the Town. Although some level of maintenance activity would be required in order to operate and maintain the water supply system, this activity would be in line with existing operations under the current ownership. Therefore, the proposed Project would not require new or expanded facilities, as the proposed Project would not result in an increase in the amount of water delivered or treated. A substantial increase in stationary operational GHG emissions would not occur.

Transportation Emissions. GHG emissions from mobile sources would be generated by truck trips to and from the AVR System O&M facility to locations throughout the Town. As no new facilities are proposed under the Project, it is assumed that the system would require the same number of technical and field staff (19 employees) and the same number of truck trips to operate and maintain the system as under existing conditions; therefore, the proposed Project would not generate any new truck trips. Given that the AVR System would continue to be operated out of the existing AVR System O&M facility following the acquisition, and the only change would be that these activities would be performed by the Town instead of by the Apple Valley Ranchos Water Company, the proposed Project would not result in substantial changes in the distribution or length of these truck trips. Therefore, the GHG emissions associated with mobile sources would not substantially increase, as mobile traffic would not substantially increase.

As the proposed Project would not functionally change the AVR System, GHG emissions that would be associated with the proposed Project, both stationary and mobile, would be emissions that are already a part of California's total GHG emissions and below both the annual and daily MDAQMD thresholds. Therefore, these impacts are less than significant.

Mitigation Measures. No mitigation is required.

Significance after Mitigation. Impacts would be less than significant without mitigation.

Threshold	*Would the proposed project conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?*

Impact GHG-2 The proposed Project would be consistent with SB 375, the 2008 Attorney General Greenhouse Gas Reduction Measures, and the Town of Apple Valley's Climate Action Plan. Impacts would therefore be Class III, *less than significant.*

As discussed under Impact GHG-1 above, the proposed Project would not generate any additional vehicle trips over the current operating level. No new Vehicle Miles Traveled (VMT) would be added and there would not be a significant increase in GHG emissions.

As described previously, SB 375 requires the inclusion of Sustainable Communities' Strategies (SCS) in Regional Transportation Plans (RTPs) for the purpose of reducing GHG emissions. In

April 2012, SCAG adopted the *2012-2035 Regional Transportation Plan/Sustainable Communities Strategy* (RTP/SCS). The proposed Project would not involve development of new facilities nor alter operational and maintenance activities which are part of the current GHG emissions baseline. Therefore, the proposed Project would not impede the achievement of the GHG emission reduction goals in the adopted RTP/SCS.

GHG emissions reduction targets have not been set by the MDAQMD. However, the Apple Valley CAP does indicate that new projects demonstrating a reduction in emissions of 15% or more are considered to be consistent with the plan. The proposed Project, as described above, involves transfer of ownership from Apple Valley Ranchos to the Town and would not involve construction of new facilities or buildings. Also, any vehicles used in the operation and maintenance of the system would be subject to the required passenger vehicle emissions standards at that time. As such, emissions associated with operation of the system are part of the current baseline and are not new emissions. Therefore, a 15% reduction in GHG emissions would not be required for the Project to be consistent with the plan. In addition, operation of the system is not currently subject to the Town's GHG reduction goals for community and municipal operations. If the Town acquires the AVR System, it would fall within the Town's purview as a municipal operation and would allow the Town to work toward reducing GHG emissions associated with operation of the system. As such, the proposed Project would not conflict with any policies regarding GHG reductions.

The Attorney General's GHG Reduction Report, prepared in 2008, specifies measures that may reduce global warming related impacts at the individual project level. As appropriate, the measures can be included as design features of a project, required as changes to the project, or imposed as mitigation (whether undertaken directly by the project proponent or funded by mitigation fees). The proposed Project, as described above, would not involve construction of new facilities or buildings and also would not result in emission of GHGs requiring mitigation measures. As such, the proposed Project would not conflict with these measures.

As indicated above, the proposed Project would be consistent with SB 375, the 2008 Attorney General GHG Reduction Measures and the Town of Apple Valley's Climate Action Plan. Therefore, the proposed Project would be consistent with applicable plans, policies and regulation adopted for the purpose of reducing the emissions of GHGs, and its impact in this regard would not be significant.

Mitigation Measures. No mitigation is required.

Significance after Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts.

The General Plan EIR for the Town of Apple Valley did not include an assessment of the cumulative impact from GHG emissions. However, GHG emissions associated with buildout of the General Plan along with development throughout the wider region, including the proposed Specific Plans in proximity to the Town, would contribute to regional GHG emission volumes.

As discussed in impacts GHG-1 and GHG-2, the proposed Project would not result in an increase in daily operational emissions from stationary or mobile sources. Therefore, the proposed Project would not result in the addition of GHG emissions to the Basin. Given that the project would not contribute any additional GHG emissions, it would not contribute to any cumulative impacts when considered in conjunction with other projects in the region, and it would not exceed any thresholds for GHGs. Therefore, the proposed Project's contribution to cumulative regional GHG emissions would not be cumulatively considerable.

4.3 HYDROLOGY AND WATER QUALITY

This section analyzes the proposed project's potential to substantially deplete groundwater supplies or interfere substantially with groundwater recharge. As discussed below in Section 4.3.2, other CEQA Checklist items relating to Hydrology and Water Quality are addressed in Appendix A, Amended Initial Study, of this document.

4.3.1 Setting

a. Regional Hydrologic Setting

The Project Area is located within the South Lahontan Hydrologic Region and Mojave River watershed. For management purposes, the Mojave Water Agency (MWA) splits the Mojave River Watershed (and associated groundwater resources) into five distinct subareas, including: 1) Oeste, 2) Este, 3) Alto, 4) Centro, and 5) Baja. The Apple Valley Ranchos Water Company is one of ten water purveyors within MWA's service area, and is located in the Alto Subarea. Supplemental imported State Water Project surface water supplies are obtained as needed by the Apple Valley Ranchos Water Company from The Metropolitan Water District of Southern California.

The MWA maintains a regional network of weather monitoring stations throughout the watershed, which collect various weather data on temperature, precipitation, and evaporation. Following is an overview of average climate data for the period 1997 through 2009: temperature – 61 degrees Fahrenheit; precipitation - seven inches; and evapotranspiration – 67 inches (Apple Valley Ranchos Water Company, 2010). Runoff in the area is conveyed by both natural waterways and constructed storm drains and channels.

b. Groundwater Setting

The Project Area is located within the Upper Mojave River Valley Groundwater Basin. Recharge of the Upper Mojave River Valley Groundwater Basin occurs from direct percolation of precipitation, ephemeral stream flow, infrequent surface flow of the Mojave River, and underflow of the Mojave River into the basin from the southwest. In addition, other waters that percolate into the ground and recharge the groundwater system include the following: treated wastewater effluent, septic tank effluent, effluent from two fish hatchery operations, and irrigation waters. A large but highly sporadic contribution to groundwater recharge occurs when there is flow in the Mojave River. The general direction of groundwater flow in this basin is toward the active channel of the Mojave River, where it generally follows the course of the river through the valley. The Helendale fault forms a barrier to groundwater flow in the southeast corner of the basin; this barrier causes groundwater to flow northwestward under a surface drainage divide into the Mojave River drainage instead of northeastward into Lucerne Lake (dry) in the Lucerne Valley Basin (DWR, 2004).

Groundwater quality in the Upper Mojave River Valley Groundwater Basin is characterized by calcium bicarbonate near the San Bernardino Mountains and the Mojave River channel, and sodium bicarbonate near Victorville. Sodium chloride waters are found in Apple Valley. Groundwater quality impairments include high nitrate concentrations in the southern portion

of the basin, and high iron and manganese concentrations near Oro Grande. Industrial pollutants are found near the former George Air Force Base, which is also a federal Superfund site, and contaminants associated with leaking underground storage tanks (LUSTs) are also present around Victorville (DWR, 2004).

The Upper Mojave River Valley Groundwater Basin is a portion of an area that was adjudicated in 1996, with the MWA functioning as the Watermaster, or the party responsible for implementing the court-issued Adjudication Judgment (DWR, 2004). MWA implements three basic management strategy alternatives to reduce and avoid overdraft issues in the basin, including water conservation, water supply enhancement, and water allocation (DWR, 2004). As a result of implementation of the Adjudication Judgment, groundwater production in the Alto Subbasin has decreased substantially, as recently evidenced by a decrease from approximately 99,000 AFY in 2006/2007 to approximately 78,000 AFY in 2013/2014 (MWA, 2015).

As part of the Adjudication Judgment, the Apple Valley Ranchos Water Company is allocated an annual Free Production Allowance (FPA), or amount of water that a producer may pump in a specific area (for the Apple Valley Ranchos Water Company, that is the Alto Subarea) within one year without incurring a Replacement Obligation, where the Replacement Obligation is a requirement to purchase from MWA or from another producer in the Subbasin an amount of water that is equal to the amount consumed in excess of the FPA.

As described in MWA's most recent Watermaster Report, which is produced on an annual basis and filed with the Court for compliance with the Adjudication Judgment, the Alto Subbasin is considered to be in a sustainable state, meaning that overdraft conditions are no longer present. Table 2-1, *Water Quotas for the Alto Subarea and the SVR System Service Area*, provided in Section 2.4.1, *Water Supply Source*, indicates that the AVR System Service Area FPA for the 2014/2015 year was 8,166 acre-feet. The 2015 Watermaster Report recommends to the Court that the FPA allocated to the Alto Subbasin for the coming 2015/2016 year should remain unchanged from the 2013/2014 year because groundwater levels within the Alto Subbasin are stable, including the Transition Zone area (along the Helendale Fault) (MWA, 2015).

Within the Alto Subbasin, the achievement of hydrologic balance described above is attributable to conservation, importation of State Water Project water, MWA's public outreach efforts, and implementation of the Adjudication Judgment. The current Watermaster Report states that under the conditions existing at this time, Rampdown of groundwater production in the Alto Subbasin is unnecessary, where "Rampldown" refers to the Court-ordered reduction in groundwater production rates to avoid potential overdraft conditions. During the 2013/2014 period, replacement water procured by the Apple Valley Ranchos Water Company for the Alto Subbasin via the MWA (as Watermaster) totaled 8,620 acre-feet, where 3,151 acre-feet was pre-purchased under the MWA Claim Program, and 1,149 acre-feet was pre-stored under a storage agreement (MWA, 2015).

c. Regulatory Setting.

Methods available for managing groundwater resources in California include: (1) management by local agencies under authority granted in the California Water Code or other applicable State

statutes, (2) local government groundwater ordinances or joint powers agreements, and (3) court adjudications (DWR, 2003). The level of groundwater management in any basin or subbasin is often dependent on water availability and demand (DWR, 2003).

As noted previously, the Upper Mojave River Valley Groundwater Basin is a portion of an area that was adjudicated in 1996 (DWR, 2004). As part of the Adjudication Judgment, the MWA is required to file an annual Watermaster Report with the Court, detailing the information listed below on an annual basis (MWA, 2015).

- Review of Watermaster Activities
- Hydrologic Data
- Status of Subarea Obligations
- Purchases of Supplemental Water
- Recharge with Supplemental Water
- Revisions to the Rules and Regulations Adopted by Watermaster
- Proposed Administrative Budget for the next Water Year
- Proposed Assessment Rates for the next Water Year
- Projected Assessment Rates for the next two Water Years
- Proposed Free Production Allowances for Subareas
- Summary of Water Production
- Replacement and Makeup Water Obligations
- Replacement and Makeup Water Assessments
- Transfers of Base Annual Production Rights
- Transfers of Free Production Allowance during the Water Year
- Auditor's Report
- Fiscal Report
- Biological Trust Fund Financial Report
- Notice List

Information provided in the annual Watermaster Report is used to ensure compliance with the Adjudication Judgment, thereby ensuring that management efforts conducted in the basin are making effective progress towards achieving sustainability and water supply reliability.

State-wide legislation relevant to groundwater supply management includes Senate Bill 610, which requires the preparation of a Water Supply Assessment (WSA) for certain types of projects that are subject to CEQA; however, projects that are located in basins that are already adjudicated, such as the Upper Mojave River Valley Groundwater Basin, are exempt from requiring a WSA because implementation of an adjudication order would achieve the same goals towards water supply reliability planning as would a WSA. Similarly, in 2014 a package of bills referred to as the Sustainable Groundwater Management Act was passed to require that certain priority groundwater basins throughout the State are managed under a Groundwater

Management Plan per the direction of a Groundwater Sustainability Agency, although adjudicated basins may comply through implementation of the applicable Adjudication Judgment. As Watermaster of the Upper Mojave River Valley Groundwater Basin, the MWA considers the annual Watermaster Report to be useful for documenting sustainability of the groundwater basin in reference to the Sustainable Groundwater Management Act (MWA, 2015).

The Town of Apple Valley Municipal Code includes Ordinances that apply to water conservation towards the goals of minimizing per capita water demands and maintaining sustainable water supply to the area. These include Chapter 6.40, *Water Conservation Plan*, Section 6.40.030, *Water Regulations*, which requires that all water users in the Town of Apple Valley comply with specific water conservation measures. Exemptions are allowed to avoid undue hardship to a water user, to protect public health and safety, or under special circumstances subject to approval.

Also see Section 2.3, *Regulatory Setting*, of this EIR, which discusses regulatory requirements and agencies relevant to the regulatory setting for the issue area of hydrology and water quality, including the following: the federal Safe Drinking Water Act, the California Urban Water Management Planning Act (and California Water Conservation Act of 2009), the California Public Utilities Commission (regulates privately operated public utilities), and the State Water Resources Control Board (regulates public drinking water systems).

4.3.2 Impact Analysis

a. Methodology and Significance Thresholds

Based on the Town's CEQA Checklist and Appendix G of the State CEQA Guidelines, impacts to hydrology and water quality would be considered potentially significant if the proposed Project would meet one of the following significance thresholds:

a. Violate any water quality standards or waste discharge requirements

b. Substantially deplete ground water supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local ground water table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)

c. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff, in a manner which would result in substantial erosion or siltation on- or off-site

d. Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff, in a manner which would result in flooding on- or off –site

e. 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

f. Otherwise substantially degrade water quality

g. Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map

h. Place within a 100-year flood hazard area structures which would impede or redirect flood flows

i. Expose people or structures to a significant risk of loss, injury, or death involving flooding, including flooding as a result of the failure of a levee or dam

j. Expose people or structures to inundation by seiche, tsunami, or mudflow

As described in Section 2.5, *Project Characteristics*, the proposed Project would acquire all of Apple Valley Ranchos Water Company's system facilities and related water rights, but would not change or expand the physical AVR System or the associated water rights, and the proposed Project also would not change the manner of operation of the AVR System or exercise of the associated water rights. As a result, the Amended Initial Study (provided as Appendix A) found that in all cases the proposed project would have no impact relating to the CEQA checklist items listed above, except with regards to the potential to deplete groundwater supplies or interfere with groundwater recharge. No further discussion of the issues determined to have no impact in the Amended Initial Study for the proposed Project is provided in this section.

b. Project Impacts and Mitigation Measures

Threshold:	*Substantially deplete ground water supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local ground water table level (e.g., the production rate of pre-existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted.*

Impact WAT-1 **The proposed Project would alter the entity that operates the existing AVR System, which could potentially alter the rate structure and fee charged for water service; if a reduction in pricing occurs, water use in the area could potentially increase because water use is linked to cost. However, the operator of the system would be required to comply with the water use reduction strategies and goals contained within the California Water Conservation Act of 2009, which requires specific reductions in urban water consumption by the year 2020. As a result, water use rates would continue to decline on a per capita basis regardless of potential changes in the system operator or water rate structures. Therefore, potential impacts to groundwater supply would be Class III, *less than significant*.**

The proposed Project would not construct new infrastructure or facilities and therefore, would not introduce new impermeable areas that would have potential to affect groundwater

recharge. Similarly, operation and maintenance activities that would occur under the proposed Project would utilize the same access roads as current operation and maintenance activities, and road improvements that could have potential to affect groundwater recharge would not be necessary under the proposed Project. Therefore, potential for the proposed Project to adversely affect groundwater supplies would be limited to the potential for increased groundwater use to occur as a result of the Project.

As described in the Amended Initial Study provided as Appendix A, as well as in Section 2.0, *Project Description*, one of the objectives of the proposed Project is to provide greater local control over the rate setting process and rate increases. The municipalization, or public acquisition of the current private water system, would transfer authority and responsibility for system management and operation to the Town of Apple Valley. In achieving this Project objective of greater local control over water pricing and rates, water pricing may be reduced in the long term or, as is more likely, would not rise as rapidly as would have occurred under the system's current private ownership. Reduced water pricing could potentially result in increased water usage, as it is generally accepted that water use can increase with decreased cost, and decrease with increased cost. The amount of change in water use responding to changes in water cost can be a function of several factors including but not limited to: the availability of alternate water sources, price range and elasticity, and customer knowledge and understanding of bill information (Whitcomb, 2005). Accordingly, it would be speculative to numerically predict changes in water usage based on potential future changes in water rates. Nonetheless, and to fully address the issue consistent with *State CEQA Guidelines* Section 15145, the following discussion is provided.

If water customers in the AVR System area respond to changes in the AVR System ownership and potential rate decreases by increasing their rates of water use, the Town, as the new water provider, could respond by increasing supply to accommodate increased demand, potentially increasing its use of groundwater. However, this may in turn result in increased water rates associated with the need to procure replacement water (as a Replacement Obligation under the Adjudication Judgment) to maintain compliance with the Adjudication Judgment, which could subsequently result in water uses decreasing. Alternatively, transfers of water for unused water rights from another party within the Alto Subarea could be implemented to account for any excess water use (above the area's FPA, which fluctuates annually as determined by the Watermaster to maintain basin supply sustainability).

In addition to potential changes in water demands that could occur in response to potential changes in water pricing, compliance with the Adjudication Judgment and existing laws and regulations relevant to water conservation practices and goals would continue to be required. For instance, the California Water Conservation Act of 2009 (SBX7-7), mentioned in the Regulatory Setting above and described in Section 2.3, mandates conservation goals for urban retail water suppliers, including an ultimate goal of 20 percent reduction in per capita urban consumption by 2020. Effective 2016, urban retail water suppliers that do not meet the water conservation requirements established by this bill are not eligible for state water grants or loans; other penalties may also apply. The AVR System is currently subject to the provisions of the California Water Conservation Act, and the current UWMP (2010) will be updated by July 1, 2016. Section 2.4, *Existing and Targeted Per Capita Water Use in AVRWC Service Area*, of the 2010 UWMP identifies a per capita water use goal of 245 gallons per capita day (GPCD) by the year

2020, which will be achieved using existing methods of conservation as well as additional methods to be identified in the 2015 UWMP (Apple Valley Ranchos Water Company, 2010).

Regularly updated UWMPs will be required into the future, under different operational responsibility structures, and it is reasonably anticipated that future UWMPs will include comparable data and requirements as are included in the current UWMP. The UWMP includes detailed discussion of Water Storage Contingency Planning, including examination of water supplies available under varying drought conditions, appropriate response to a catastrophic interruption in water supply or system, mandatory conservation measures and prohibitions, and penalties for excessive use. For instance, as described in the current UWMP, Section 7.8, *Penalties for Excessive Use*, the water purveyor (currently Apple Valley Ranchos Water Company) may impose "excess use penalties" to individual water users (per approval of the CPUC), in the form of fees billed for each billing period during which the user is in violation. If the excess water use continues despite fees imposed, the Apple Valley Ranchos Water Company may further impost flow-restricting devices on the service line, and eventually discontinue water service if nonessential or unauthorized water use continues (Apple Valley Ranchos Water Company, 2010). Similarly, conservation measures would also be available for implementation by the Town to achieve the required water use reductions, should the proposed Project be approved.

Therefore, although water pricing may change, either as a slowing in rate increases or in the more unlikely scenario of rate decreases, as a result of water system ownership changes included under the proposed Project, compliance with the existing Adjudication Judgment and other laws and regulations would avoid significant adverse impacts to groundwater supply reliability. Impacts of the proposed project on groundwater supplies and recharge would be less than significant, with no mitigation required.

Mitigation Measures. No mitigation measures are required as impacts would be less than significant.

Significance After Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts

Continued growth in the Project area, including buildout of the General Plan as well as implementation of the proposed Specific Plans identified in Table 3-1, would introduce increasing water requirements, and it is reasonably anticipated that local groundwater will continue to be a substantial source of water supply to the area. The General Plan EIR determined that implementation of the General Plan and annexation areas would result in increased demand for domestic water. While the General Plan includes policies and programs intended to promote and support the conservative use of water resources for domestic and landscaping uses, and to encourage the use of drought tolerant planting materials, the General Plan EIR determined that General Plan buildout would contribute to a cumulative reduction in groundwater in the Basin.

However, with continued implementation of the Adjudication Judgment and the conservation efforts described above for compliance with local and State regulations, the change in system

ownership that would occur under the proposed Project is not expected to contribute to cumulative impacts to groundwater supply reliability. The Project itself would not contribute to future increases in water supply demand, and its contribution to cumulative impacts in relation to groundwater supplies would not be considerable. Therefore, the proposed Project's contribution to cumulative impacts associated with water supply and water quality would not be cumulatively considerable.

4.4 LAND USE AND PLANNING

This section analyzes the proposed Project's potential to conflict with an applicable land use plan, policy, or regulation. As discussed below in Section 4.4.2, other CEQA Checklist items relating to Land Use and Planning are addressed in Appendix A, *Amended Initial Study*, of this document.

4.4.1 Setting

a. Citywide Land Use Patterns

The Town of Apple Valley is in the high desert region of southwest San Bernardino County. The mountains and foothills of the San Bernardino Mountains are to the south and the San Gabriel Mountains are further southwest. Apple Valley is bordered by unincorporated San Bernardino County, the City of Victorville, the City of Hesperia, and the unincorporated Lucerne Valley. The Town encompasses 72 square miles and two annexation areas, Annexation 2008-001 (Golden Triangle) and Annexation 2008-002 (Northeast Industrial Area). The 4.3 square mile Golden Triangle is located in the northwestern portion of Apple Valley, and consists of mostly vacant land, with scattered single family residential. The 1.3 square mile Northeast Industrial Area is located in northeastern Apple Valley, contiguous to the North Apple Valley Industrial Specific Plan Area, and would provide additional lands for similar use. Apple Valley is more developed in its southern and central portions, with sparser development and vacant land being generally located in the northern third of the town.

The region has an overall rural character with established communities having a more urban land use pattern. Maintaining the existing rural character of the town is a primary goal of the Apple Valley General Plan. Open space, desert landscaping, multi-use trails, and large lots where keeping horses is allowed are all identified in the General Plan as important to maintaining quality of life.

b. Site and Surrounding Land Uses

Apple Valley is dominated by residential land uses, with over 70% of land being designated for residential or mixed use development. Other significant land designations include open space, street rights-of-way, general commercial, and specific plan/industrial. The central and southern portions of Apple Valley are primarily developed with residential. The northern third of Apple Valley has more open space and industrial use designations, including the North Apple Valley Industrial Specific Plan Area.

c. Regulatory Setting

The Town of Apple Valley regulates the mix of land uses within its incorporated area through its General Plan and Municipal Code. These regulatory documents establish policies that apply citywide, or to specific subareas within Apple Valley. The General Plan consists of nineteen elements, including Land Use, Water Resources, and Water, Wastewater, and Utilities. Each element sets goals, policies, and programs to guide decision making. The Municipal Code has established zoning districts that regulate the use of land and establishes minimum site development regulations and performance standards applicable to sites within the town.

4.4.2 Impact Analysis

a. Methodology and Significance Thresholds

Based on the Town's CEQA Checklist and Appendix G of the State CEQA Guidelines, impacts to land use and planning would be considered potentially significant if the proposed Project would meet one of the following significance thresholds:

a) Physically divide an established community;

b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect;

c) Conflict with an applicable habitat conservation plan or natural community conservation plan.

As described in Section 2.5, *Project Characteristics*, the proposed Project would not change or expand the physical AVR System or the associated water rights, and the proposed Project also would not change the manner of operation of the AVR System. As a result, the Amended Initial Study (provided as Appendix A) found that in all cases the proposed Project would have no impact relating to the CEQA checklist items listed above, except with regards to the potential to conflict with an applicable land use plan, policy, or regulation of an agency with jurisdiction over the Project. No further discussion of the issues determined to have no impact in the Amended Initial Study for the proposed Project is provided in this EIR.

b. Project Impacts and Mitigation Measures

Threshold:	*Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.*

Impact LU-1 **The proposed Project would alter the entity that owns and operates the existing Apple Valley Ranchos Water System, but would not alter the nature or intensity of operation and maintenance of the water system. The Project would not alter existing compliance with applicable land use plans, policies, or regulations. Therefore, potential impacts would be Class III, *less than significant*.**

Implementation of the proposed Project would not affect any land use designations or intensity of development in Apple Valley, which are regulated by the adopted General Plan and Municipal Code. The General Plan does refer to the water system and Apple Valley Ranchos Water Company in multiple elements of the General Plan, including the Land Use Element,

Water Resources Element, and the Water, Wastewater, and Utilities Element. The following General Plan Policies relate to the proposed acquisition of the AVR System:

Land Use Element.

Policy 8.A The Town shall coordinate with all public service providers to assure that adequate services are available to meet the demands of growth in Town.

Water, Wastewater, and Utilities Element.

Policy 1.A The Town shall coordinate with the various domestic water service providers to ensure that local and regional domestic water resources and facilities are protected from over-exploitation and contamination.

Policy 1.C The Town shall ensure that every effort is made to facilitate cost-effective and timely extension and expansion of community-development support services.

Water Resources Element.

Policy 1.D To the greatest extent practicable, the Town shall direct new development to provide irrigation systems that are able to utilize reclaimed water, when available, for use in common area and streetscape landscaping.

Policy 1.G To facilitate the sharing of information on potential groundwater contamination and potential sources, the Town shall confer and coordinate with the California Regional Water Quality Control Board, Apple Valley Ranchos Water Company, Golden State Water Company, other water purveyors that serve the Town and its Sphere of Influence.

Policy 1.H The Town shall confer with appropriate water agencies and purveyors, as necessary, to assure adequate review and mitigation of potential impacts of proposed development on local water resources.

Implementation of the proposed Project would not conflict with any of the policies listed above as it would not impede the ability of the Town to coordinate/confer with public service or water service providers on the provision of services or on sources of groundwater contamination. Nor would the Project prevent the Town from facilitating cost-effective and timely expansion of support services or encouraging the use of reclaimed water in new development. Additionally, the purchase of Apple Valley Ranchos Water Company could, in fact, assist in the pursuit of some of the policies. For example, policies that require the Town to work with Apple Valley Ranchos Water Company, such as Water Resources Policies 1.G and 1.H and Water, Wastewater, and Utilities Policy 1.A, could instead be carried out by or pursued directly by the Town. While some policies still require coordination with other agencies, such as Water Resources Policy 1.G and Water, Wastewater, and Utilities Policy 1.A, the Town may be in a better position to work directly with the agencies if it is its own water provider. Water, Wastewater, and Utilities Policy 1.C requires the Town to work towards cost-effective and timely development of services. Being its own water provider would allow Apple Valley to

pursue cost-effective and timely water services development. Also, a stated goal of the proposed Project is to enable the Town to use reclaimed water for public facilities without invoking potential duplication of service issues with Apple Valley Ranchos Water Company. This objective is consistent with Water Resources Policy 1.D, which requires the Town to direct new development to use reclaimed water for irrigation of common landscaped areas.

Finally, as noted in the Section 2.0, *Project Description*, portions of the AVR System are located outside the Town's corporate boundary. Most of the portions of the AVR System service area that fall within San Bernardino County are currently zoned HF/SP (Hacienda Fairview Specific Plan) and AV/RL-40 (Apple Valley/Rural Living – 40 acre minimum). The remaining areas are zoned AV/RL-20 40 (Apple Valley/Rural Living – 20 acre minimum), AV/RL (Apple Valley/Rural Living), AV/IC (Apple Valley/Community Industrial), AV/CN (Apple Valley/Neighborhood Commercial) and AV/RS-1 (Apple Valley/Single Residential 1 acre minimum). The location of Well 7 in the City of Victorville is zoned SP (Specific Plan). In both cases, the proposed Project would not alter existing compliance with applicable land use plans, policies, or regulations, given that the proposed Project would alter the entity that owns and operates the existing Apple Valley Ranchos Water System, but would not alter the nature or intensity of operation and maintenance of the water system.

The General Plan does not contain any policies discouraging the provision of services by the Town outside the corporate boundaries. Furthermore, the Town currently provides public services that extend outside of the Town's incorporated area through the provision of the Horsemen's Center equestrian park, located 1.2 miles east of the Town's boundary. Therefore, no conflicts with the General Plan would occur in this regard.

Mitigation Measures. No mitigation measures are required as impacts would be less than significant.

Significance After Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts

The General Plan EIR found that development of new residential, commercial and industrial projects within the General Plan and annexation areas will be consistent with that which has occurred in Town in the past, due to the policies and programs in the General Plan and that impacts associated with land use would not be cumulatively significant. The exception to this was the intensity of development in Annexation 2008-001, which was determined to be significantly different from that which has occurred to-date, or which is planned under the County General Plan, resulting in a cumulatively significant land use impact.

However, the proposed Project's contribution to cumulative land use impacts would not be cumulatively considerable as it would not alter any land use designations nor conflict with land use plans, policies, or regulations. The Apple Valley General Plan does not prohibit or restrict the Project. The proposed Project may assist in furthering the policies set forth in the General Plan and assist in their implementation.

4.5 NOISE

This section evaluates the potential impacts of the proposed Project on local noise conditions. This discussion is based on information from the Apple Valley General Plan and associated Environmental Impact Report, as well as U.S. Department of Transportation guidance for evaluating noise and vibration impacts.

4.5.1 Setting

a. Overview of Sound and Vibration Measurement

Noise levels (or volume) and vibration can be measured at a particular instant in time or over an extended period in order to understand the effect of an instantaneous event or to characterize the average amount of noise or vibration over a given period.

Noise Levels. Noise level (or volume) is generally measured in decibels (dB) using the A-weighted sound pressure level (dBA). The A-weighting scale is an adjustment to the actual sound power levels that gives less weight to the very low and high frequency components of sound, similar to the human ear, resulting in an accurate correlation to the subjective reactions to noise. The most common sounds measure between 40 dBA (very quiet) and 100 dBA (very loud). A rural night-time environment typically measures about 25 dBA, while a jet engine measures 105 dBA.

Sound pressure level is measured on a logarithmic scale with the 0 dB level based on the lowest detectable sound pressure level that people can perceive (an audible sound that is not zero sound pressure level). Based on the logarithmic scale, a doubling of sound energy is equivalent to an increase of 3 dB, and a sound that is 10 dB less than the ambient sound level has no effect on ambient noise. Because of the nature of the human ear, a sound must be about 10 dB greater than the reference sound to be judged as twice as loud. In general, a 3 dB change in community noise levels is noticeable, while 1-2 dB changes generally are not perceived. Quiet suburban areas typically have noise levels in the range of 40-50 dBA, while those along arterial streets are in the 50-60+ dBA range. Normal conversational levels are in the 60-65 dBA range, and ambient noise levels greater than 65 dBA can interrupt conversations.

Noise levels typically attenuate (drop off) at a rate of 6 dB per doubling of distance from point sources such as industrial machinery. Noise from a linear source, such as a road or railroad tracks, typically attenuates at a rate of 3.0 to 4.5 per doubling of distance, depending on the type of ground surface it is traveling over (U.S. Department of Transportation, 2011).

In addition to the instantaneous measurement of sound levels, the duration of sound is important since sounds that occur over a long period of time are more likely to be an annoyance or cause direct physical damage or environmental stress. One of the most frequently used noise metrics that considers both duration and sound power level is the equivalent noise level (Leq). The Leq is defined as the single steady A-weighted level that is equivalent to the same amount of energy as that contained in the actual fluctuating levels over a period of time (essentially, the average noise level). Typically, Leq is summed over a one-hour period.

The time period in which noise occurs is also important since noise that occurs at night tends to be more disturbing than that which occurs during the daytime. Two commonly used noise metrics – the Day-Night average level (Ldn) and the Community Noise Equivalent Level (CNEL) - recognize this fact by weighting hourly Leqs over a 24-hour period. The Ldn is a 24-hour average noise level that adds 10 dB to actual nighttime (10:00 p.m. to 7:00 a.m.) noise levels to account for greater sensitivity to noise during that time period. The CNEL is identical to the Ldn, except it also adds a 5 dB penalty for noise occurring during the evening (7:00 p.m. to 10:00 p.m.).

Groundborne Vibration. Groundborne vibration is vibration radiated through the ground. The rumbling sound associated with this vibration is caused by the vibration of room surfaces, and is called groundborne noise. Groundborne vibration is almost exclusively a concern inside buildings and is rarely perceived as a problem outdoors. Groundborne vibration related to human annoyance is generally expressed in vibration decibels (VdB). However, construction-related groundborne vibration in relation to its potential for building damage can also be measured in peak particle velocity (PPV) (U.S. Department of Transportation, 2012).

Most perceptible indoor vibration is caused by sources within buildings, such as operation of mechanical equipment, movement of people, or the slamming of doors. Typical outdoor sources of perceptible groundborne vibration are construction equipment, steel-wheeled trains, and traffic on rough roads. If a roadway is smooth, the groundborne vibration from traffic is rarely perceptible. The range of interest is from approximately 50 VdB, which is the typical background vibration velocity level in residential and educational areas, to 100 VdB, which is the general threshold where minor damage can occur in fragile buildings, with the approximate threshold of perceiving vibration occurring at approximately 65 VdB for most people (Table 4.1-3; U.S. Department of Transportation, 2012).

Table 4.5-1:
Human Response to Groundborne Vibration

Vibration Velocity Level	Associated Noise Level	Human Response
65 VdB	20-35 dBA	Approximate threshold of vibration perception for most people.
75 VdB	30-45 dBA	Approximate dividing line between barely perceptible and distinctly perceptible.
85 VdB	40-55 dBA	Vibration acceptable only if there are an infrequent number of events per day.

Source: U.S. Department of Transportation, 2012

b. Existing Environment

The existing environment includes both sources of noise and vibration throughout the Town of Apple Valley as well as receptors that are sensitive to impacts from noise and vibration.

Sources of Noise and Vibration. The primary sources of noise in Apple Valley are related to transportation, including motor vehicle traffic throughout the town, railroad traffic along the train tracks, and aircraft noise from the Apple Valley Airport. Additionally, mechanical

equipment serving commercial and industrial lands, household appliances and garden maintenance equipment, as well as construction activities and equipment contribute to the town's noise environment (Town of Apple Valley, 2009a). Vibration impacts generally occur immediately surrounding train tracks and adjacent to heavy construction activity.

Existing noise levels were measured in the vicinity of the Apple Valley Ranchos Water Company's O&M facility and the Town's Public Works maintenance yard as part of this analysis. These locations had measured noise levels of Leq of 64.7 and 64.8 dBA, respectively, during a 10-minute interval in the period between 4:00 and 4:30 p.m on Wednesday, July 8, 2015. For both locations traffic was the primary source of noise.

Noise measurements were also measured and reported in various areas of the town in the Environmental Impact Report for the Apple Valley General Plan. The closest measurements to the Apple Valley Ranchos Water Company's O&M facility were located in a residential area approximately 40 feet from Yucca Loma Road and approximately 0.8 miles from the Apple Valley Ranchos Water Company O&M facility, and at 12555 Navajo Road, approximately 100 feet east of the road and approximately 1 mile from the Apple Valley Ranchos Water Company O&M facility. These measurements were taken at 1:40 p.m. on May 20, 2008 and 3:00 p.m. on June 9, 2008, respectively. Although these measurements were taken seven years prior to this report, they are still relevant because there has been very little development in this area since that time, and as a result the noise environment has not changed substantially. The measured noise levels at these locations in Leq were 59.8 and 62.2 dBA, with most noise being attributed to the closest major roadway (Town of Apple Valley, 2009b).

Sensitive Receptors. Noise and vibration exposure goals for various types of land uses reflect the varying noise and vibration sensitivities associated with those uses. The Apple Valley General Plan Noise Element recognizes the following noise-sensitive and potentially noise sensitive uses:

- *Sensitive receptors*: residences, schools, libraries, churches, hospitals, nursing homes, and other health care facilities.
- *Potentially sensitive receptors*: Day care centers, parks, and other outdoor recreation areas.
- *Moderately sensitive receptors*: cemeteries, golf courses, hotels and motels, and dormitories.

Sensitive land uses generally should not be subjected to noise levels that would be considered intrusive in character. Therefore, the location, hours of operation, type of use, and extent of development warrant close analysis in an effort to ensure that noise sensitive receptors are not substantially affected by noise.

The closest sensitive and potentially sensitive receptors to the Apple Valley Ranchos Water Company's O&M facility, where many system maintenance activities are performed and where maintenance vehicles enter and exit the lot, are the following:

- The James A. Woody Community Center park grounds and athletic facilities; located adjacent to the O&M facility on the northern property line and approximately 300 feet to the east

- Residential properties that are directly adjacent to the facility on the western and eastern property lines
- Residential property south of Ottawa Road, approximately 80 feet southwest of the western of the driveway
- First Assembly of God church south of Ottawa Road, approximately 100 feet southeast of one of the eastern driveway

c. Regulatory Setting

Federal. The United States Noise Control Act of 1972 (NCA) recognized the role of the federal government in dealing with major commercial noise sources in order to provide for uniform treatment of such sources. Because Congress has the authority to regulate interstate and foreign commerce, regulation of noise generated by such commerce also falls under congressional authority. The Federal government specifically preempts local control of noise emissions from aircraft, railroads and interstate highways.

Title 23 of the U.S. Code of Federal Regulations Part 772 (23 CFR 772), "Procedures for Abatement of Highway Traffic Noise and Construction Noise," establishes standards for abatement of highway traffic noise to aid in protecting the public's health and welfare in terms of their noise environment. The U.S. Department of Transportation provides guidance regarding compliance with 23 CFR 772 and analysis of noise impacts, especially in regard to vehicular noise, in their 2011 document, *Highway Traffic Noise: Analysis and Abatement Guidance*.

State. Title 24 of the California Code of Regulations codifies Sound Transmission Control requirements establishing uniform minimum noise insulation performance standards for new hotels, motels, dormitories, apartment houses, and dwellings other than single-family dwellings. Specifically, Title 24 states that interior noise levels attributable to exterior noise sources shall not exceed 45 dBA CNEL in any habitable room of a new building. The State has also adopted guidelines for land use compatibility and community noise environment, shown in Table 4.5-2.

Table 4.5-2:
Land Use Compatibility for Noise Environments

Land Use Category	Community Noise Exposure Level (in dB)			
	Normally Acceptable[1]	Conditionally Acceptable[2]	Normally Unacceptable[3]	Clearly Unacceptable[4]
Low Density, Single-Family, Duplex, Mobile Homes	50-60	55-70	70-75	75+
Residential – Multiple Family	50-65	60-70	70-75	75+
Transient Lodging – Motel, Hotels	50-65	60-70	70-80	80+
Schools, Libraries Churches, Hospitals, Nursing Homes	50-65	60-70	70-80	80+
Auditoriums, Concert Halls, Amphitheaters	NA[5]	50-70	65+	NA

Sports Arenas, Outdoor Spectator Sports	NA	50-75	70+	NA
Playgrounds, Neighborhood Parks	50-70	NA	67-75	73+
Golf Courses, Riding Stable, Water Recreation, Cemeteries	50-75	NA	70-80	80+
Office Buildings, Business Commercial and Professional	50-70	67-77	75+	NA
Industrial, Manufacturing, Utilities, Agriculture	50-75	70-80	80+	NA

[1] ***Normally Acceptable*** *– Specified land use is satisfactory, based upon the assumption that any buildings involved are of normal conventional construction, without any special noise insulation requirements*
[2] ***Conditionally Acceptable*** *– New construction or development should be undertaken only after a detailed analysis of the noise reduction requirements is made and needed noise insulation features included in the design. Conventional construction, but with closed windows and fresh air supply systems or air conditioning will normally suffice.*
[3] ***Normally Unacceptable*** *– New construction or development should be discouraged. If new construction or development does proceed, a detailed analysis of the noise reduction requirements must be made and needed noise insulation features included in the design.*
[4] ***Clearly Unacceptable*** *– New construction or development should generally not be undertaken.*
[5] *Not applicable.*
Source: Town of Apple Valley, 2009.

Town of Apple Valley. The Town of Apple Valley's Noise Ordinance includes policies and programs that support the Town's goal of maintaining, "Noise levels that are consistent with the Town's rural character and high quality of life." These policies include new development review as well as policies related to transportation planning to reduce noise at sensitive receptors.

The Town also limits outdoor noise levels at various types of receptors though the Municipal Code in Section 9.73.050, *External and Internal Noise Standards*, with noise levels being restricted in single-family residential areas to 50 dBA from 7 a.m to 10 p.m. and 40 dBA from 10 p.m. to 7 a.m. (Table 4.5-3).

Table 4.5-3:
Exterior Noise Limits (not to be exceeded more than 30 minutes in any hour)

Receiving Land Use Category	Time Period	Noise Level (dBA)
Single Family Residential	10 p.m. - 7 a.m. 7 a.m. - 10 p.m.	40 50
Multiple Dwelling Residential, Public Space	10 p.m. - 7 a.m. 7 a.m. - 10 p.m.	45 50
Limited Commercial & Office	10 p.m. - 7 a.m. 7 a.m. - 10 p.m.	55 60
General Commercial	10 p.m. - 7 a.m. 7 a.m. - 10 p.m.	60 65
Light Industrial Heavy Industrial	Any Time Any Time	70 75

Source: Town of Apple Valley Municipal Code, Table 9.73.050-A

Section 9.73.060, *Prohibited Noise and Vibration*, of the Municipal Code also restricts vibration, requiring that no person unnecessarily make, continue, or cause to be made or continued any vibration which is above the vibration perception threshold of an individual at or beyond the

property boundary of the source if on private property or at 150 feet from the source if on a public space or public right-of-way.

Noise from work trucks is regulated under Section 9.73.070, *Motor Vehicles Operating on Public Right-of-Way*, of the Municipal Code, which states:

> *No person shall operate or permit the operation of any motor vehicle with a gross vehicle weight rating (GVWR) in excess of 10,000 pounds, or any auxiliary equipment attached to such a vehicle, for a period longer than 15 minutes in any hour while the vehicle is stationary, for reasons other than traffic congestion on a public right-of-way or public space within 150 feet of a residential area or designated noise sensitive zone, between the hours of 10 PM and 7 AM.*

4.5.2 Impact Analysis

a. Methodology and Significance Thresholds

This analysis estimates noise levels and vibration associated with existing and future operation of the proposed Project, including potential noise and vibration associated with traffic along area roadways segments. The existing water supply system is fully functional and would not require any additional new infrastructure to facilitate the proposed change in ownership. Therefore, the proposed Project does not include any new construction and associated noise, and this activity is not discussed further.

Methodology. This analysis considers the noise environment associated with the proposed Project, including noise from vehicles used to operate and maintain the water supply system, and any components of the Project with the potential to increase nuisance noise. The proposed Project would entail the Town's acquisition and subsequent operation of the water supply system. The system would maintain its existing size and capacity, including approximately 23 groundwater wells with a total capacity of 37 million gallons per day, 11 storage tanks with a total capacity of 11.7 million gallons, 16 emergency generators, 8 booster pump stations, 22,431 service connections, and 469 miles of pipelines. Therefore, system operation is expected to continue to require a staff of approximately 39 employees, including approximately 20 office workers and 19 technical and field staff. No new facilities are proposed under the Project; however, maintenance events may occur as part of the ongoing operation and maintenance of the system as they would under the current ownership. As discussed in Section 2.0, *Project Description*, the Town would operate the system out of the existing O&M facility at 21760 Ottawa Road, and therefore there would be little to no change in the length, distribution, or number of vehicle trips required to operate and maintain the system. As discussed in Section 4.6, *Transportation and Traffic*, operation and maintenance of the results in an estimated 154 trips per day, with 39 occurring during both the AM and PM peak hours (i.e. between the hours of 7:00 AM to 9:00 AM or 4:00 PM to 6:00 PM).

Significance Thresholds. In accordance with the Town's CEQA Checklist and Appendix G of the State CEQA Guidelines, a significant noise impact would occur if the proposed Project would result in:

a. Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies;

b. Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels;

c. A substantial permanent increase in ambient noise levels above levels existing without the project;

d. A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project;

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 expose people residing or working in the project area to excessive noise levels; or

f. For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise.

The Amended Initial Study for the proposed Project (Appendix A) found that aircraft noise does not create significant noise impacts in areas beyond the Apple Valley Airport property and that the Project would not involve any change in physical operational or maintenance activities in areas subject to aircraft-generated noise; therefore, the proposed Project would not expose people residing or working in the Project Area to excessive noise levels (Significance Thresholds e and f). These impacts are therefore not discussed further in this section.

The 23 CFR 772 does not provide significance thresholds for noise impacts, but rather allows state and local agencies to define their own thresholds. According to the EIR for the Town's General Plan, the Town has defined a significant impact to occur when a project results in a noise level that is greater than 65 dBA and the project-related increase is greater than 3 dBA. This threshold has been used for this analysis.

In contrast to noise, groundborne vibration is not a phenomenon that most people experience every day. The background vibration velocity level in residential areas is usually 50 Vdb or lower, well below the threshold of perception for humans, which is around 65 Vdb (U.S. Department of Transportation, 2012). The proposed Project was analyzed for potential contributions to groundborne vibration and resulting effects to sensitive receptors. Because there are no quantitative local or state thresholds for vibration that apply to the Project Area, the impact criteria for general assessment defined by the U.S. Department of Transportation were used for this analysis (Table 4.5-4). If residential development or other sensitive receptors would be exposed to project-related ground-borne vibration exceeding the criteria presented in Table 4.5-4, impacts would be potentially significant.

Table 4.5-4:
Ground-Borne Vibration Impact Thresholds (in VdB)

Land Use Category	Frequent Events[1]	Occasional Events[2]	Infrequent Events[3]
Category 1: Buildings where vibration would interfere with interior operations.	65	65	65
Category 2: Residences and buildings where people normally sleep.	72	75	80
Category 3: Institutional land uses with primarily daytime use.	75	78	83

[1] Frequent Events is defined as more than 70 vibration events of the same kind per day.
[2] Occasional Events is defined as between 30 and 70 vibration events of the same kind per day.
[3] Infrequent Events is defined as fewer than 30 vibration events of the same kind per day.
[4] This threshold is based on levels that are acceptable for most moderately sensitive equipment such as optical microscopes.
Source: Federal Railroad Administration, September 2012

b. Project Impacts and Mitigation Measures.

Threshold:	*Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies.*
Threshold:	*A substantial permanent increase in ambient noise levels above levels existing without the project.*
Threshold:	*A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project.*

Impact N-1 **Implementation of the proposed Project could potentially result in noise impacts associated with operation and maintenance of the water supply system due to maintenance of system infrastructure as well as operation of vehicles and equipment in and around the Project Area. However, given that these activities would be similar to those performed under the existing ownership, the proposed Project would result in little to no increase in noise. Therefore, noise levels would fall within existing ranges and would not expose sensitive receptors to levels exceeding applicable standards. This impact would be a Class III, *less than significant*.**

Although some level of maintenance activity would be required in order to operate and maintain the water supply system, this activity would be in line with existing operations. In addition, the proposed Project, i.e. transfer of ownership, would not result in the addition of stationary sources of noise, such as generators and other heavy equipment.

Noise has the potential to occur from vehicle trips on local roads; however, the proposed Project would not increase the length, distribution, or number of vehicle trips required to operate and

maintain the water supply system. Additionally, vehicle trips associated with operation and maintenance activities would be spread throughout the day and across the Project Area's street system, rather than concentrated on any one roadway in any one hour. Even assuming that all of the estimated 154 vehicle trips to and from the O&M facility were new to the street system, the maximum number of trips in one hour would be the 39 inbound trips from arriving employees and 19 outbound trips from the departure of all field staff, for a total of 58 vehicles in one hour. This maximum number of vehicle trips would occur during either the AM or PM peak hours. During a traffic count performed on Ottawa Road on July 8, 2015 in support of this analysis, 50 vehicles were observed over a 15-minute interval, indicating that there are approximately 200 cars per hour that travel this road. This count was performed during the PM peak hour. Assuming the estimated maximum 58 vehicle trips were added to the roadway, this would represent a 29 percent increase in traffic. As discussed above, traffic would have to double in order for there to be a 3 dBA increase in the resulting level of noise. Therefore, even assuming that the Project would result in an increase of 58 vehicle trips, such an increase would not have a perceptible effect on the noise environment, and the increase in noise levels would not exceed the significance threshold for this analysis, which restricts increases in project-related noise levels to 3 dBA. Therefore, the proposed Project would not result in noise impacts to sensitive receptors and this impact would be less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

Threshold	*Would the proposed project expose persons to or generate excessive groundborne vibration or groundborne noise levels?*

Impact N-2 **Implementation of the proposed Project could potentially result in vibration associated with equipment used to operate and maintain the water supply system and vehicles used to service the system. However, given that operation and maintenance activities would remain similar to existing activities, the proposed Project would result in little to no increase in vibration and would not generate excessive groundborne vibration or groundborne noise. This impact would be a Class III, *less than significant*.**

Following the transfer of ownership of the water supply system from Apple Valley Ranchos Water Company to the Town of Apple Valley, ongoing maintenance activities would continue to occur similar to existing operations. Therefore, the proposed Project would not result in the addition of stationary sources of groundborne vibration, such as generators and other heavy equipment.

The proposed Project would require continued use of operation and maintenance vehicles on local roads throughout the Project Area; however, these trips would be in line with existing operations and would not result in additional vehicle trips. Additionally, the Town's roadways

are well developed (i.e. smooth), and therefore vehicle traffic on these roads does not generally result in groundborne vibration or associated groundborne noise. Therefore, the proposed Project would not result in vibration impacts to sensitive receptors and this impact would be less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts

The General Plan EIR determined that increased traffic volumes within the Town and surrounding areas would result in the most significant noise impacts, with the most impacted areas expected to be lands adjacent to major arterials and regional roadways, which carry the highest traffic volumes. The General Plan EIR determined that the cumulative noise impact would not be significant as the General Plan includes a wide range of policies and programs which, when implemented, would reduce potential noise impacts to less than significant levels.

In addition, because the proposed Project would make no noticeable contribution to noise or vibration, it would also make no noticeable contribution to cumulative noise and vibration both in proximity to the Apple Valley Ranchos Water Company O&M facility and throughout the wider Project Area. Therefore, the proposed Project's cumulative contribution to cumulative noise and vibration in the Project Area and its immediate vicinity would not be cumulatively considerable.

4.6 TRANSPORTATION AND TRAFFIC

This section evaluates the impacts of the proposed Project on the local circulation system. This discussion is based on information from the Apple Valley General Plan and associated Environmental Impact Report (including the comprehensive traffic analysis performed in 2008 in support of this analysis), aerial imagery from Google Earth, and standard trip generation assumptions.

4.6.1 Setting

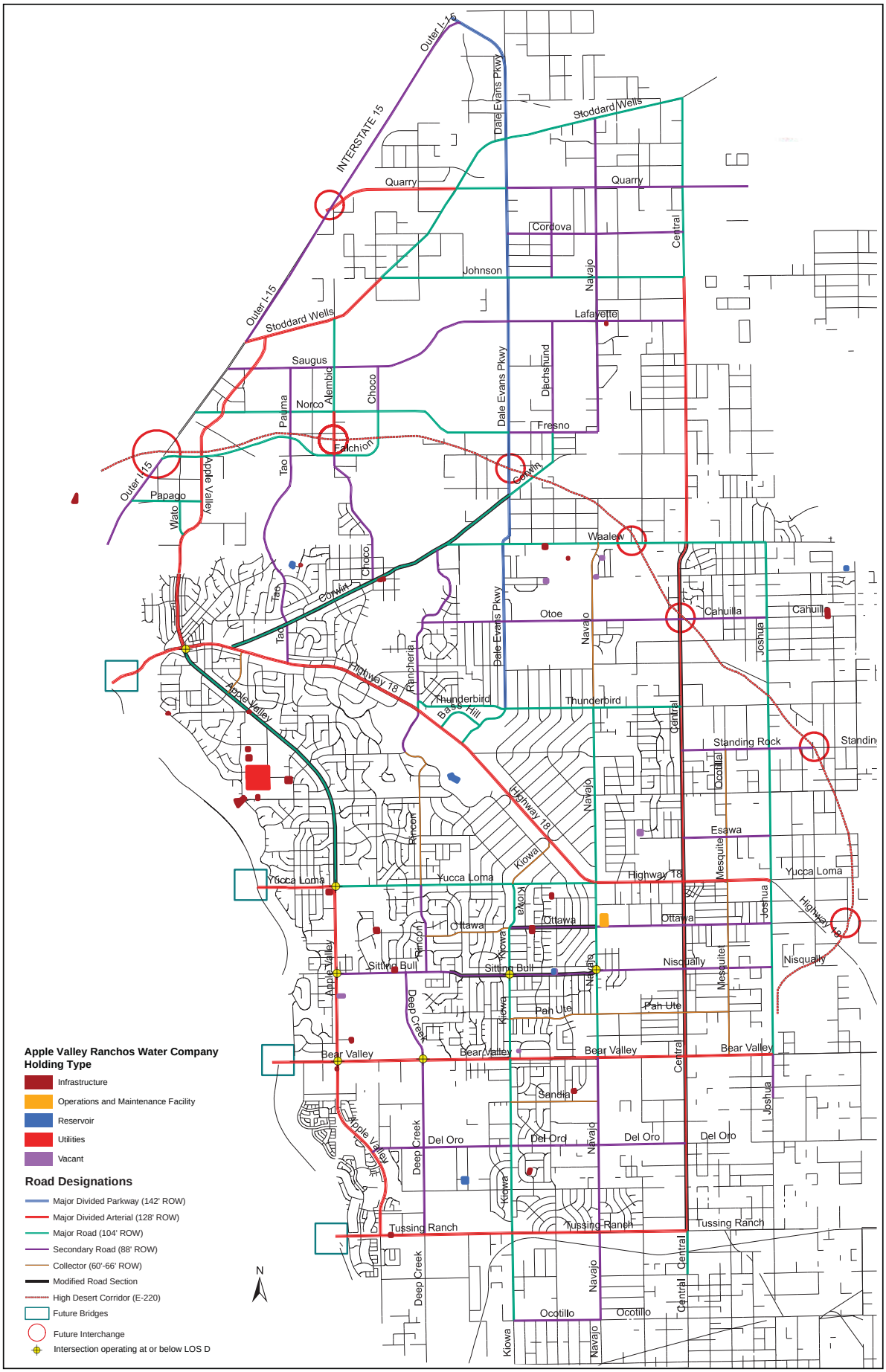
a. Existing Street Network

The circulation network in Apple Valley currently is comprised of approximately 500 miles of paved roadways on a one-mile grid framework, with approximately 80 percent of these roads being local streets that serve existing residential neighborhoods. In 2012, the Town of Apple Valley completed its most recent plan for the future of the transportation network, which shows existing roads as well as future additions, extensions, and expansions (Figure 4.6-1). Currently, the town can be accessed via two regionally significant roadways and also contains major local roadways for cross-town access; brief descriptions of these roadways are provided below (Town of Apple Valley, 2009).

Regional Roadways. Regional access to the Project Area is provided by U.S. Interstate 15 (I-15) and the State Route 18 (Happy Trails Highway).

- **U.S. Interstate 15 (I-15).** I-15 is a major transportation corridor that provides the high desert region and Apple Valley with inter-regional and inter-state access. It connects the high desert with Las Vegas, Salt Lake City, and markets to the north. In the vicinity of the Project Area, I-15 includes 3-lanes in each direction. There are two freeway interchanges in the town; these occur at Dale Evans Parkway and at Stoddard Wells Road.
- **State Route 18 (SR-18 or Happy Trails Highway).** This highway is designated a Divided Major Arterial Roadway in the Town's adopted General Plan and runs generally southeast-to-northwest through the t own. The portion of this highway that runs through the town is a 4-lane divided highway along which substantial portions of the town's existing commercial development and pockets of residential development are situated.

Major Local Roadways. The town is linked by a network of major local roadways that provide access between different areas of town as well as connection to the regional network. In its General Plan, the Town classifies each major roadway based on its design and the minimum width of its planned right-of-way. Major roadways designations and the town's roadways that qualify under each are discussed below.



Future Apple Valley Street System Plan

Figure 4.6-1

Base drawing source: Town of Apple Valley General Plan, 2012.

Major Divided Parkway. The Town classifies a Major Divided Parkway as a roadway with a minimum 142-foot right-of-way, a 20-foot median, and 15-foot parkways on each side of the roadway. These roadways include three lanes of traffic in each direction; bike or parking lanes in each direction; and curbs, gutters, and sidewalks. The only road that carries this designation in the town is Dale Evans Parkway, described below.

- **Dale Evans Parkway** is a north-south roadway that is designated as a Major Divided Parkway from I-15 to Thunderbird Road, and a Major Road (see below) south of Thunderbird Road. Currently it is a two-lane undivided roadway for most of the distance from I-15 to Otoe Road, a 2-lane divided roadway with a center turn lane from Otoe Road to Thunderbird Road, and a four-lane divided roadway between Otoe Road and SR-18. The roadway is signalized at the following intersections: SR-18, Westlund Way, and Bass Hill Road.

Major Divided Arterials. This roadway classification connects freeways to major and secondary arterials. Major Divided Arterials have a minimum 128-foot right-of-way, and include six traffic lanes; two ten-foot-wide bike or parking lanes; a twelve-foot-wide center left turn lane or median; and curbs, gutters, and sidewalks. Roads that carry this designation are described below.

- **SR-18**, or the Happy Trails Highway, runs generally southeast-northwest across the town. It is a 2-lane undivided roadway between Joshua Road and Central Road on the east side of the town, and a 4-lane divided roadway through the remainder of the town. Some portions of the roadway include 2-lane feeder/frontage roads on either side that parallel the main highway. SR-18 is signalized at 12 major intersections: Apple Valley Road, Kasota Road, Corwin Road, Tao Road, Rancherias Road, Bass Hill Road, Dale Evans Parkway, Flathead Road, Kiowa Road, Navajo Road, Quinnault Road, and Central Road.
- **Bear Valley Road** is an east-west roadway that traverses the town and intersects with SR-18 east of the town limits. Between the eastern boundary of the town and Central Road it is a 2-lane undivided highway with occasional turn lanes, expanding to 3-lanes between Central Road and Quinnault Road, and then to a 4-lane divided roadway from Quinnault Road to Apple Valley Road. From there it becomes a 6-lane divided roadway and exits the town as it crosses the all-weather bridge over the Mojave River. Bear Valley is signalized at eight of its intersections: Jess Ranch Parkway, Reata Road, Apple Valley Road, an access road east of Apple Valley Road, Deep Creek Road, Kiowa Road, Navajo Road, and Central Road.
- **Tussing Ranch Road** is an east-west roadway that forms a portion of the town's southern boundary. It is currently a 2-lane undivided road in the town, with stop signs controlling westbound traffic at its intersections with Central Road and Kiowa Road.
- **Central Road** is a north-south road that forms a portion of the town's eastern boundary. It is designated a Major Divided Arterial through most of the town (south of Johnson Road and north of Tussing Ranch Road) and as a Major Road (see below) at the northern and southern ends. It is 2-lanes undivided throughout the town, with the exception of one roadway segment north of Cahuilla Road where it is a 3-lane undivided roadway. Central Road crosses the Mojave Northern Mining Railroad line at Quarry Road and has

three signalized intersections at the following crossroads: Bear Canyon Road, SR-18, and Esaws Avenue.

- **Apple Valley Road** runs generally north-south between Verbena Street at the south end of the town and Falchion Road north of the developed portion of the town. Through most of the town, Apple Valley Road is classified as a Major Divided Arterial roadway, with the portion between Yucca Loma Road and SR-18 being classified as a Major Road (see below). Currently, the roadway varies from being a 6-lane divided roadway between Pimlico Road and Bear Valley Road; a 4-lane divided roadway along most of the distance between Yucca Loma Road and Verbena Street; a 2-lane divided roadway with a center turn lane for most of the distance between Yucca Loma Road and Ohna Road; and a 2-lane undivided road north of Ohna Road. Apple Valley Road is signalized at the following nine intersections: SR-18, Bear Valley Road, Pimlico Road, Sitting Bull Road, Sitting Bull Road, Yucca Loma Road, Shoshonee Road, Seneca Road, Mandan Road, and Mondamon Road.
- **Quarry Road, Stoddard Wells Road, and Yucca Loma Road** are all roadways with the western portion having the designation as a Major Divided Arterial while the rest of these roadways carry other designations, such as Major Road (see below).

Major Roads. This classification requires a minimum 104-foot right-of-way, and includes four traffic lanes; two bike or parking lanes; a twelve-foot wide center left turn lane or median; curbs, gutters, and sidewalks. As described above, portions of Dale Evans Parkway, Apple Valley Road, and Central Road are classified as Major Divided Parkway or Major Divided Arterial roadways; however, certain segments of these roadways are also classified as Major Roads. Additionally, the following roadways are designated primarily or entirely as Major Roads in the local circulation network:

- ***Kiowa Road*** (north-south);
- ***Navajo Road*** (north-south);
- ***Joshua Road*** (north-south);
- ***Quarry Road*** (east-west);
- ***Stoddard Wells Road*** (east-west);
- ***Johnson Road*** (east-west);
- ***Waalew Road*** (east-west);
- ***Thunderbird Road*** (east-west); and
- ***Yucca Loma Road*** (east-west).

Se*condary Roads, Collector Streets, Local Industrial/Commercial Streets, and Local Streets*. A number of Secondary Roads and Collector Streets in the town connect major roads and serve to carry local traffic to larger streets. Secondary Roads have a minimum 88-foot right-of-way and include two travel lanes in each direction and a bike or parking lane. Collector streets have a 66-foot right-of-way, one lane of travel in each direction, a bike or parking lane, and a 10- to 11-foot wide parkway. Local Industrial/Commercial Streets also require a 66-foot right-of-way, and accommodate trips associated with industrial areas, including the turning radius needed by delivery trucks. Local Industrial/Commercial Streets transport local traffic from commercial and industrial areas to higher volume, higher speed roadways. Most of the streets in residential neighborhoods throughout the town are designated as Local Streets. This designation requires a

60-foot right-of-way with two traffic lanes, parking lanes in each direction, curbs and gutters; sidewalks may be provided within the 10-foot, non-paved right-of-way.

b. Existing Traffic Conditions

The most recent comprehensive traffic analysis for the town was performed in November 2008 for the traffic study in support of the Town's General Plan EIR. This study included traffic counts on roadways throughout the town, including 60 roadway segments (Table 4.6-1).

Table 4.6-1:
Traffic Counts Along Selected Roadway Segments

No.	Roadway Segment	Road Type[1]	Capacity[2]	Daily Count	Date of Count
1	Apple Valley Road n/o SR-18	4D	40,500	4,200	04/09/08
2	**Apple Valley Road between SR-18 & Yucca Loma Road**	**2D**	**17,300**	**18,700**	**04/10/08**
3	Apple Valley Road between Yucca Loma Road & Sitting Bull Road	4D	40,500	21,600	10/02/07
4	Apple Valley Road between Sitting Bull Road & Bear Valley Road	4D	40,500	25,400	04/14/08
5	Apple Valley Road between Bear Valley Road & Tussing Ranch Road	4D	40,500	5,300	04/15/08
6	Deep Creek Drive between Bear Valley Road & Tussing Ranch Road	2U	12,700	4,300	04/15/08
7	Deep Creek Drive s/o of Rock Springs Road	2U	12,700	1,500	04/15/08
8	Kiowa Road between SR-18 & Yucca Loma Road	2U	12,700	7,600	04/10/08
9	Kiowa Road between Yucca Loma Road & Sitting Bull Road	2U	12,700	7,700	04/14/08
10	Kiowa Road between Sitting Bull Road & Bear Valley Road	2U	12,700	10,100	04/14/08
11	Kiowa Road between Bear Valley Road & Tussing Ranch Road	2U	12,700	8,000	04/15/08
12	Dale Evans Parkway s/o I-15 Freeway	2U	12,700	3,400	04/09/08
13	Dale Evans Parkway n/o Fresno Road	2U	12,700	3,200	04/09/08
14	Dale Evans Parkway between Corwin Road & Waalew Road	2U	12,700	2,200	04/09/08
15	Dale Evans Parkway between Waalew Road & Thunderbird Road	2U	12,700	3,500	04/10/08
16	Dale Evans Parkway between Thunderbird Road & SR-18	2U	12,700	6,500	04/10/08
17	Navajo Road between Thunderbird Road & SR-18	2U	12,700	4,100	04/14/08
18	Navajo Road between SR-18 & Nisqually Road	4D	40,500	15,100	04/14/08
19	Navajo Road between Nisqually Road & Bear Valley Road	4D	40,500	12,800	04/15/08
20	Navajo Road between Bear Valley Road & Tussing Ranch Road	2U	12,700	3,500	04/15/08
21	Central Road n/o Waalew Road	2U	12,700	900	04/14/08
22	Central Road between Waalew Road & Thunderbird Road	2U	12,700	4,500	12/04/07
23	Central Road between Thunderbird Road & SR-18	2U	12,700	5,600	04/14/08
24	Central Road between SR-18 & Nisqually Road	2U	12,700	5,900	Estimated
25	Central Road between Nisqually Road & Bear Valley Road	2U	12,700	7,800	04/14/08
26	Central Road between Bear Valley Road & Tussing Ranch Road	2U	12,700	3,100	04/14/08
27	Stoddard Wells Road e/o 115 Freeway	2U	12,700	2,200	04/09/08
2·a	Corwin Road between SR-18 & Tao Road	2U	12,700	5,100	04/09/08
29	Corwin Road between Tao Road & Waalew Road	2U	12,700	4,600	04/09/08
30	Corwin Road between Waalew Road & Dale Evans Parkway	2U	12,700	600	04/09/08

No.	Roadway Segment	Road Type[1]	Capacity[2]	Daily Count	Date of Count
31	Waalew Road Between Corwin Road & Dale Evans Parkway	2U	12,700	4,000	04/09/08
32	Waalew Road e/o Dale Evans Parkway	2U	12,700	4,800	04/09/08
33	Waalew Road w/o Central Road	2U	12,700	4,800	04/09/08
34	**SR-18 w/o Apple Valley Road**	**4D**	**40,500**	**47,700**	**04/10/08**
35	SR-18 between Apple Valley Road & Corwin Road	4D	40,500	31,400	04/09/08
36	SR-18 between Corwin Road & Tao Road	4D	40,500	25,800	04/14/08
37	SR-18 between Tao Road & Rancherias Road	4D	40,500	28,600	04/10/08
38	SR-18 between Rancherias Road & Dale Evans Parkway	4D	40,500	29,800	04/10/08
39	SR-18 between Dale Evans Parkway & Kiowa Road	4D	40,500	27,400	04/10/08
40	SR-18 between Kiowa Road & Navajo Road	4D	40,500	18,900	04/10/08
41	SR-18 between Navajo Road & Central Road	4D	40,500	11,700	04/14/08
42	SR-18 between Kiowa Road & Navajo Road	2U	12,700	7,300	04/15/08
43	SR-18 between Joshua Road & Bear Valley Road	2U	12,700	5,100	12/04/07
44	SR-18 e/o Bear Valley Road	2D	17,300	11,500	04/15/08 ,
45	Thunderbird Road between Rancherias Road & Dale Evans Parkway	2U	12,700	5,400	04/10/08
46	Thunderbird Road between Dale Evans Parkway & Navajo Road	2U	12,700	5,100	04/14/08
47	Thunderbird Road between Navajo Road & Central Road	2U	12,700	2,800	04/14/08
48	Yucca Loma Road w/o Apple Valley Road	2U	12,700	3,600	04/10/08
49	Loma Road between Apple Valley Road & Rincon Road	2U	12,700	8,100	10/02/07
50	Yucca Loma Road between Rincon Road & Kiowa Road	2U	12,700	6,200	04/10/08
51	Yucca Loma Road between Kiowa Road & SR-18	2U	12,700	3,400	02/10/07
52	Sitting Bull Road between Apple Valley Road & Kiowa Road	2U	12,700	8,200	04/14/08
53	Bear Valley Road n/o Apple Valley Road	6D	69,300	43,700	04/09/08
54	**Bear Valley Road between Apple Valley Road & Deep Creek Drive**	**4D**	**40,500**	**34,800**	**04/14/08**
55	**Bear Valley Road between Deep Creek Drive & Kiowa Road**	**4D**	**40,500**	**35,500**	**04/14/08**
56	Bear Valley Road between Kiowa Road & Navajo Road	4D	40,500	25,800	04/14/08
57	Bear Valley Road between Navajo Road & Central Road	4D	40,500	14,600	04/14/08
58	Bear Valley Road between Central Road & SR-18	2U	12,700	8,500	04/15/08
59	Rincon Road between SR-18 & Yucca Loma Road	2U	12,700	5,400	Estimated
60	Rock Springs Road between Deep Creek Drive & Kiowa Road	2U	12,700	7,100	04/15/08

[1] Road Types: U = Undivided; D = Divided; # = Number of Travel Lanes
[2] Capacity (in vehicles per day): 2U = 12,700; 2D = 17,300; 4U = 25,500; 4D = 40,500; 6D = 69,300
Bold indicates segments that are at or approaching capacity
Source: Town of Apple Valley, 2008.

Based on the analysis from the Traffic Study, the following segments are potentially exceeding or approaching capacity:

- Potentially exceeding capacity:
    - Apple Valley Road between SR-18 & Yucca Loma Road (No. 2)
    - SR-18 w/o Apple Valley Road (No. 34)

- Approaching Capacity

    - Bear Valley Road between Apple Valley Road & Deep Creek Drive (No. 54)
    - Bear Valley Road between Deep Creek Drive & Kiowa Road (No. 55)

The traffic analysis also included a review of traffic volumes at 37 of the town's intersections during peak hours, including the existing level of service (LOS) at each of these intersections (Table 4.6-2). LOS is described as a range of alphabetical connotations, A through F, which are used to characterize roadway operating conditions, with LOS A representing the best conditions (free flowing traffic) and LOS F indicating the worst conditions (system failure). The LOS for each intersection was evaluated based on the average delay during AM peak hour traffic (between 7 a.m. and 9 a.m.) and PM peak hour traffic (from 4 p.m. to 6 p.m.). These measurements were performed between October 2007 and April 2008.

Table 4.6-2:
Level of Service at Selected Intersections throughout Apple Valley

No.	Intersection	Traffic Control	Delay (in sec)		LOS	
			AM	PM	AM	PM
1	1-15 SB Ramps (NS) at Dale Evans Pkwy. (EW)	CSS	9.2	9.9	A	A
2	I15 NB Ramps (NS} at Dale Evans Pkwy. (EW)	CSS	9.1	9.5	A	A
3	Dale Evans Pkwy. (NS) at Quarry Rd. (EW)	CSS	10.3	10.2	B	B
5	Dale Evans Pkwy. (NS) at Corwin Rd. (EW)	CSS	10.1	11.1	B	B
6	Corwin Rd. (NS) at Waleew Rd. (EW)	CSS	10.5	10.0	B	B
7	Dale Evans Pkwy. (NS) at Waa!ew Rd. West (EW)	CSS	10.4	13.0	B	B
8	Dale Evans Pkwy. (NS) at Waalew Rd. East (EW)	CSS	11.2	12.3	B	B
9	Central Rd. (NS) at Waalew Rd. (EW)	AWS	8.1	8.5	A	A
10	**Apple Valley Rd. (NS) at Highway 18 (EW)**	**TS**	**46.8**	**41.2**	**D**	**D**
11	Corwin Rd. (NS) at Highway 18 (EW)	TS	12.7	8.1	B	A
12	Rancherias Rd. (NS) at Highway 18 (EW)	TS	33.1	26.6	C	C
13	Dale Evans Rd. (NS) at Thunderbird Rd. (EW)	AWS	12.3	11.4	B	B
14	Navajo Rd. at Thunderbird Rd. (EW)	AWS	9.4	10.3	A	B
15	Central Rd. (NS) at Thunderbird Rd. (EW)	CSS	13.2	11.7	B	B
16	Dale Evans Pkwy. (NS) at Highway 18 (EW)	TS	20.1	23.0	C	C
17	Kiowa Rd. (NS) at Highway 18 (EW)	TS	19.1	18.0	B	B
18	**Apple Valley Rd. (NS) at Yucca Loma Rd. (EW)**	**TS**	**36.7**	**38.1**	**D**	**D**
19	Kiowa Rd. (NS) at Yucca Loma Rd. (EW)	AWS	9.5	12.8	A	B
20	Navajo Rd. (NS) at Highway 18 (EW)	TS	17.5	19.0	B	B
21	Central Rd. (NS) at Highway 18 (EW)	TS	15.7	16.1	B	B
22	Joshua Rd. (NS) at Highway 18 (EW)	CSS	14.9	22.5	B	C
23	**Apple Valley Rd. (NS) at Bear Valley Rd. (EW)**	**TS**	**32.8**	**35.9**	**C**	**D**
24	**Deep Creek Rd. (NS) at Bear Valley Rd. (EW)**	**CSS**	**80.0**	**--**	**F**	**F**
25	Kiowa Rd. (NS) at Bear Valley Rd. (EW)	TS	32.5	33.8	C	C
26	Navajo Rd. (NS) at· Bear Valley Rd. (EW)	TS	23	28.0	C	C
27	Central Rd. (NS) at Bear Valley Rd. (EW)	TS	25.8	25.3	C	C
28	**Highway 18 (NS) at Bear Valley Rd. (EW)**	**CSS**	**8.3**	**28.9**	**A**	**D**

No.	Intersection	Traffic Control	Delay (in sec)		LOS	
			AM	PM	AM	PM
29	Central Rd. (NS) at Tussing Ranch Rd. (EW)	CSS	10.0	9.8	B	A
30	Deep Creek Rd. (NS) at Rock Springs Rd. (EW)	TS	15.4	15.5	B	B
31	1-15 SB Ramps (NS) at Stoddard Wells Rd. (EW)	CSS	8.7	9.2	A	A
32	1-15 NB Ramps (NS) at Stoddard Wells Rd. (EW)	CSS	9.4	11.3	A	B
33	Outer Highway 15 (NS) at Stoddard Wells Rd. (EW)	CSS	19.4	24.4	C	C
43	Tao Rd. (NS) at Highway 18 (EW)	TS	19.2	20.0	B	C
44	**Apple Valley Rd. (NS) at Sitting Bull Rd. (EW)**	**TS**	**36.4**	**39.0**	**D**	**D**
45	**Kiowa Rd. (NS) at Sitting Bull Rd. (EW)**	**AWS**	**12.8**	**37.1**	**B**	**E**
46	**Navajo Rd, (NS) at Nisqually Rd. (EW)**	**TS**	**39.4**	**33.6**	**D**	**C**

Traffic Control: CSS = Cross Street Stop; AWS = All Way Stop; TS = Traffic Signal
Note: Existing measurements were not included in the study for intersections 34 through 42.
Bold indicates intersections that are operating at LOS D or worse during AM and/or PM peak hours
Source: Town of Apple Valley, 2008.

The LOS criteria (i.e., the minimum allowable LOS) defined by the Town for all of these intersections has historically been LOS C; however, the Town's General Plan indicates that some intersections will not be able to be maintained at these levels, especially under projected growth estimates. The intersections that are currently operating at LOS D during AM and/or PM peak hours include (Figure 4.6-1) the following:

- Apple Valley Rd. (NS) at Highway 18 (EW) (No. 10)
- Apple Valley Rd. (NS) at Yucca Loma Rd. (EW) (No. 18)
- Apple Valley Rd. (NS) at Bear Valley Rd. (EW) (No. 23)
- Highway 18 (NS) at Bear Valley Rd. (EW) (No. 28)
- Apple Valley Rd. (NS) at Sitting Bull Rd. (EW) (No. 44)
- Navajo Rd, (NS) at Nisqually Rd. (EW) (No. 46)

As a result of LOS measurements and projections in the traffic study, the Town updated its requirement for the minimum LOS, with the General Plan now requiring that intersections be maintained at LOS D or better. At the time of the traffic study, the following two intersections were operating below this threshold during AM and/or PM peak hours:

- Kiowa Rd. (NS) at Sitting Bull Rd. (EW) (No. 45)
- Deep Creek Rd. (NS) at Bear Valley Rd. (EW) (No. 24)

Since the time of the General Plan EIR, however, a traffic signal has been constructed at the intersection of Deep Creek Road and Bear Valley Road, pursuant to the Town's fair share fee program. This signal has substantially improved the performance at that intersection and reduced traffic delay. Similarly, other traffic improvements have been identified to improve the intersection at Kiowa Road and Sitting Bull Road, and likewise will be funded through the Town's fair share fee program and constructed as any future development occurs.

4.6.2 Impact Analysis

a. Methodology and Significance Thresholds

This analysis estimates traffic associated with existing and future operation of the proposed Project, and evaluates potential impacts to the Apple Valley transportation network. The existing water supply system is fully functional and would not require any additional new infrastructure as a result of the proposed Project. Therefore, the proposed Project would not involve physical construction of new facilities and associated traffic, and this activity is not discussed further.

Methodology. This analysis considers potential changes in traffic and circulation associated with the proposed Project, including vehicle trips from employees traveling to and from the operation and maintenance (O&M) facility (generally at peak hours) as well as vehicle trips throughout the town and wider service area associated with operation and maintenance of the water supply system (generally throughout the day). The system would maintain its existing size and capacity, including approximately 23 groundwater wells with a total capacity of 37 million gallons per day, 11 storage tanks with a total capacity of 11.7 million gallons, 16 emergency generators, 8 booster pump stations, 22,431 service connections, 469 miles of pipelines. Therefore, system operation is expected to continue to require a staff of approximately 39 employees, including approximately 20 office workers and 19 technical and field staff. As discussed in Section 2.0, Project Description, the Town would operate the system out of the existing O&M facility at 21760 Ottawa Road, and therefore there would be little to no change in the length, distribution, or number of truck trips required to operate and maintain the system.

This analysis assumes that the 39 employees would continue to generate the same number of vehicle trips to and from the O&M facility, which are estimated to be a total of approximately 154 trips per day, with 39 occurring during both the AM and PM peak hours. This number of trips is based on the following:

- Each of the 39 employees contributes two vehicles trips per day to the circulation network, one to the O&M facility during the AM peak and one leaving the O&M facility during the PM peak hour. Total trips: 39 AM peak and 39 PM peak.

- Each of the 19 field workers contributes an additional four vehicle trips per day, leaving the facility twice per day to perform work in the field; these trips occur during the day and would not contribute to peak hour trips. Total trips: 76 (not during peak hours).

Significance Thresholds. In accordance with the Town's CEQA Checklist and Appendix G of the State CEQA Guidelines, a significant traffic impact would occur if the proposed Project would:

a. Conflict with an applicable plan, ordinance or policy establishing a measure of effectiveness for the performance of the circulation system, taking into account all modes of transportation, including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to

intersections, streets, highways, and freeways, pedestrian and bicycle paths, and mass transit;

b. Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways;

c. Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks;

d. Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible use (e.g., farm equipment);

e. Result in inadequate emergency access; or

f. Conflict with adopted policies, plans, or programs regarding public transit, bikeways, or pedestrian facilities, or otherwise substantially decrease the performance or safety of such facilities.

The Amended Initial Study for the proposed Project (Appendix A) found that the proposed Project would not result in a change in air traffic patterns; substantially increase hazards due to a design feature; result in inadequate emergency access; or conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities. Therefore, Significance Thresholds c, d, e, and f are not discussed further in this section.

Under the Town's General Plan, Program 1.A.4 states that the Town shall require all intersections maintain a minimum of LOS D during both the morning and evening peak hour; while Policy 1.H requires that new development proposals pay their fair share for the improvement of streets within and surrounding their projects on which they have an impact, including roadways, bridges, and traffic signals. This analysis considers the proposed Project's potential impacts to the LOS at critical intersections and to the roadways, bridges, and traffic signals in the AVR System service area. Additionally, under Section 9.16.090 of the Town's Municipal Code, any project requiring a Special or Conditional Use Permit must show that traffic improvements and/or mitigation measures are provided in a manner adequate to maintain the existing service level of LOS C or better on arterial roads and are consistent with the Circulation Element of the General Plan.

b. Project Impacts and Mitigation Measures

Threshold:	*Conflict with an applicable plan, ordinance or policy establishing a measure of effectiveness for the performance of the circulation system, taking into account all modes of transportation, including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways, and freeways, pedestrian and bicycle paths, and mass transit?*
Threshold:	*Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?*

Impact T-1 **Operation of the AVR System by the Town following acquisition would contribute to continued trips on the local street network; however, given that operation and maintenance activities would be similar to those performed under existing operations and no expansion of the system is proposed, the proposed Project would result in little to no increase in traffic and would not degrade LOS at any intersection when compared to baseline conditions. Therefore, these impacts would be Class III, *less than significant*.**

Maintenance activity would be required in order to operate and maintain the water supply system; therefore, the proposed Project would result in continued vehicle trips throughout the Project Area in order to operate and maintain the water supply system. The system would continue to be operated out of the existing AVR System O&M facility, and no change to the system's existing size and coverage is included as part of the proposed Project. Given that operation and maintenance activities would be similar to existing activities under the current ownership, the proposed Project would not increase the length, distribution, or number of truck trips required to operate and maintain the water supply system, and therefore would not result in increased traffic on local roadways and at existing intersections.

The continuation of existing activities would include the continuation of an estimated 154 vehicle trips per day to and from the O&M facility to locations throughout the town. These trips would be spread throughout the day and across the Project Area's street system, rather than concentrated on any one roadway in any one hour. The roadways and intersections in close proximity to the maintenance and operation facility would experience the most trips from this activity, with most vehicles traveling through the intersection of Navajo Road at Ottawa Road, traveling north or south on Navajo Road, and then traveling in various directions from there. The segment of Navajo Road between SR-18 and Nisqually Road currently supports 15,100 trips and has a capacity of 40,500 trips, and therefore has ample capacity to accommodate vehicle trips associated with operation and maintenance of the system.

The closest intersection to the O&M facility with a LOS D or lower is Navajo Road at Nisqually Road, which operates at LOS D during the AM peak hour. As less than half of the service area

and AVR System facilities are south of the O&M facility, this intersection is expected to experience less than half of the number of trips that arrive to and depart from the facility each day, amounting to a maximum total of approximately 77 vehicle trips through this intersection throughout the day, with a maximum of 20 trips occur during AM peak, i.e. half of the employee trips to the site. As these trips are currently occurring under existing conditions, the proposed Project is not expected to contribute to an increase in traffic at this or any other intersections. Even assuming that all of the vehicle trips to and from the O&M facility were new to the street system, and that half of employee arrival trips (20 trips) passed through the intersection of Navajo Road at Nisqually Road during the AM peak hour, and that the first 19 service trips back out of the O&M facility occurred during the AM peak, the total increase would amount to a maximum of 39 vehicles trips per day during the AM peak at this intersection. Given that the equivalent of 1,498 passenger vehicles currently passes through this intersection during the AM peak, this would amount to an increase of 2.6 percent, which would not be sufficient to result in a decrease in LOS at this intersection during the AM peak hour (Town of Apple Valley, 2008).[4] Therefore, and even making a worst-case scenario assumption that all operational trips are "new" and generated by the Project, the proposed Project would still not result in traffic impacts that would degrade the LOS at any intersections when compared to baseline conditions or conflict with an applicable plan, ordinance or policy, and this impact would be less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts.

Cumulative development in Apple Valley and surrounding jurisdictions would add residential and non-residential development and resulting traffic to local roads and intersections. The EIR for the Town's General Plan includes a region-based analysis of potential traffic impacts to roadways and intersections in the Town as a result of full buildout of the General Plan as well as development under the General Plans of the surrounding jurisdictions. This analysis considers both projected increases in traffic as well as proposed improvements to the circulation system. The analysis found that under the cumulative development scenario, required levels of service would be maintained at all intersections except Dale Evans Parkway and Corwin Road, which would operate at LOS E at buildout during the AM peak without future mitigation from development in the area. However, the General Plan requires that all intersections operate at LOS D or better and that mitigation be incorporated for any new development that would potentially contribute to a loss of service at an impacted intersection; therefore, this intersection would be maintained at an acceptable level of service. The one intersection that is currently operating below LOS D, Kiowa Road at Sitting Bull Road, is projected to improve to LOS C during the AM and PM peak hours under full buildout of the General Plan. Additionally, the Town is currently planning to construct a traffic signal at this intersection, using funds from the

4 The traffic study for the Town's General Plan EIR evaluated traffic volumes based on Passenger Car Equivalents (PCE), which were calculated by applying a PCE factor of 1.5 for light-duty trucks, 2.0 for medium-duty trucks with three axels, and , 3.0 for heavy-duty trucks with four or more axles.

Town's fair share fee program as new development is approved in the vicinity of the intersection.

As no new development would occur as a result of the proposed Project, it would contribute the same number of vehicle trips to the local road network as under existing conditions. Therefore, it would not contribute any additional traffic to these intersections or any other intersections or roadways in the town. Thus, the proposed Project would not result in a cumulatively considerable contribution to cumulatively significant traffic impacts under either existing or future conditions in the Project Area

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4.7 UTILITIES & SERVICE SYSTEMS

This section discusses potential impacts to utilities, including water supply, wastewater collection and treatment, and stormwater conveyance facilities. Impacts to public services such as police and fire protection and schools are discussed in Section XIV, *Public Services*, of the Amended Initial Study (see Appendix A).

4.7.1 Setting

a. Water Supply

The Apple Valley Ranchos Water Company provides water to the Project Area. As described in Section 2.4.1, *Water Supply Source*, of this EIR, the Apple Valley Ranchos Water Company obtains its water supply from local groundwater resources in the Mojave Groundwater Basin (Upper Mojave River Valley Groundwater Basin), as well as imported State Water Project (SWP) surface water purchased from the Mojave Water Agency (MWA), which is used to supplement produced groundwater supplies, when available, and ensure consistency with the standing Adjudication Judgment (discussed in Section 4.3, *Hydrology and Water Quality*). The California Department of Water Resources (DWR) allocates 85,800 acre-feet per year (AFY) of "Table A" SWP water to the MWA (MWA, 2014). Table A water is the annual portion of SWP water allocated to a SWP contractor, although the actual amount of SWP delivered depends upon factors such as climate and other SWP obligations. The variability in SWP water supplies affects the ability of MWA to meet overall water supply needs in MWA's service area; however, the Apple Valley Ranchos Water Company has the option to use SWP water, when available, to recharge the local groundwater basin in both wet and dry years, in order to provide water supply stability to the adjudicated basin (Apple Valley Ranchos Water Company, 2010).

Over the last decade, annual water supply for the Town of Apple Valley has varied greatly. The maximum amount of water Apple Valley Ranchos Water Company delivered in a single year was approximately 17,600 acre-feet in the 2006/07 water year; however, in the 2013/14 water year production was down to approximately 10,500 acre-feet. The reduction in water supply can be attributed to a combination of the economic downturn following 2007, as well as the effects of ongoing drought and conservation efforts in the State of California (Apple Valley Ranchos Water Company, 2010; Mohave Water Agency, 2015).

b. Wastewater Collection and Treatment

The Town of Apple Valley owns, operates, and maintains its own wastewater collection system. Wastewater is collected via force main lines and gravity sewer lines, which convey flow to the Victor Valley Waste Water Reclamation Authority (VVWRA) treatment plant in Victorville via two regional intercept lines. The VVWRA is a joint powers authority that includes the Town of Apple Valley, City of Hesperia, City of Victorville, and San Bernardino County (Town of Apple Valley, 2009).

The Town of Apple Valley maintains its sewer system per a Sewer System Master Plan Update, which includes a "Long-Term Routine Maintenance Program" including specifications for testing, inspections, and repairs, and also accounting for projected growth in the area. The

Sewer System Master Plan Update indicates that the existing sewer system has adequate capacity to convey flows during dry-weather conditions, but that future build-out in the area will require system expansion to accommodate the need for additional sewer connections, as currently only about 30 percent of development in the area is connected to sewer facilities, with remaining development served by on-lot septic systems (Town of Apple Valley, 2013).

c. Stormwater Conveyance

The Town maintains local stormwater management facilities throughout Apple Valley, including lined and unlined drainage channels. There are also several existing flood control channels within the town, and several more proposed. Stormwater conveyance facilities also include a number of all-weather road crossings, which are considered critical structures because they provide access in case of emergency. The existing stormwater conveyance system is maintained under a Master Plan of Drainage (Town of Apple Valley, 2009).

Class V injections wells (often called "shallow disposal wells") are typically shallow disposal systems used to place a variety of fluids below the ground surface. To protect underground sources of drinking water, these wells are regulated by the U.S. EPA's Underground Injection Control (UIC) Program. U.S. EPA is directly responsible for regulating Class V wells in California under authority of Part C of the Safe Drinking Water Act.

Within the Lahontan Regional Water Quality Control Board area, several municipalities are using dry-well systems for residential stormwater and nuisance water runoff collection and disposal, including Apple Valley. As part of operation of these wells, monitoring and reporting criteria and other necessary information are required to be provided by the Town to the Regional Board on an annual basis to ensure groundwater quality. Finally, the Town's ongoing use of such dry wells to manage stormwater flows would continue regardless of the Project, such the wells' operation is not an impact caused by the Project.

d. Regulatory Setting

The regulatory setting for Utilities and Service Systems is comprised of policies defined in the Apple Valley General Plan (2009), as listed below.

Water. Chapter III, *Environmental Resources*, of the Apple Valley General Plan (2009) includes the following policies relevant to water supply.

> **Policy 1.A** The Town shall coordinate with the various domestic water service providers to ensure that local and regional domestic water resources and facilities are protected from over-exploitation and contamination.
>
> **Policy 1.B** To ensure that overall and per capita water demand from new development is reduced, the Town shall continue to require the use of drought-tolerant, low water consuming landscaping, intelligent irrigation controllers, and other water-conserving strategies and technologies in irrigated areas.
>
> **Policy 1.C** The Town shall continue to coordinate with the Building Industry Association and other members of the building industry to encourage the use of

faucets, showerheads and appliances that exceed Titles 20 and 24 water efficiency requirements.

Policy 1.D To the greatest extent practicable, the Town shall direct new development to provide irrigation systems that are able to utilize reclaimed water, when available, for use in common area and streetscape landscaping.

Policy 1.H The Town shall confer with appropriate water agencies and purveyors, as necessary, to assure adequate review and mitigation of potential impacts of proposed development on local water resources.

Policy 1.I Existing development shall be encouraged to institute water conservation measures, including the reduction in turf areas and increased use of native and drought-tolerant planting materials, as well as the installation of efficient irrigation systems and controllers.

Wastewater Collection and Treatment. Chapter V, *Public Services and Facilities*, of the Apple Valley General Plan (2009) includes the following policy relevant to stormwater conveyance.

Policy 1.B The Town shall continue to require sewer connection where feasible at the time that a lot is developed, or when service becomes available.

In addition, Chapter III, *Environmental Resources*, of the Apple Valley General Plan (2009) includes the following policy relevant to wastewater collection and treatment.

Policy 1.E To the greatest extent practicable, the Town shall continue to require new development to connect to the community sewer system. Where sewer service is not available and lots are created of less than one (1) acre in size, the Town shall require the installation of "dry sewers" and the payment of connection fees for future sewer main extensions.

Stormwater Conveyance. Chapter IV, *Environmental Hazards*, of the Apple Valley General Plan (2009) includes the following policies relevant to stormwater conveyance.

Policy 1.A Upgrade the Town's local and regional drainage system through proactive planning and coordination with other responsible agencies.

Policy 1.B Consistent with their functional requirements, major drainage facilities shall be designed to maximize their use as multi-purpose recreational or open space sites. Major drainage facilities include the Mojave River, debris basins, the Apple Valley Dry Lake, and Master Plan flood control channels.

Policy 1.D All new development within the Town shall be required to incorporate adequate flood mitigation measures, including the adequate siting of structures located within flood plains, grading that prevents adverse drainage impacts to adjacent properties, and on-site retention of runoff.

> **Policy 1.E** Assure that adequate access is maintained during major storm events, and that safe all-weather crossings over drainage facilities and flood control channels are provided where necessary.

In addition, Chapter III, *Environmental Resources*, of the Apple Valley General Plan (2009) includes the following policy relevant to stormwater conveyance.

> **Policy 1.F** Consistent with community design standards and local and regional drainage plans, the Town shall provide development standards and guidelines for the construction of on-site storm water retention facilities.

4.7.2 Impact Analysis

a. Methodology and Significance Thresholds

Based on the Town's CEQA Checklist and Appendix G of the State CEQA Guidelines, impacts to utilities and service systems would be considered potentially significant if the proposed Project would meet one of the following significance thresholds:

- Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?
- Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?
- Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?
- Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?
- 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?
- Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?
- Comply with federal, state, and local statutes and regulations related to solid waste?

As described in the Amended Initial Study, provided as Appendix A, the proposed Project would not involve physical construction or increase the size of the existing water system and therefore, the Project itself would not result in an increase in solid waste generated by operation of the water supply system. In addition, the proposed Project is not expected to result in direct or indirect population growth, and would not increase solid waste generation. Therefore, significance thresholds (f) and (g) are not assessed in this EIR analysis.

b. Project Impacts and Mitigation Measures.

Threshold	*Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board.*

Threshold	*Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.*
Threshold	*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.*

Impact UTIL-1 The proposed Project would not change the nature or amount of water used or the amount of wastewater generated in the Project area, and would not result in the exceedance of Regional Water Quality Control Board wastewater treatment requirements. Because the proposed Project would not result in an increased demand for potable water or the generation of substantial additional wastewater, no increase in capacity of the existing water or wastewater conveyance and treatment system which serve the Project Area would be required. Impacts would be Class III, *less than significant*.

As described in the Amended Initial Study Section XVII, *Utilities and Service Systems* (see Appendix A), one of the objectives of the proposed Project is to provide greater local control over water pricing. Section 4.3, *Hydrology and Water Quality*, of this EIR describes that although water usage/demand may fluctuate in response to changes in water pricing, such fluctuations are not reasonably foreseeable and, ultimately, compliance with the Adjudication Judgment for the local ground water basin (Upper Mojave River Valley Groundwater Basin) would restrict the amount of groundwater that may be pumped, and would require the provision of Replacement water to offset any water supply required in excess of what is allowed per the Adjudication Judgement. In addition, laws and regulations such as the California Water Conservation Act of 2009 require specific goals to be set and milestones achieved towards reducing per capita water usage. With municipalization of the now privately-owned AVP System under the proposed Project, an Urban Water Management Plan (UWMP) would continue to be updated every five years, as required for an urban water supplier with 3,000 or more service connections or supplying 3,000 or more acre-feet of water per year. The existing UWMP includes goals, measures, procedures, and status reports for achieving reduced per capita water demand and ensuring water supply reliability. Future UWMPs for the AVR System, whether prepared by the current owner or the Town as proposed under this Project, would be required to provide the same information to demonstrate how the required per capita water usage reduction will be achieved. Therefore, as discussed in Section 4.3 of this EIR, water demand would not substantially increase as a result of the proposed Project.

As the proposed Project would continue to supply water to the same customer base for the same general purposes, it would not result in substantial changes to the way in which water is used in the service area and, therefore, would not directly influence the amount of wastewater generated in the service area. For example, residential customers would continue to dedicate roughly the same percentage of their water use to various activities such as watering plants, which does not result in wastewater flows, and washing dishes, which results in flows to the

wastewater system. Therefore, the proportion of the water supply that is disposed of as wastewater after use would remain constant. Given that there would not be a substantial change to water demand and the proportion of water that enters the wastewater system would remain constant, wastewater generation also would not substantially increase as a result of the Project.

In addition, the Project does not propose any water treatment facilities, new water or sewer connections and would not alter the rates or characteristics of existing wastewater discharges in the Project area; therefore the Project would not alter the status of compliance of existing wastewater discharges with wastewater treatment requirements of the Lahontan Regional Water Quality Board (RWQCB), and would not result in an exceedance of the capacity of a wastewater treatment provider. Similarly, because the Project would not substantially alter water supply demands or associated wastewater discharge rates, the proposed Project also would not require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities. Potential impacts associated with water treatment and wastewater generation, quality, and treatment would be less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

Threshold	*Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects.*

Impact UTIL-2 The proposed Project would not necessitate upgrades to existing stormwater conveyance facilities. Impacts associated with stormwater generation and conveyance would be Class III, *less than significant*.

As previously discussed, the proposed Project would not involve construction of a new or expanded water system or alteration of the existing water system. Ongoing operation and maintenance activities would continue under the proposed Project, using the same access roads and maintenance yards that are currently used to operate and maintain the system. As described in the Apple Valley General Plan (2009) and reflected in the policies listed above, the existing stormwater drainage system in the Project Area is operated and maintained to function appropriately with existing and anticipated load. The proposed Project would not discharge water to the ground surface or alter the rate, amount, or quality of existing stormwater discharge in the Project Area. In summary, the proposed Project would not substantially affect existing stormwater drainage patterns in the area, and would therefore not require the construction or expansion of stormwater drainage facilities. Impacts would be less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

Threshold	*Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed.*

Impact UTIL-3 **The Apple Valley Ranchos Water Company has determined that there is sufficient water supply available to meet water demands in the Project Area through the year 2035. The proposed Project would not result in substantial new or increased water demands in the Project Area, and any new operator of the water system would be required to comply with the California Water Conservation Act of 2009 and requirements for decreased urban water consumption included therein. Therefore, the proposed Project would not require or result in the construction of new water facilities or expansion of existing facilities or require new or expanded entitlements. Potential impacts to water supply would be Class III, *less than significant.***

The Amended Initial Study (Section XVII, *Utilities and Service Systems)* provided as Appendix A explains that certain types of projects that are subject to CEQA are required to prepare a Water Supply Assessment (WSA) which assesses water supply reliability under varying drought conditions over a 20-year horizon. Section 4.3, *Hydrology and Water Quality*, of this EIR further explains that projects located within an adjudicated groundwater basin are exempt from preparing a WSA, and the annual Watermaster reports required per the Adjudication Judgment fulfill the same purposes of a WSA. In addition, the 2010 UWMP for the Apple Valley Ranchos Water Company assesses water supply availability to the Project Area, accounting for local groundwater supplies as well as imported surface water supplies, and with consideration to varying climatic (drought) conditions over a 25-year planning horizon. The 2010 UWMP determined that there are adequate water supplies to meet demands in the Project area during average, single-dry, and multiple-dry years through the Year 2035 (Apple Valley Ranchos Water Company, 2010). Furthermore, as discussed in the preceding impact discussions as well as in Section 4.3, *Hydrology and Water Quality*, the proposed Project would not substantially increase water demand in the Project Area and thus would not require new or expanded water entitlements.

Similarly, because the Project would not substantially alter water supply demands or approve any uses that might alter water supply demands, the proposed Project also would not require or result in the construction of new water treatment facilities or expansion of existing facilities. Operation and maintenance of the water system would require occasional repair or upgrade of existing facilities, but such actions are typical of the operation and maintenance of a water system, would be required regardless of the ownership of the system and would not constitute the construction or expansion of new or existing facilities. Potential impacts associated with water supply availability would be less than significant.

Mitigation Measures. No mitigation is required.

Significance After Mitigation. Impacts would be less than significant without mitigation.

c. Cumulative Impacts.

Cumulative development in the Project Area would add residential and non-residential development to the Project Area, as discussed below by impact area.

Water. Cumulative buildout in the Project Area could introduce new and expanded water demands. These future water demands, including development projections based on allowable land uses in the Project Area, are accounted for in the current 2010 UWMP, which estimates that the Apple Valley Ranchos Water System's service area will grow at a rate of just over two percent per year from 2010 through 2035 (Apple Valley Ranchos Water Company, 2010). The 2010 UWMP determined that there is adequate water supply to the Project Area to meet demands through 2035, including under varying climatic (drought) conditions. As development in the Project Area expands as predicted, it will become necessary to add additional connections to the existing water system. The exact location and connection would need to be determined at the time development is proposed, and would be subject to subsequent environmental review. Compliance with Municipal Code and General Plan policies (including those listed above) would ensure that future connections to the water system are appropriately planned, designed, and implemented to avoid adverse effects. As discussed, the proposed Project would not contribute to future increases in demand for water in the Project Area; future increased water demands would occur as a result of cumulative developments, regardless of the proposed Project, i.e. transfer of ownership of the AVR System. Therefore, the proposed Project's contribution to cumulative impacts to water supply and water conveyance facilities would not be cumulatively significant.

Wastewater. Similar to how future cumulative development in the Project Area could increase water demands, wastewater generation may also increase, thereby introducing a need for new wastewater conveyance facilities. As described in Section 4.7.1, *Setting*, above, the Town of Apple Valley maintains its sewer system per a Sewer System Master Plan Update, which includes a "Long-Term Routine Maintenance Program" including specifications for testing, inspections, and repairs, and also accounting for projected growth in the area. The Sewer System Master Plan Update considered land use data from the 2009 Apple Valley General Plan and local Specific Plans that would be served by the Town in order to generate future flow predictions and buildout requirements. Based on the modeling results, hydraulic deficiencies for the projected growth were identified, and the need for new pipes to support growth projections was identified (Town of Apple Valley, 2013). Future upgrades to existing wastewater facilities would become necessary regardless of the transfer of water system ownership that would occur under the proposed Project. Compliance with Municipal Code and General Plan policies (including those listed above) would ensure that future connections to the wastewater system are appropriately planned, designed, and implemented to avoid adverse effects. The proposed Project would not contribute to any future increases in the need for wastewater treatment or conveyance. Therefore, the proposed Project's contribution to cumulative impacts to wastewater treatment and conveyance facilities would not be cumulatively considerable.

Stormwater Conveyance. Cumulative development resulting from buildout in the Project Area could increase the amount of impervious surfaces and increase the rate and quantity of stormwater runoff. Individual developments would be required to incorporate appropriate

drainage systems, in compliance with Municipal Code and General Plan policies. It is anticipated that future development in the Project Area would utilize existing stormwater conveyance infrastructure in the Project Area. The Apple Valley Master Plan of Drainage included in the 2009 Apple Valley General Plan (Chapter IV, Environmental Hazards) specifies future planned upgrades to the area's existing stormwater drainage facilities; as with water and wastewater facilities, stormwater drainage facilities in the Project Area would be expanded and upgraded regardless of the water system ownership transfer that would occur under the proposed Project. As discussed above, the proposed Project would not contribute to demands on stormwater conveyance infrastructure; therefore, the proposed Project's contribution to cumulative impacts to stormwater infrastructure would not be cumulatively considerable.

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4.8 MANDATORY FINDINGS OF SIGNIFICANCE

CEQA requires preparation of an EIR when certain specified impacts may result from construction or implementation of a project. An EIR has been prepared for the proposed Project, which fully addresses all of the Mandatory Findings of Significance, as described below.

To determine whether a proposed project would have a significant impact with regard to a Mandatory Finding of Significance, Appendix G of the *State CEQA Guidelines* questions whether a project would:

a. Have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?

b. Have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of past projects, the effects of other current project, and the effects of probable future projects.)

c. Have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?

As discussed in the Amended Initial Study provided as Appendix A to this EIR, the proposed Project would not have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, substantially reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory. Therefore, the first threshold for Mandatory Finding of Significance listed above is not addressed further in this section.

Additionally, *State CEQA Guidelines* Section 15065(a) requires a finding of significance if a project "has the potential to substantially degrade the quality of the environment." In practice, this is the same standard as a significant effect on the environment, which is defined in *State CEQA Guidelines* Section 15382 as "a substantial or potentially substantial adverse change in any of the physical conditions within the area affected by the project including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic or aesthetic significance."

This EIR, in its entirety, identifies and characterizes potential environmental effects associated with implementation of the proposed Project, including direct, indirect, and cumulative impacts in the following resource areas:

- Air Quality;
- Greenhouse Gas Emissions;
- Hydrology and Water Quality;
- Land Use and Planning;

- Noise;
- Transportation and Traffic; and
- Utilities and Service Systems.

This EIR discloses all potential environmental impacts associated with the Project and the level of significance of anticipated impacts. The Amended Initial Study included as Appendix A to this EIR evaluated all environmental resource areas identified on the Town's CEQA Checklist and the CEQA Guidelines Appendix G Checklist, and determined that impacts associated with those resource areas listed above could be potentially significant and are therefore assessed in this EIR; the Amended Initial Study determined that impacts associated with resource areas not listed above either would not occur, or would be less than significant.

According to the Amended Initial Study (Section XVIII), the last two thresholds in the Mandatory Findings of Significance section would be evaluated in this EIR. That discussion is contained below.

4.8.1 Cumulative Impacts

Cumulative impact analyses are only provided for those resource areas listed above and analyzed in full in this EIR; cumulative impact analyses are not provided for those resource areas which the Amended Initial Study determined would be affected by No Impact or Less Than Significant impacts as a result of the proposed Project.

State CEQA Guidelines Section 15065 states that a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has potential environmental effects that are individually limited but cumulatively considerable. As defined in *State CEQA Guidelines Section 15065(a)(3)*, cumulatively considerable means "that the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects." Cumulative impacts are addressed for each of the environmental resource areas listed above, as provided in Sections 4.1 through 4.7 of this EIR. In total, those analyses determine that the proposed Project would not have environmental effects that are individually limited but cumulatively considerable. Therefore, the proposed Project would have a less than significant impact in this regard.

4.8.2 Impacts on Human Beings

As required by *State CEQA Guidelines Section 15065(a)(4)*, a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has the potential to cause substantial adverse effects on human beings, either directly or indirectly. Under this standard, a change to the physical environment that might otherwise be minor must be treated as significant if humans would be significantly affected. This factor relates to adverse changes to the environment of human beings generally, and not to effects on particular individuals. While changes to the environment that could indirectly affect human beings would be represented by all of the designated CEQA issue areas, those that could directly affect human beings include air quality, greenhouse gas emissions, hydrology and water quality, noise, transportation and traffic, and utilities and service systems, each of which is addressed in this EIR, as follows: Section 4.1 (Air Quality), Section 4.2 (Greenhouse Gas

Emissions), Section 4.3 (Hydrology and Water Quality), Section 4.4 (Noise), Section 4.5 (Transportation and Traffic), and Section 4.6 (Utilities and Service Systems). According to these analyses, the proposed Project would have less than significant impacts on human beings, and therefore would not have the potential to cause substantial adverse effects on human beings.

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5 GROWTH INDUCING EFFECTS AND OTHER CEQA CONSIDERATIONS

This section addresses growth inducing effects and significant irreversible changes, including a discussion of energy use and conservation.

5.1 GROWTH INDUCING EFFECTS

Section 15126(d) of the *State CEQA Guidelines* requires a discussion of a proposed project's potential to foster economic or population growth, including ways in which a project could remove an obstacle to growth. Growth does not necessarily create significant physical changes to the environment. However, depending upon the type, magnitude, and location of growth, it can result in significant adverse environmental effects if it requires new development or infrastructure to support it. The proposed Project's growth-inducing effects would be considered significant if they could result in significant physical effects in one or more environmental resource areas. The most commonly cited example of how an economic effect might create a physical change is where economic growth in one area could create blight conditions elsewhere by causing existing competitors to go out of business and the buildings to be left vacant.

5.1.1 Economic and Population Growth

As discussed in Section 2.0, *Project Description*, the proposed Project involves the Town of Apple Valley's acquisition of the Apple Valley Ranchos Water System (AVR System), as well as the operation and maintenance of the water system by the Town of Apple Valley. These actions in and of themselves would not directly have any economic or growth-inducing effects, as they would not alter the area or number of customers served by the water system. However, one of the objectives of the proposed Project is to provide greater local control over the water rate-setting process in order to control the pace of future rate increases. Theoretically, if long-range water rates are reduced or, in the more likely scenario, the pace of rate increases is slowed, customers of the water system would save money and be able to spend that money in other ways, thus producing a beneficial impact on the local economy. However, the proposed Project would not change zoning or land use designations or provide new facilities that would accommodate an increased population; therefore, the Project would not induce substantial population growth, including in the unlikely event of a reduction in water rates. This conclusion is supported by determinations made in the Amended Initial Study included as Appendix A to this EIR.

The Amended Initial Study also concluded that the potential for the proposed Project to result in a substantial change in employment within the Town of Apple Valley or surrounding areas beyond employment already provided by the Apple Valley Ranchos Water Company would be minimal because no new facilities would be developed as part of the Project. Therefore, any local employment growth generated by the proposed Project would not be expected to draw a significant number of new employees to the community.

5.1.2 Removal of Obstacles to Growth

As discussed above, the proposed Project involves the Town of Apple Valley's acquisition of the Apple Valley Ranchos Company water system, and subsequent operation and maintenance of the water system by the Town. As discussed in Section 4.7, *Utilities and Service Systems*, no expansion of the water system facilities is proposed and thus the Project would not induce growth that would not otherwise occur in areas not previously served by municipal water supplies. While one of the Project objectives is to provide greater local control over the rate setting process and rate increases, that does not necessarily translate into higher usage and demand because there are other regulatory controls in place that encourage users to conserve water, as discussed in Sections 4.3, *Hydrology and Water Quality*, and 4.7, *Utilities and Service Systems*. Environmental impacts resulting from the proposed Project have been determined to be less than significant and the proposed Project would not induce growth or remove any obstacles to growth because it would not require new or expanded facilities such as water or wastewater treatment plants, or require procurement of additional water supplies beyond what is currently occurring under the existing ownership. The proposed Project would therefore not have any significant effect from removing obstacles to growth.

5.2 IRREVERSIBLE ENVIRONMENTAL EFFECTS

The *State CEQA Guidelines* require that EIRs reveal the significant environmental changes that would occur as a result of a proposed project. CEQA also requires decision-makers to balance the benefits of a project against its unavoidable environmental risks in determining whether to approve a project. This section addresses non-renewable resources, the commitment of future generations to the proposed uses, and irreversible impacts associated with the Project.

The proposed Project would not require construction of new or expanded water treatment or distribution facilities. As part of the proposed Project, employees engaged in operation and maintenance of the water system would be based at the existing O&M facility located at 21760 Ottawa Road. The same sized staff would be utilized, including approximately 20 office workers and 19 technical and field staff. Expansion of facilities or staff to accommodate operations and maintenance activities is not anticipated; therefore, the use of more than minor amounts of building materials and energy, some of which are non-renewable resources, would not occur. Increasingly efficient building fixtures and automobile engines are expected to offset any incremental increase in demand for non-renewable energy resources, such as petroleum and natural gas, which could result due to the presence of additional employees at the operations and maintenance facility, in the unlikely event that is required. As further discussed below, it is not anticipated that the proposed Project would significantly affect local or regional energy supplies.

As described in Section 4.6, *Transportation and Traffic,* the water system would be operated out of the existing O&M facility at 21760 Ottawa Road, and there would be little to no change in the length, distribution, or number of vehicle trips required to operate and maintain the system. The Project would therefore not incrementally increase local traffic, noise levels and regional air pollutant emissions. As discussed in Section 4.1, *Air Quality*, the proposed Project would not result in an increase in air emissions from operation or maintenance activities. As discussed in

Section 4.5, *Noise*, no increased noise levels from traffic noise associated with the proposed Project would occur or expose sensitive receptors to noise levels exceeding applicable standards. No impacts related to additional vehicle trips would occur.

5.3 ENERGY USE

This section describes the supply and use of energy as a result of the proposed Project, as well as local actions to conserve energy and use it more efficiently.

The *State CEQA Guidelines* (Appendix F) require that EIRs analyze energy conservation consistent with Public Resources Code section 21100(b)(3). According to the *State CEQA Guidelines*, energy impacts that have already been analyzed need not be repeated in later EIRs and EIRs do not need to address "lifecycle emissions," such as those embedded in the production of building materials used in projects. Lifecycle emissions under CEQA would normally represent "emissions beyond those that could be considered indirect effects of a project as that term is defined in Section 15358 of the *State CEQA Guidelines*" (CNRA, 2009).

5.3.1 Regulatory Setting

a. Federal Plans, Policies, Regulations, and Laws

National Energy Act. The National Energy Act of 1978 was a legislative response by the U.S. Congress to an energy crisis that occurred in 1973. It includes the statutes summarized below.

- Public Utility Regulatory Policies Act (PURPA) (Public Law 95-617). PURPA was passed to promote greater use of renewable energy. This law created a market for non-utility electric power producers to permit independent power producers to connect to their lines and to pay for the electricity that was delivered. Although PURPA is a federal law, implementation was left to the states and a variety of regulatory regimes developed.
- Energy Tax Act (Public Law 95-318). The Energy Tax Act was passed to promote fuel efficiency and renewable energy through taxes and tax credits.
- National Energy Conservation Policy Act (NECPA) (Public Law 95-619). NECPA requires utilities to provide residential consumers with energy conservation audits and other services to encourage slower growth of electricity demand. NECPA was amended in 1985 by the Energy Policy and Conservation Act Amendments of 1985.
- Power Plant and Industrial Fuel Use Act (Public Law 95-620).
- Natural Gas Policy Act (Public Law 95-621).

Federal Energy Management Program. The U.S. Department of Energy's Federal Energy Management Program works to reduce the cost and environmental impact of the federal government by advancing energy efficiency and water conservation, promoting the use of distributed and renewable energy, and improving utility management decisions at federal sites.

Energy Policy Act. The Energy Policy Act of 1992, recent executive orders, and presidential directives require federal agencies to meet a number of energy and water management goals, among other requirements. Federal agencies were directed to reduce their energy use by 35 percent by 2010 in comparison to 1985 levels. Federal agencies rely on effective coordination

and sound guidance to help meet this requirement. The Federal Energy Management Program reports agencies' progress annually, manages interagency working groups, and offers policy guidance and direction. The Energy Policy Act was amended in 2005 (Public Law 109-190) to increase the supply of energy primarily through subsidies.

Federal Energy Regulatory Commission. The Federal Energy Regulatory Commission (FERC) regulates and oversees energy industries in the economic, environmental, and safety interests of the American public. FERC is the federal agency with jurisdiction over interstate electricity sales, wholesale electric rates, hydroelectric licensing, natural gas pricing, and oil pipeline rates. FERC also reviews and authorizes liquefied natural gas terminals, interstate natural gas pipelines, and non-federal hydropower projects. Production of electricity is overseen by the states, although FERC has jurisdiction over certain matters (FERC, 2006).

b. State Plans, Policies, Regulations, and Laws

California Energy Commission (CEC). Established in 1974 by the Warren-Alquist Act (Public Resources Code Section 25000 et seq.), the CEC is the state's primary energy policy and planning agency. The CEC has five major responsibilities: forecasting future energy needs and keeping historical energy data, licensing thermal power plants 50 megawatt (MW) or larger, promoting energy efficiency through appliance and building standards, developing energy technologies and supporting renewable energy, and planning for and directing the state response to an energy emergency. California offered generous tax subsidies in the early 1980s for renewable power development. The state also ordered utilities to not only buy electricity from independent power generators, but also directed utilities to set a price and offer standard contracts. California's subsidies and the standard offer contracts launched the commercial wind industry in the country.

California's Renewable Portfolio Standards (RPS). Established in 2002 under Senate Bill (SB) 1078, accelerated in 2006 under SB 107 and expanded in 2011 under SB 2, California's RPS is one of the most ambitious renewable energy standards in the country. The RPS program requires investor-owned utilities, electric service providers, and community choice aggregators to increase procurement from eligible renewable energy resources to 33 percent of total procurement by 2020.

California Energy Code, Title 24. The California Energy Code (Title 24, Part 6, of the California Code of Regulations, California's Energy Efficiency Standards for Residential and Nonresidential Buildings), provides energy conservation standards for all new and renovated commercial and residential buildings constructed in California. The Code applies to the building envelope, space-conditioning systems, and water-heating and lighting systems of buildings and appliances. The Code provides energy conservation standards for all new and renovated commercial and residential buildings constructed in California. The Code provides guidance on construction techniques to maximize energy conservation. Minimum efficiency standards are given for a variety of building elements, including appliances; water and space heating and cooling equipment; and insulation for doors, pipes, walls and ceilings. The Code emphasizes saving energy at peak periods and seasons, and improving the quality of installation of energy efficiency measures.

California Green Building Standards Code. The California Building Standards Code is published in its entirety every three years by order of the California Legislature. The California Legislature delegated authority to various State agencies, boards, commissions and departments to create building regulations to implement the State's statutes. These building regulations or standards have the same force of law, and generally apply to all new building construction in California. A city, county, or city and county may establish more restrictive standards reasonably necessary because of local climatic, geological or topographical conditions. On July 17, 2008, the California Building Standards Commission adopted the California Green Building Standards Code for all new construction statewide. A voluntary implementation period was intended to give builders, local governments, and communities' time to adapt to the new rules. The Code sets targets for energy efficiency; water consumption; dual plumbing systems for potable and recyclable water; diversion of construction waste from landfills, and use of environmentally sensitive materials in construction and design, including ecofriendly flooring, carpeting, paint, coatings, thermal insulation, and acoustical wall and ceiling panels.

State of California Energy Action Plan. In 2003, the three key energy agencies in California, consisting of the California Energy Commission (CEC), the California Power Authority (CPA), and the California Public Utilities Commission (CPUC), jointly adopted an Energy Action Plan (EAP) that listed goals for California's energy future and set forth a commitment to achieve these goals through specific actions. In 2005, the CPUC and the CEC jointly prepared the EAP II to identify the further actions necessary to meet California's future energy needs, which was again updated in 2008. EAP II describes the priority sequence for actions to address increasing energy needs, also known as "loading order". The loading order identifies energy efficiency and demand response as the state's preferred means of meeting growing energy needs. After cost-effective efficiency and demand response, the state is to rely on renewable sources of power and distributed generation, such as combined heat and power applications. To the extent that efficiency, demand response, renewable resources, and distributed generation are unable to satisfy increasing energy and capacity needs, the EAP II supports the use of clean and efficient fossil-fired generation. The plan recognizes that concurrent improvements are required to the bulk electricity transmission grid and distribution facility infrastructure to support growing demand centers and the interconnection of new generation, both on the utility and customer side of the meter. The EAP II identifies key actions to be taken in all of these areas in order to meet the state's growing energy requirements.

Apple Valley Climate Acton Plan. In 2010, the Town of Apple Valley adopted a Climate Action Plan, which was most recently updated in 2013. In this plan, the Town set a reduction target of 15% below 2005 levels by the year 2020 for both community and municipal operations. New projects that demonstrate a reduction in emissions of 15% or more are considered to be consistent with this Climate Action Plan. The plan includes policies aimed at meeting this goal, including Policy MO-24: Encourage Apple Valley Ranchos, Golden State and other water purveyors to replace water systems with energy efficient motors, pumps and other equipment. See Section 4.4, *Greenhouse Gas Emissions*, for further details.

5.3.2 Environmental Setting

a. Electricity Use

California uses 265,000 gigawatt-hours (GWh) of electricity per year. Since the early 1970s, electricity consumption per capita in California has stayed nearly constant, while rising steadily for the US as a whole. California consumes 40 percent less electricity per person compared to the national average (Sudarshan and Sweeney, 2008). Most of the electric energy used in southern California is imported to the region from coal-fired and hydroelectric generating facilities located elsewhere in California and out-of-state. Utilities in southern California participate in power-sharing arrangements with many other entities throughout the western United States. In 2005, the Southern California Association of Governments (SCAG) region consumed almost 128,000 GWh of electricity, which was approximately 48 percent of total consumption of the State. Electricity consumption has been increasing approximately 1.3 percent per year (SCAG, 2006).

b. Natural Gas Use

In 2007, California used more than 6.9 billion cubic feet of natural gas per day. The natural gas was used to produce electricity (50 percent), and used in industrial uses (18 percent), commercial uses (nine percent), and in residential uses (22 percent). Approximately 14 percent of the natural gas was produced within California, with the balance imported from other western states (63 percent) and Canada (23 percent). As noted, natural gas is used to generate almost 50 percent of electricity used in California. This results in peak seasonal demands for natural gas not only during the winter months for heating but also during the peak electricity-demand period in summer when cooling needs are greatest. Natural gas usage in California for differing land uses varies substantially by the type of uses in a building, type of construction materials used in a building, and the efficiency of all gas-consuming devices within a building (CEC, 2009).

Recent technological advancements in exploration, drilling, and hydraulic fracturing have transformed shale formations from marginal natural gas producers to substantial and expanding contributors to the natural gas portfolio. Recoverable shale reserve estimates range as high as 842 trillion cubic feet, a 37-year supply at today's consumption rates. While natural gas production from shale formations has significantly increased domestic production, there is ongoing investigation of potential environmental concerns related to shale gas development, including carbon emissions and possible groundwater contamination. As recently as 2007, domestic natural gas production and imports to California were on the decline, and liquefied natural gas was seen as a source to better serve the natural gas needs of California. The recent development of natural gas shale formations has contributed to increased domestic production of natural gas, and liquefied natural gas does not seem to be a priority fuel for California at this time (CEC, 2009).

c. Transportation Fuel

State and federal policies encourage the development and use of renewable and alternative fuels to reduce California's dependence on petroleum imports, promote sustainability, and cut

greenhouse gas (GHG) emissions. Former California Governor Schwarzenegger's Executive Order S-06-06 established clear targets for increased use and in-state production of biofuels. California and the federal government also have policies to improve vehicle efficiencies and to reduce vehicle miles traveled in efforts to achieve 2050 GHG reduction targets of 80 percent below 1990 levels (as directed in the Governor's Executive Order S-3-05). Until new vehicle technologies and fuels are commercialized, petroleum will continue to be the primary fuel source for California's vehicles, and the state must enhance and expand the existing petroleum infrastructure while at the same time working to develop an alternative fuel infrastructure.

Economic recession in California has had a significant impact on the state's transportation sector. California's average daily gasoline sales for the first four months of 2009 were 2.1 percent lower than the same period in 2008, continuing a reduction in demand observed since 2004. Daily diesel fuel sales for the first three months of 2009 were 7.7 percent lower than the same period in 2008, continuing a declining trend since 2007. Job growth and industrial production - drivers of air travel – declined during the recessions causing the aviation sector to experience a drop in air traffic. Demand trends for jet fuel, which saw an 8.9 percent decline in 2008, are similar to diesel fuel and reflect the impact of the economic downturn and higher fuel prices (CEC, 2009).

The initial years in the CEC transportation fuel demand forecast show a recovery from the recession. Because the economic and demographic projections used in these forecasts indicate a return to economic and population growth, fuel demand in the light-duty, medium- and heavy-duty vehicles and aviation sectors tends to resume historical growth patterns. However, the mix of fuel types is projected to change significantly as the state transitions from gasoline and diesel to alternative and renewable fuels (CEC, 2009).

5.3.3 Impact Analysis

Methodology and Significance Thresholds. For the purpose of this analysis, the following thresholds of significance have been used to determine whether implementing the proposed Project would result in a significant impact. These thresholds of significance are based on Appendix F of the *State CEQA Guidelines*. An impact on energy resources or energy conservation is considered significant if implementation of the proposed Project would meet one or more of the following criteria:

- Develop land uses and patterns causing wasteful, inefficient, and unnecessary consumption of energy
- Result in the need for new systems or substantial alterations to electrical, natural gas, or communication systems infrastructure, the construction or operation of which would have significant impacts

Effects on Energy Consumption from Land Use Locations and Patterns. The proposed Project would not require construction of new facilities or infrastructure to facilitate transfer of ownership of the system from Apple Valley Ranchos Water Company to the Town. Therefore, the Project would not result in a change in land use or development of new structures. Following the proposed acquisition, the Town would continue to operate the AVR System and typical, ongoing operations and maintenance activities would be required, similar to if the system

remained in Apple Valley Ranchos Water Company ownership. Operation and maintenance of the existing water system would utilize the existing operations and maintenance facility at 21760 Ottawa Road and therefore, in addition to not generating new trips associated with operation and maintenance of the system, the Project also would not alter the distribution or duration of vehicle trips to or from the operations and maintenance facility. No increased energy demand would result from implementation of the proposed Project.

Increased Energy Demand and Need for Additional Energy Infrastructure. As shown above, implementation of the proposed Project would not increase energy demand associated with vehicle trips or other factors associated with operation and maintenance of the water system. Therefore, the Project would not require new construction and operation of energy-related facilities. No impacts associated with a need for new systems or substantial alterations to energy systems would occur.

5.4 EFFECTS NOT FOUND TO BE SIGNIFICANT

As discussed in Section 1.0, *Introduction*, impacts related to the following topics were determined to be less than significant and not to warrant additional analysis for the reasons explained in the Amended Initial Study (Appendix A), and are not discussed further in this EIR:

- Aesthetics
- Agriculture and Forest Resources
- Biological Resources
- Cultural Resources
- Geology/Soils
- Hazards and Hazardous Materials
- Mineral Resources
- Population/Housing
- Public Services
- Recreation

The Amended Initial Study, and the comment letters received on the original Initial Study and Amended Initial Study are included in Appendix A, which is attached hereto and incorporated herein by this reference.

6 ALTERNATIVES

Section 15126.6(a) of the *State CEQA Guidelines* requires that an EIR describe a reasonable range of alternatives to a project, or the location of a project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project. The EIR also shall describe the comparative merits of the alternatives. Section 15126.6(f) further states that "the range of alternatives in an EIR is governed by the 'rule of reason' that requires the EIR to set forth only those alternatives necessary to permit a reasoned choice." The analysis in this section focuses on those alternatives capable of reducing the potential environmental effects of the proposed project even if they would impede the attainment of some project objectives or be more costly. The EIR also analyzes the specific alternative of "no project" and its potential environmental effects. In accordance with Section 15126.6(f)(1), among the factors that may be taken into account when addressing the feasibility of alternatives are: (1) site suitability; (2) economic viability; (3) availability of infrastructure; (4) general plan consistency; (5) other plans or regulatory limitations; (6) jurisdictional boundaries; and (7) whether the proponent can reasonably acquire, control or otherwise have access to the alternative site. An EIR need not consider an alternative when the effect cannot be reasonably ascertained and the implementation is remote and speculative.

The objectives of the project are as follows:

1. Allow the Town to independently own and operate a water production and distribution system;

2. Provide for greater transparency and accountability, as well as increased customer service and reliability;

3. Enhance customer service and responsiveness to Apple Valley customers;

4. Provide greater local control over the rate setting process and rate increases;

5. Provide direct access to locally elected policy makers for the water operations;

6. Allow the Town to pursue grant funding and other types of financing for any future infrastructure needs, including grants and financing options which the CPUC does not allow private company to include in their rate base (such that private companies do not pursue advanced planning and investment for infrastructure);

7. Ensure better coordination amongst Town decisions involving land use, emergency services, policy, the location and need for capital improvements, and overall planning in the water context; and

8. Enable the Town to use reclaimed water for public facilities without invoking potential duplication of service issues with Apple Valley Ranchos Water Company.

The evaluation of environmental impacts in Chapter 4.0, *Environmental Impact Analysis*, concludes that the proposed Project would not result in temporary or permanent significant and unavoidable effects for any of the environmental issue areas identified in Appendix G of the

State CEQA Guidelines. However, a range of feasible alternatives to the proposed Project was developed to provide additional information and flexibility to the decision-makers when considering the proposed Project.

The following alternatives are evaluated in this EIR:

- Alternative 1: No Project
- Alternative 2: Alternative Operator – City of Victorville
- Alternative 3: Alternative Operator – City of Hesperia
- Alternative 4: Operated by Apple Valley, Alternative O&M Facility

A more detailed description of the alternatives is included in the impact analysis for each alternative. As required by CEQA, this section also includes a discussion of the "environmentally superior alternative" among those studied.

6.1 ALTERNATIVE 1: NO PROJECT

6.1.1 Description

The No Project alternative assumes that the proposed acquisition of the Apple Valley Ranchos Water System by the Town of Apple Valley would not occur. Under this alternative, Apple Valley Ranchos Water Company would continue to operate and maintain the system from its existing facilities. The No Project Alternative would not achieve any of the project objectives because it would not allow the Town to independently own and operate a water system, provide greater local control over the system and the rate setting process, enhance customer service and responsiveness, allow the Town to pursue grant funding related to operation of a water system, ensure better coordination amongst Town decisions involving land use, emergency services, policy, the location and need for capital improvements and overall planning in the water context, enable the Town to use reclaimed water for public facilities without duplicating service issues with Apple Valley Ranchos Water Company, or improve public transparency and accountability.

6.1.2 Impact Analysis

The No Project alternative would avoid all of the less than significant environmental impacts associated with the proposed Project and would maintain the current ownership and operational regime for the AVR System. In reality the less than significant impacts under Air Quality, Greenhouse Gas Emissions, Noise and Transportation/Traffic under the proposed Project, would be the same as under existing conditions (i.e. the No Project Alternative), since no change in operation or maintenance activities would occur. No change in demand for groundwater supplies would occur. While this alternative would not conflict with current General Plan policies, it also would not assist in the pursuit of some of the policies provided in the General Plan by reducing the coordination required on water issues. Therefore, the No Project alternative would be slightly worse than the proposed Project in relation to land use, although any land use impact resulting from the No Project alternative would remain less than significant.

6.2 ALTERNATIVE 2: ALTERNATIVE OPERATOR – CITY OF VICTORVILLE

6.2.1 Description

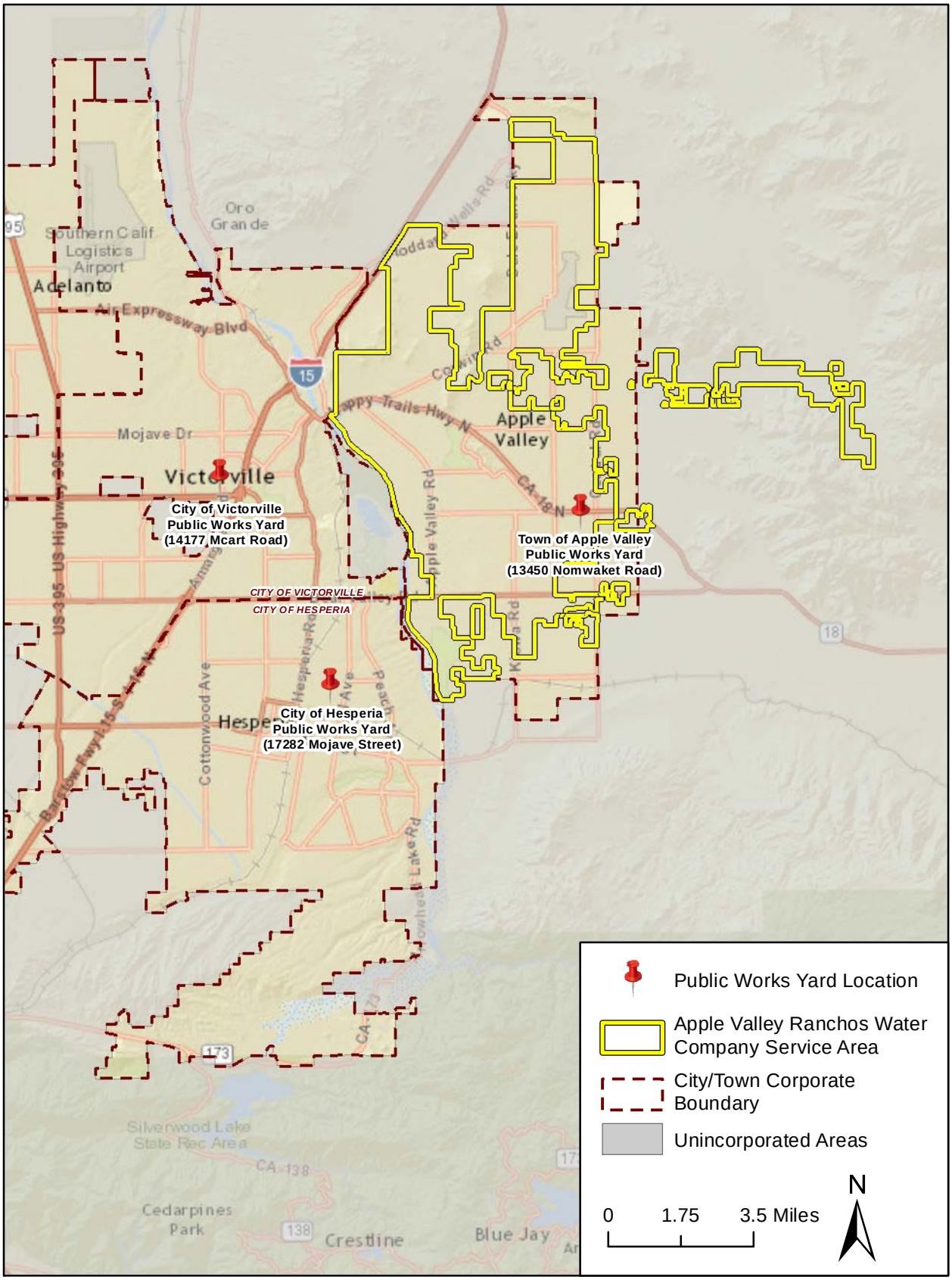
Alternative 2 (Alternative Operator – City of Victorville) assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would proceed but that the City of Victorville Public Works Department would be contracted to operate and maintain the System. The assumed location where these operations and maintenance activities would be based is the City of Victorville Public Works Yard located at 14177 Mc Art Road in Victorville; located approximate four miles from the western border of the AVR System Service Area (see Figure 6-1). The size of the system and the associated infrastructure would be the same as under the proposed Project and no substantial construction would occur. Therefore, the number of vehicle trips required to operate the system as well as the timing of those trips from the Victorville Public Works Yard are assumed to be the same as if the system were operated by the Town of Apple Valley, as described in Section 2.0, *Project Description*. This alternative would achieve all of the stated project objectives, with the exception of the objective to operate the system listed in Objective 1.

6.2.2 Impact Analysis

The comparison of the environmental impacts of Alternative 2 to those of the proposed Project are presented below. To be clear, none of the potential environmental impacts resulting from the proposed Project or from Alternative 2 would be significant. Instead, and although Alternative 2 has environmental impacts that may be slightly greater or less than those of the proposed Project, all of the impacts of Alternative 2 are fully analyzed in this Draft EIR and would remain less than significant

Air Quality. Alternative 2 would relocate operations and maintenance activities to a location outside Apple Valley, potentially leading to an increase in vehicular trip length and distribution, and therefore also lead to an increase in mobile source emissions. The Victorville Public Works Yard is located approximately four miles from the AVR System's western boundary. The existing AVR System O&M Facility is located within the AVR System Service Area and is the current base for existing operations and maintenance activities. In order to operate the system from the Victorville Public Works Yard an estimated additional 79,040 annual vehicle miles travelled would be required to operate the AVR System from Victorville. This is based on the distance from the western boundary of the system to the Victorville Public Works Yard and assumes that each of the 19 field staff would make two service calls to and from the Public Works Yard per day. Mileage traveled within the service area is excluded to account for the fact that those trips are already occurring, as discussed in Section 4.1, *Air Quality*, as is mileage generated by employees traveling to and from their residences. The greater distance of the Victorville Public Works Yard to the AVR System service area would therefore potentially increase vehicle miles traveled (VMT) associated with operations and maintenance activities when compared to the proposed Project, resulting in an incremental increase in associated air quality emissions from mobile sources.

Impacts to air quality would therefore be greater than from the proposed Project.



Public Works Yard Locations Figure 6-1

Greenhouse Gas Emissions. Alternative 2 would potentially increase the VMT associated with operation and maintenance of the AVR System, given the greater distance of the Victorville Public Works Yard to the AVR System service system. Therefore, impacts would increase when compared to the proposed Project, but would remain less than significant given the minor increase in distance that would occur under Alternative 2.

Similar to the proposed Project, this alternative would involve operation and maintenance of an existing water supply system. As such, it would not conflict with California GHG reduction goals, or any applicable plan, policy, or regulation adopted for the purpose of reducing GHG emissions. This impact would be less than significant, similar to the proposed Project.

Hydrology and Water Quality. No new facilities are proposed as part of Alternative 2; therefore, an increase in impermeable surfaces within the Project Area would not occur and thus there would be no reduction in groundwater recharge, similar to the proposed Project.

As in the case of the Town of Apple Valley, if Victorville were contracted to operate and maintain the AVR System it is anticipated that Demand Management Measures (DMMs) would be implemented for the AVR System and that continued improvements in conservation would be achieved even if rates charged are less than would have been charged by Apple Valley Ranchos Water Company. Thus, the requirement to comply with the mandated reduction of the California Water Conservation Act will drive a reduction in water use throughout the AVR System, even if the price charged for water is less than under Apple Valley Ranchos Water Company ownership. As a result, increased demand for groundwater supplies would not occur as a result of Alternative 2 and impacts would be less than significant, similar to the proposed Project.

Land Use. Similar to the proposed Project, this alternative would involve operation and maintenance of an existing water supply system. As such, it would not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect. This impact would be less than significant, similar to the proposed Project.

Noise. Alternative 2 could increase traffic and associated noise levels along area roadways in and around the Project Area, including in the vicinity of the City of Victorville Public Works Yard, potentially exposing existing and future land uses to increased noise. The estimated number of trips leaving or entering the site during the peak hour is 58 (20 office employees and 19 field staff arriving for work; 19 field staff leaving for service calls) of the estimated ADT of 154. Given the minimal number of trips associated with operation of the system relative to the level of existing traffic along most roadways in the Project Area, increases in noise levels associated with Alternative 2 would not be noticeable, and would therefore not expose sensitive receptors to noise levels exceeding applicable standards in the Town of Apple Valley, City of Victorville or surrounding area. Impacts would therefore be less than significant, though slightly greater than the proposed Project.

Transportation/Traffic. Implementation of Alternative 2 would contribute trips to the local street network. It should be noted that while these trips would be slightly longer, they would not be "new" trips, but instead would be trips redistributed along the network due to the relocation of operation and maintenance activities to the Victorville Public Works Yard.

Conservatively assuming that all trips associated with operation of the system are in fact new, Alternative 2 would contribute no more than 58 trips at any one intersection in each of the peak hours, which equates to approximately one trip every minute. Similar to the proposed Project, this minor increase in trip volume along area roadways would not be anticipated to degrade LOS at any intersection. Impacts would therefore be less than significant, similar to proposed Project.

Utilities and Service Systems. Operation and maintenance of the system by the City of Victorville would not result in alterations to the service provided or the number of connections to the system. In addition, in the unlikely event water rates are reduced when compared to the current rates charged by Apple Valley Ranchos Water System, this would not be expected to result in an increase in demand on the water supply as discussed above under *Hydrology and Water Quality*. Therefore, implementation of Alternative 2 would not result in a commensurate increase in demand for wastewater treatment or need for an increase in capacity of the stormwater conveyance. Impacts would therefore be less than significant, similar to the proposed Project.

6.3 ALTERNATIVE 3: ALTERNATIVE OPERATOR – CITY OF HESPERIA

6.3.1 Description

Alternative 3 (Alternative Operator – City of Hesperia) assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would proceed but that the Town would not operate and maintain the system. Instead the City of Hesperia Public Works Department would be contracted to operate and maintain the system. The assumed location for operations and maintenance activities to be based would be the City of Hesperia Public Works Yard located at 17282 Mojave St, Hesperia approximately three miles from the southwestern border of the AVR System service area (see Figure 6-1). The size of the system and the associated infrastructure would be the same as under the proposed Project and no substantial construction would occur. Therefore, the number of vehicle trips required to operate the system as well as the timing of those trips from the Hesperia Public Works Yard are assumed to be the same as if the system were operated by the Town of Apple Valley, as described in Section 2.0, *Project Description*. This alternative would achieve all of the stated project objectives, except the objective to operate the system.

6.3.2 Impact Analysis

The comparison of the environmental impacts of Alternative 3 to those of the proposed Project are presented below. To be clear, none of the potential environmental impacts resulting from the proposed Project or from Alternative 3 would be significant. Instead, and although Alternative 3 has environmental impacts that may be slightly greater or less than those of the proposed Project, all of the impacts of Alternative 3 are fully analyzed in this Draft EIR and would remain less than significant.

Alternative 3 would relocate operations and maintenance activities to a location outside Apple Valley, potentially leading to an increase in vehicular trip length and distribution, and therefore also lead to an increase in mobile source emissions. The Hesperia Public Works Yard, located at 17282 Mojave St, is located approximately three miles from the southwestern border of the AVR System service area. The existing AVR System O&M Facility is located within the AVR System Service Area and is the current base for existing operations and maintenance activities. In order to operate the system from the Hesperia Public Works Yard an estimated additional 59,280 annual vehicle miles travelled would be required to operate the AVR System from Hesperia. This is based on the distance from the southwestern boundary of the system to the Hesperia Public Works Yard and assumes that each of the 19 field staff would make two service calls to and from the Public Works Yard per day. Mileage traveled within the service area is excluded

to account for the fact that those trips are already occurring, as discussed in Section 4.1, *Air Quality*, as is mileage generated by employees traveling to and from their residences. The greater distance of the Hesperia Public Works Yard to the AVR System service area would potentially increase vehicle miles traveled (VMT) associated with operations and maintenance activities when compared to the proposed Project, resulting in an incremental increase in associated air quality emissions from mobile sources. As discussed in Section 4.1, *Air Quality*, not all of the trips associated with operations and maintenance activities would be new, but instead would be redistributed trips that are currently being generated during operation and maintenance of the system by GSWC.

Impacts to air quality would therefore be greater than from the proposed Project.

a. Greenhouse Gas Emissions.

Alternative 3 would potentially increase the VMT associated with operation and maintenance of the AVR System, given the increase in distance between the Hesperia Public Works Yard and the AVR System service area. Therefore, impacts would increase when compared to the proposed Project, but would remain less than significant given the minor increase in distance that would occur under Alternative 3.

Similar to the proposed Project, this alternative would involve operation and maintenance of an existing water supply system. As such, it would not conflict with California GHG reduction goals, or any applicable plan, policy, or regulation adopted for the purpose of reducing GHG emissions. This impact would be less than significant, similar to the proposed Project.

b. Hydrology and Water Quality.

No new facilities are proposed as part of Alternative 3; therefore, an increase in impermeable surfaces within the Project Area would not occur and thus there would be no reduction in groundwater recharge, similar to the proposed Project.

Similar to the Town of Apple Valley, should Hesperia be contracted to operate and maintain the AVR System it is anticipated that DMMs would be implemented for the AVR System and that continued improvements in conservation would be achieved even if rates charged are less than would have been charged by Apple Valley Ranchos Water Company. Thus, the requirement to comply with the mandated reduction of the California Water Conservation Act will drive a

reduction in water use throughout the AVR System, even if the price charged for water is less than under Apple Valley Ranchos Water Company ownership. As a result, increased demand for groundwater supplies would not occur as a result of Alternative 3 and impacts would be less than significant, similar to the proposed Project.

c. Land Use.

Similar to the proposed Project, this alternative would involve operation and maintenance of an existing water supply system. As such, it would not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect. This impact would be less than significant, similar to the proposed Project.

d. Noise.

Alternative 3 could increase traffic and associated noise levels along area roadways in and around the Project Area, in particular in the vicinity of the City of Hesperia Public Works Yard, potentially exposing existing and future land uses to increased noise. The estimated number of trips leaving or entering the site during the peak hour is 58 (20 office employees and 19 field staff arriving for work; 19 field staff leaving for service calls) of the estimated ADT of 154; equating to approximately one trip every minute during the peak hour only. Given the minimal number of trips associated with operation of the system relative to the level of existing traffic along most roadways in the Project Area, increases in noise levels associated with Alternative 3 would not be noticeable, and would therefore not expose sensitive receptors to noise levels exceeding applicable standards in the Town of Apple Valley, City of Hesperia or surrounding area. Impacts would therefore be less than significant, though slightly greater than the proposed Project.

e. Transportation/Traffic.

Implementation of Alternative 3 would contribute trips to the local street network. It should be noted that while these trips would be slightly longer, these would not be "new" trips but rather trips redistributed along the network due to the relocation of operation and maintenance activities to the Hesperia Public Works Yard. Conservatively assuming that all trips associated with operation of the system are in fact new, Alternative 3 would contribute no more than 58 trips at any one intersection in each of the peak hours, which equates to approximately one trip every minute. Similar to the proposed Project, this minor increase in trip volume along area roadways would not be anticipated to degrade LOS at any intersection. Impacts would therefore be less than significant, similar to proposed Project.

f. Utilities and Service Systems.

Operation and maintenance of the system by the City of Hesperia would not result in alterations to the service provided or the number of connections to the system. In addition, in the unlikely event water rates are reduced when compared to the current rates charged by Apple Valley Ranchos Water System, this would not be expected to result in an increase in demand on the water supply as discussed above under *Hydrology and Water Quality*. Therefore,

implementation of Alternative 3 would not result in a commensurate increase in demand for wastewater treatment or need for an increase in capacity of the stormwater conveyance. Impacts would therefore be less than significant, similar to the proposed Project.

6.4 ALTERNATIVE 4: OPERATED BY APPLE VALLEY, ALTERNATE O&M FACILITY

6.4.1 Description

Alternative 4 (Operated by Apple Valley at an Alternate O&M Facility) assumes that the proposed acquisition of the AVR System by the Town of Apple Valley would proceed and the Town would operate and maintain the system. However, under this alternative rather than continuing to use the current AVR System O&M facility as the base for all operations and maintenance activities, the majority of these would be relocated to the Town of Apple Valley Public Works Yard located at 13450 Nomwaket Road (see Figure 6-1). The only exception would be for equipment and material storage, which would continue at the existing AVR System O&M facility. The size of the system and the associated infrastructure would be the same as under the proposed Project and construction of new or expanded facilities would not be required to facilitate the proposed Project. Therefore, the number of vehicle trips required to operate the system as well as the timing of those trips are assumed to be the same as if the system were operated by the Town out of the AVR System O&M facility, as described in Section 2.0, *Project Description*. This alternative would achieve all of the stated project objectives.

6.4.2 Impact Analysis

The comparison of the environmental impacts of Alternative 4 to those of the proposed Project are presented below. To be clear, none of the potential environmental impacts resulting from the proposed Project or from Alternative 4 would be significant. Instead, and although Alternative 4 has environmental impacts that may be slightly greater or less than those of the proposed Project, all of the impacts of Alternative 4 are fully analyzed in this Draft EIR and would remain less than significant.

a. Air Quality.

Similar to the proposed Project, Alternative 4 would maintain operations and maintenance activities within the AVR System service area. Because these activities would remain within the service area, trips associated with operations and maintenance activities are currently part of the existing baseline. While some redistribution of trips within the service area would occur these trips would not be "new", but instead would be redistributed trips that are currently being generated during operation and maintenance of the system by Apple Valley Ranchos Water Company. This would result in a broadly similar number of miles traveled (VMT) associated with operations and maintenance activities when compared to the proposed Project; therefore, no new air emissions from mobile sources would be generated.

Impacts to air quality would therefore be less than significant, similar to the proposed Project.

b. Greenhouse Gas Emissions.

Alternative 4 would result in a similar number of VMT associated with operation and maintenance of the AVR System as the proposed Project, given the fact that the operations and maintenance activities would be based out of a location within the AVR System service area. As discussed in Section 4.2, *Greenhouse Gas Emissions*, these are part of the current baseline since mobile trips associated with operation of the AVR System currently occur. Therefore, impacts would be similar to the proposed Project, and would remain less than significant.

Similar to the proposed Project, this alternative would involve operation and maintenance of an existing water supply system. As such, it would not conflict with California GHG reduction goals, or any applicable plan, policy, or regulation adopted for the purpose of reducing GHG emissions. This impact would be less than significant, similar to the proposed Project.

c. Hydrology and Water Quality.

No new facilities are proposed as part of Alternative 4; therefore, an increase in impermeable surfaces within the Project Area would not occur and thus there would be no reduction in groundwater recharge, similar to the proposed Project.

Similar to the proposed Project, should the Town of Apple Valley operate the system out of an alternate location, it is anticipated that DMMs would be implemented for the AVR System and that continued improvements in conservation would be achieved even if rates charged are less than would have been charged by Apple Valley Ranchos Water Company. Thus, the requirement to comply with the mandated reduction of the California Water Conservation Act will drive a reduction in water use throughout the AVR System, even if the price charged for water is less than under Apple Valley Ranchos Water Company ownership. As a result, increased demand for groundwater supplies would not occur as a result of Alternative 4 and impacts would be less than significant, similar to the proposed Project.

d. Land Use.

Similar to the proposed Project, this alternative would involve operation and maintenance of an existing water supply system. As such, it would not conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project adopted for the purpose of avoiding or mitigating an environmental effect. This impact would be less than significant, similar to the proposed Project.

e. Noise.

Alternative 4 could potentially redistribute traffic and associated noise levels along area roadways in and around the Project Area, including the vicinity of the Apple Valley Public Works Yard, potentially exposing existing and future land uses to localized increases in noise. The maximum estimated number of trips leaving or entering the site during the peak hour is 58 (20 office employees and 19 field staff arriving for work; 19 field staff leaving for service calls) of the estimated ADT of 154; equating to approximately one trip every minute. However, in the

case of the alternative, the number could be less given that some employees may travel directly to the existing AVR System O&M facility rather than to the Apple Valley Public Works Yard. In either case, given the minimal number of trips associated with operation of the system relative to the level of existing traffic along most roadways in the Project Area, increases in noise levels associated with Alternative 4 would not be noticeable, and would therefore not expose sensitive receptors to noise levels exceeding applicable standards in the Town of Apple Valley. Impacts would therefore be less than significant, similar to the proposed Project.

f. Transportation/Traffic.

Implementation of Alternative 4 would redistribute existing trips associated with operation and maintenance of the AVR System along the local street network, due to the relocation of most operation and maintenance activities to the Apple Valley Public Works Yard. Given that these trips would remain within the AVR System service area, little to no increase in VMT is anticipated to occur. Conservatively assuming that all trips associated with operation of the system are in fact new, Alternative 4 would contribute no more than 58 trips at any one intersection in each of the peak hours, which equates to approximately one trip every minute. Similar to the proposed Project, this minor increase in trip volume along area roadways would not be anticipated to degrade LOS at any intersection. Impacts would therefore be less than significant, similar to proposed Project.

g. Utilities and Service Systems.

Similar to the proposed Project, operation and maintenance of the system by the Town would not result in alterations to the service provided or the number of connections to the system. In addition, this alternative would not be expected to result in an increase in demand on the water supply as discussed above under *Hydrology and Water Quality*. Therefore, implementation of Alternative 4 would not result in a commensurate increase in demand for wastewater treatment or need for an increase in capacity of the stormwater conveyance. Impacts would therefore be less than significant, similar to the proposed Project.

6.5 ENVIRONMENTALLY SUPERIOR ALTERNATIVE

This section evaluates the impact conclusions for the proposed Project and the four alternatives under consideration. It then identifies the environmentally superior alternative. In accordance with the *State CEQA Guidelines*, if the No Project Alternative is identified as the environmentally superior alternative, the alternative among the remaining scenarios that is environmentally superior must also be identified.

Table 6-1 shows whether each alternative's environmental impact is greater, lesser, or similar to the proposed Project for each issue area.

Table 6-1
Comparison of Project Alternatives to Proposed Project

Impact Category	No Project Alternative	Alt 2 (Victorville)	Alt 3 (Hesperia)	Alt 4 (Alt O&M)
Air Quality	=	-	-	=
Greenhouse Gas Emissions	=	-	-	=
Hydrology and Water Quality	=	=	=	=
Land Use	-	=	=	=
Noise	=	-	-	=
Transportation/Traffic	=	=	=	=
Utilities/Service Systems	=	=	=	=

\+ *Superior to the proposed project*
\- *Inferior to the proposed project*
= *Similar impact to the proposed project*

As described above and in Section 4.0, *Environmental Impact Analysis*, no significant impacts would result from implementation of the proposed Project or any of the alternatives considered. Generally, the proposed Project is environmentally preferable to any of the alternatives analyzed in this EIR. Based on the comparison provided in Table 6-1, there is no clearly Environmentally Superior Alternative to the proposed Project; however, of the alternatives considered, Alternative 4 is considered to be Environmentally Superior since it is similar in impact level to the proposed Project for all issue areas analyzed in the EIR.

The No Project alternative (Alternative 1) would be similar though slightly less preferable to the proposed Project as this alternative, while consistent with the current land use policy framework, would not provide some of the consistency benefits of the proposed Project. It also would not accomplish any of the objectives of the proposed Project, including: allowing the Town to independently own and operate a water system, providing greater local control over the system and the rate setting process, enhancing customer service and responsiveness, allowing the Town to pursue grant funding related to operation of a water system, ensuring better coordination amongst Town decisions involving land use, emergency services, policy, the location and need for capital improvements, and overall planning in the water context, enabling the Town to use reclaimed water for public facilities without duplicating service issues with Apple Valley Ranchos Water Company, or improving public transparency and accountability.

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7.2 PERSONS CONTACTED

David Seielstad, Senior Watermaster Technician, Mojave Water Agency, September 9, 2015

7.3 LIST OF PREPARERS

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8 COMMENTS AND RESPONSES/ ERRATA

8.1 COMMENTS AND RESPONSES

This section includes comments received during the circulation of the Draft Environmental Impact Report (EIR) for the Apple Valley Ranchos Water System Acquisition Project; responses to the comments on the Draft EIR; and corrections and information added to the Final EIR, where appropriate, in response to comments related to the proposed Project's environmental effects. Corrections or additional text discussed in the responses to comments are also shown in the text of the Final EIR in strikeout (for deleted text) and underline (for added text) format. Other minor clarifications and corrections to typographical errors are also shown as corrected in this format, including corrections not based on responses to comments. These changes do not introduce new information or otherwise affect the analysis or conclusions of the EIR and thus do not require recirculation under State CEQA Guidelines § 15088.5.

The Draft EIR was circulated for a 45+-day public review period that began on September 18, 2015 and concluded on November 2, 2015. The Town of Apple Valley received seven comment letters on the Draft EIR. Commenters and the page number on which each commenter's letter can be found are listed below in Table 8-1.

Table 8-1
Comments Received for the Draft EIR

Number	Name	Affiliation	Date	Page
Agency Comment Letters				
1	Nidham Aram Alrayes	San Bernardino County Public Works	11/2/2015	147
Public Comment Letters				
2	Al Rice	Public	10/13/2015	149
3	David Mueller	Public	10/23/2015	156
4	Al Rice	Public	10/29/2015	168
5	Greg Raven	Public	11/1/2015	183
6	Leanne Lee	Public	11/2/2015	198
7	Kevin H. Brogan	Hill, Farrer & Burrill	11/2/2015	209

The comment letters and the Town's responses follow. Each comment letter has been numbered sequentially and each separate issue raised by the commenter, if more than one, has also been assigned a number. The responses to each comment identify first the number of the comment letter, and then the number assigned to each issue (Response 2.1, for example, indicates that the response is for the first issue raised in Comment Letter 2).

8.1.1 Global Responses

Several comments that the Town received address similar topics. For these comments, Global Responses have been prepared and are presented below. Throughout the Responses to

Comments, when comments pertain to these topics, the reader is directed to the Global Response, with supplemental responses also provided in response to specific comments as warranted.

Global Response 1: Economic and Social Impacts

Several commenters allege the operation of the proposed Project may cause economic impacts in the form of potential future changes in water rates. According to State CEQA Guidelines Section 15358(b), and EIR's analysis must be "related to physical changes" in the environment, not economic conditions. State CEQA Guidelines Section 15131(a) does not require an analysis of a project's social or economic effect because such impacts are not, in and of themselves, considered significant effects on the environment. Indeed, "evidence of economic and social impacts that do not contribute to or are not caused by physical changes in the environment is not substantial evidence that the project may have a significant effect on the environment." (CEQA Guidelines, § 15064(f)(6).)

Here, several commenters stated that acquisition, operation, and/or maintenance of the Project may result in increased costs and corresponding increases in water rates. While the Town fully expects water rates to remain stable, and stabilizing rates is one of the purposes behind the Town's consideration of the Project (*see* Draft EIR, § 4.3.2(b)), any change in water rates would necessarily be "economic" and not "environmental." Moreover, as discussed further below in Master Response #2, it would be too speculative to analyze any potential environmental impacts associated with a potential future change in water rates at this time. Rather, such an environmental analysis would appropriately be conducted if and when such rate changes are proposed in the future. As a result, the Town is not required to analyze any economic impact associated with a change in water rates in its EIR. Nonetheless, economic and social impacts, although not pertinent to the CEQA analysis, may be taken into consideration by the decision-makers on the proposed project – here, the Town Council.

Global Response 2: Reasonably Foreseeable Environmental Impacts

Several commenters allege the EIR failed to adequately analyze potential environmental impacts associated with the changes in water rates and water usage that would allegedly occur in the future as a result of the Town's potential acquisition, operation, and maintenance of the AVR System. Here, as fully discussed in the Draft EIR, one objective of the proposed Project is to provide greater control over local control over water pricing and rates. (Draft EIR, 4.3.2(b).) If this objective is accomplished, water pricing may be reduced in the long term or, as is more likely, would not rise as rapidly as would have occurred under the system's current private ownership – thus stabilizing water rates that have historically increased over time. (*Id.*) While the Town believes this would provide many benefits to its residents and the region, that benefit would merely preserve the existing baseline environmental conditions that already exist in the area. The flat conclusions offered by several commenters that impacts would result from future changes in water rates (if any) are unsupported by any substantial evidence. Furthermore, such conclusions are pure speculation in that they assume that at some unknown future time, the Town will propose a change in water rates of an unidentified magnitude, which will allegedly result in as-yet-unknown changes in water use volumes or patterns that will allegedly result in

some unidentified environmental impacts. Such speculation on potential future activities and impacts is not required by CEQA. (State CEQA Guidelines, §15145.)

Similarly, several commenters claim that impacts may occur as a result of future operational changes and system improvements. Again, the Town is not proposing any changes in existing operations or the construction of any system improvements, nor are alterations to operations or the physical system reasonably foreseeable at this time. Instead, and to the extent the Town approves the Project, the Town would study, propose, and evaluate any such changes (as necessary) on a forward going basis. Until and unless any specific operational changes or system improvements are proposed, it would be speculative to attempt and predict what new impacts (or reductions in existing impacts) may occur and what the magnitude of those changes may be. Indeed, even where – unlike here – a public utility *had* identified millions of dollars of near-term and foreseeable improvements that would be necessary following an ownership transfer, CEQA review of those improvements was found to be premature and unnecessary. (See California Public Utilities Commission D.15-01-053, dated February 3, 2015 [finding that transferring ownership from Yermo Water Company to Apple Valley Ranchos Water Company was entirely *exempt* from any CEQA review whatsoever, even though Apple Valley Ranchos Water Company had identified $7.7 million of specific upgrades that would be undertaken immediately following the title transfer]; see also California Public Utilities Commission Resolution W-4998, dated August 29, 2014 and amended February 3, 2015.) The rationale for that conclusion was that there was uncertainty surrounding the improvements and the conclusion that CEQA review would be undertaken when and if such improvements were proposed in the future. Here, and unlike those proceedings, the Town has not identified any proposed changes to operation or to the physical system, nor are any reasonably foreseeable. Finally, and even assuming that system improvements were anticipated in the near-term, the need for those improvements would exist whether the Project was approved or not. Thus, any impacts from those system improvements necessarily would also be part of the "No Project" alternative analyzed in the EIR and would occur regardless of the Project.

Specifically, the scope of an EIR's analysis is guided by standards of reasonableness and practicality. (*Environmental Council of Sacramento v. City of Sacramento* (2006) 142 Cal.App.4th 1018.) An EIR's evaluation need not be exhaustive. (State CEQA Guidelines, § 15151; *City of Long Beach v. Los Angeles Unified Sch. Dist.* (2009) 176 Cal.App.4th 889, 898.) In fact, courts have held that EIRs cannot and need not be perfect. (*Banning Ranch Conservancy v. City of Newport Beach* (2012) 211 Cal.App.4th 1209, 1228.)

The level of specificity required of an EIR generally depends on the degree of specificity involved in the proposed activity reviewed in the EIR. (State CEQA Guidelines, § 15146.) For example, lead agencies need not undertake a premature or speculative evaluation of the environmental consequences of undefined future projects. (*Id.*; *see also Friends of the Sierra RR v. Tuolumne Park Rec Dist.* (2007) 147 Cal.App.4th 643, 657 [finding there was no project to analyze under CEQA, even though it was probably that lands transferred to a Native American tribe would be developed in the future, because there were "no specific plans on the table"].) It is for that reason that an analysis of the future actions should be undertaken when the future actions are sufficiently well defined that it is feasible to evaluate their potential impacts. (State CEQA Guidelines, § 15004 [analysis is required only once there is enough information to allow for "meaningful" environmental analysis.)

It is for that reason that the Draft EIR set forth in Section 4.3.2(b) that "[r]educed water pricing could potentially result in increased water usage, as it is generally accepted that water use can increase with decreased cost, and decrease with increased cost." However, it would be inherently too speculative at this time to numerically predict changes in water usage based on potential future changes in water rates. As explained in the Draft EIR, this is because "the amount of change in water use responding to changes in water cost can be a function of several factors including but not limited to: the availability of alternate water sources, price range and elasticity, and customer knowledge and understanding of bill information." (Draft EIR, § 4.3.2(b).) Nonetheless, to fully address the issue consistent with the limitations State CEQA Guidelines Section 15145, the Draft EIR provided an extensive discussion relating to this issue and potential opportunities the Town may employ to address it. (*See* Draft EIR, 4.3.2(b).)

Similarly, it would be speculative to attempt and predict what operational changes and/or system upgrades may become necessary at some future date. Nonetheless, the EIR describes the existing system and summarizes its current operational characteristics for purposes of meeting CEQA's informational disclosure requirements.

8.1.2 Individual Responses

Individual comment letters and associated responses are included below.

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www.SBCounty.gov

SAN BERNARDINO COUNTY

Department of Public Works
Environmental & Construction • Flood Control
Operations • Solid Waste Management
Surveyor • Transportation

Gerry Newcombe
Director

November 2, 2015

Town of Apple Valley
Attn: Lori Lamson
Assistant Town Manager
14955 Dale Evans Parkway
Apple Valley, CA. 92307
applevalley@applevalley.org

File: 10(ENV)-4.01

RE: CEQA – NOTICE OF AVAILABILITY OF A DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE APPLE VALLEY RANCHOS WATER SYSTEM ACQUISITION PROJECT FOR THE TOWN OF APPLE VALLEY 1-1

Dear Ms. Lamson:

Thank you for giving the San Bernardino County Department of Public Works the opportunity to comment on the above-referenced project. **We received this request on September 22, 2015** and pursuant to our review, we have no comments.

Sincerely,

NIDHAM ARAM ALRAYES, MSCE, PE, QSD/P
Public Works Engineer III
Environmental Management

NAA:PE:sr\CEQAComment_AppleValley_DEIR_RanchosWaterSys_2015-11-02.docx

Letter.1

COMMENTER: Nidham Aram Alrayes, San Bernardino County Public Works

DATE: November 2, 2015

RESPONSE:

Response 1.1

This comment letter indicates that the San Bernardino County Public Works Department received the Notice of Availability, and pursuant to its review does not have any comments on the proposed Project.

19250 Red Feather Road
Apple Valley, CA 92307

October 13, 2015

Lori Lampson
Assistant Town Manager
Town of Apple Valley
14955 Dale Evans
Apple Valley, CA 92307

Re: Apple Valley Ranchos Water System Acquisition Project Draft Environmental Impact Report (DEIR)

Dear Officials:

I have re-read, reviewed and thoroughly studied the subject 134++ page DEIR for several days now. I am very disappointed in the product's detailed, **very apparent superficial contents** (Noise and Air Quality do provide some environmental-related details). The management of this Project continues to exhibit defects from the initial launching deficiencies to the current date. I will provide details supporting this conclusion providing examples of ineptness and wrongful efforts regarding this very important step regarding the potential acquisition of Apple Valley Ranchos Water System. It is NOT MY INTENT to perform the expected Consultant's Environmental Impact work performance, but this Project effort is considered as **Critical to the residents of Town of Apple Valley,** specifically the 22,431 connection customers. The DEIR contents reflects that the Consultant is not appropriately familiar with the High Desert, specifically the Apple Valley Ranchos Service area environmental and planning issues and that the **Town of Apple Valley has not contributed significantly** to the Environmental Impacts as deemed important to Report's analysis and overall conclusions. The following are just a few of the many defects involving issues currently under consideration with DEIR: 2.1

1.The Town's Attorney submitted a Staff Report dated May 26, 2015 to request Town Council Authorization to Contract with an environment and planning firm for preparation of the necessary environment document to study the Town's potential acquisition and operation of the Apple Valley Ranchos Water Company system. This uncommon practice which on the surface may be a Conflict of Interest beyond the normal/regular purview of a Town/City Attorney and now by an individual who is also is a Partner in the firm of Best Best & Krieger. Why did the Town Council obfuscate and delegate the Project's contract management and allow a no-bid hidden from public view contract? The BB&K firm also represents the TOAV before the CPUC rate protests, etc. and receives litigation payments frequently. 2.2

2. The Initial Study Scoping Meeting was very defective as has been previously documented. The morning of the July 7, 2015 meeting, the Town Manager said that there was "No Document" and only 2 copies were provided 5 minutes prior to the evening meeting. Several of the 23 attendees voiced strong verbal comment objections. (The document was provided following the meeting on the Town's website.) The Town Manager attended the scheduled meeting, but departed about 30 minutes later. At the second hour of the 5-7 p.m. session, a person arrived with a slick cover, **(Actual copy)** of the document and **provided informed comments to news reporters. WHY?** A second Scoping Meeting was announced several weeks later and conducted with about 30 attendees. 2.3

3. Page 8 of Report states that 29 written comments were received, but only 25 were tabulated. What occurred with the other 4 and the other Verbal Comments also provided, but are not mentioned at all. **Why were they not addressed in DEIR? As I recall, one comment suggested an additional Alternative that has not been addressed.** The DEIR has separated my August 9, 2015 cover letter and its reported Appendices so any review of these comments may be confusing to understand related to its details. 2.4

4. The DEIR has defects in labeling throughout in the many uses of the term "Initial Study" whereas the DEIR Appendix A inclusion states that **it is an "Amended Study."** Additionally the Amended Study cover and pages 1-8 contain the heading of "Amended Study," but pages 9-40 are labeled as "Initial Study." It is noted that page 3 contains 2 narrative changes which are underlined. This page-heading situation is confusing and not considered as appropriate Report documentation annotation. 2-5

5. Pages 84 and 126 notes that an observer provides a simple count of 58 vehicle trips were tabulated going from and to the Ranchos M&O facility on some unspecified date. No vehicle description or purpose was documented. Additionally the report states that the parking lot provided space for "Guests" which is a Hospitality Industry term. Isn't parking spaces actually provided and utilized for "Customers", a Critical Business Use of Ranchos Water Company. What number of parking spaces are provided from the observation? This Observation activity is evaluated as being only minimum **superficially useful** in this study of environmental analysis and demonstrates defective Project leadership at best. How can this simple observation lead to that Alternative # 4 **becomes the Report's Superior Alternative** as stated on pages 3, 129, etc.? **UNBELIEVABLE that a conclusion from just a brief look at a facility from across the street!** 2-6

6. **Response to Comments** I provided which are noted on pages 12-13 detailing suggestions to acquiring additional mailings and notifications **are incomplete** and deemed important to acquisition of additional High Desert Environmental expertise involvement which is very apparently lacking. My July 17, 2015 details to include **additional recipients are not addressed in detail** and are reflective in the Environmental Quality Responses to date and the critical DEIR current deficient Environmental contents throughout. (I did mail Notices myself.) The DEIR is written by what I consider is a superficial first-year College writing task and not a highly-analytical study in-depth details of the Environmental and Planning issues involving the Apple Valley area. Why no real follow-through analysis to my comments? 2-7

7. Page 4 regarding Apple Valley News of August 1, 2015 article regarding **"Valley Fever"** received a comment that it would be addressed in Section 4.1 (Air Quality). It is was not mentioned, but ignored, even though it is known as a Hazardous Environment issue and should be addressed in DEIR (Air Quality Section pages 43-51). **The Federal Environmental Protection Agency has been issuing articles also.** 2-8

8. DEIR pages 121-127 provides a narrative and Factoids for Alternatives 2 (City of Victorville Public Works facility 4 miles from Western boarder of AVRWC) and Alternative 3 (City of Hesperia Public Works facility 3 miles from southwestern boarder of AVRWC). This analysis does not meet the State CEQA Section 15126.6(a) Guidelines regarding Feasibility minimum-level test. This construct also verifies the level of analysis performed which **was also done by writers from outside the Service area** under study. 2-9

The Draft Environmental Impact Report **does not meet my Quality Standards** and I would not sign off on its acceptance and Approval. There are several additional defects which needed to be addressed beyond those mentioned above. This document and its inclusions is just another example of the Town of Apple Valley performance deficiencies and accepted level of work and it contains the Lead Agencies signature signoff and **was distributed with numerous known errors and omissions**. 2-10

I keep thinking of DEIR page 19 comment: "An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes account environmental consequences."

Yours truly,

Al Rice
Apple Valley taxpayer

Letter.2

COMMENTER: Al Rice, Public

DATE: October 13, 2015

RESPONSE:

Response 2.1

This majority of this comment frames the nature and extent of the comment letter as a whole. The commenter alleges that the Draft EIR does not contain sufficient detail to support the analysis and conclusions of the EIR. Because these statements are general in nature and because the statements do not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) Specific concerns detailed in this letter are addressed in the following responses.

Response 2.2

The commenter questions the Town's process for selecting an environmental consulting firm for the preparation of the environmental document as well as the Town's choice to delegate contract management to Best Best & Krieger (BB&K). This comment does not relate to the contents and analysis contained in the Draft EIR, nor does it relate to potential impacts to the physical environment as a result of the Project. Therefore, this issue is not within the scope of CEQA, and therefore not included in this EIR (State CEQA Guidelines, § 15131); see also State CEQA Guidelines, § 15088(a) [requiring responses only to comments that raise "environmental issues"]). Nonetheless, and to briefly respond, both state law and the Town's own purchasing ordinance require formal competitive bidding for public works projects, but not for professional services such as those involved here. (See Public Contract Code, §§ 20161, 20162; Muni. Code, Ch. 3.12 and Muni. Code § 3.12.270.). This comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 2.3

The commenter alleges that the initial scoping meeting for the Draft EIR, which was held on July 7, 2015, was defective. The Town's first Notice of Preparation and scoping meeting were fully compliant with CEQA, and the Notice of Preparation was publicly posted and made available as required by State CEQA Guidelines, § 15083. Nonetheless, and in response to this concern as previously expressed during the first scoping process for the Draft EIR, the Town extended the review period, amending the Initial Study, and held a second scoping meeting on August 4, 2015. As part of this process, an amended Notice of Preparation and the Amended Initial Study were sent to the initial list of recipients as well as any additional recipients identified during the scoping process. The Amended Initial Study was also made available at Town Hall and on the Town website starting the first day of the extended notice period, allowing for a full 30 days of review time from that date. Any changes made to the Initial Study are indicated in the Amended Initial Study using ~~strikeout~~ for all deleted text and underline for

all inserted text. (See Page 8 of the Amended Initial Study, included in Appendix A of the Final EIR).

Response 2.4

This comment says that the Draft EIR, "states that 29 written comments were received, but only 25 were tabulated," and inquires about the missing comments. In total, there were 27 comments received during the scoping process. All of these comments are tabulated and summarized in Table 1-1 of the Draft EIR; no comments were omitted. Page 8 of the Draft EIR erroneously reported that 29 comments were received. This number has been updated on page 9 of the Final EIR to 27 to reflect the correct number of comments received during the scoping process for the Draft EIR. The commenter also expressed concern regarding alleged omission of verbal comments from the scoping meeting. At the meetings, all commenters were asked to provide their specific comments on the comment cards provided or through email or by hard copy mail after the meeting as well so that they could be fully addressed. The Town is not aware of any comments (including any regarding additional alternatives) that have not been addressed, nor does the commenter identify what comments (if any) he believes have been overlooked. Thus, no further response can be provided. Ultimately, all comment cards received at the scoping meetings are included in the appendix of the Draft EIR and responses are included in the main document.

The commenter claims that his August 9, 2015 cover letter and the associated appendices had been separated in the Draft EIR. Appendix A of the Draft EIR includes the August 9, 2015 comment letter as well as all referenced appendices (referred to as "exhibits" in the letter) in full immediately following the letter. As all appendices (exhibits) are already included in Appendix A immediately following the comment letter, no changes have been made.

Response 2.5

This comment relates to the term Initial Study versus Amended Initial Study. Appendix A of the Draft EIR included the Amended Initial Study, which includes all of the text from the Initial Study as well as any changes that were made to the document, with deletions indicated in ~~strikeout~~ text and insertions indicated in <u>underlined</u> text. In Appendix A of the Draft EIR, the header for the Amended Initial Study indicated it was the amended document for the first nine pages; however, the header did not include "Amended" in the header for pages 9-40. The header was corrected for pages 9-40 to read, "Amended Initial Study" for the document included in Appendix A of this report. The Draft EIR was also reviewed for the use of these terms and updated, where appropriate, for clarity.

Response 2.6

This comment states, "Page 84 and 126 notes that an observer provides a simple count of 58 vehicles trips were tabulated going from and to the Ranchos M&O [maintenance and operation] facility on some unspecified date," and goes on to state that vehicle descriptions and purpose were not documented. The analysis that was performed for the Draft EIR included a count of all traffic on Ottawa Road during a 15-minute interval in the PM peak hour on July 8, 2015, as explained in the EIR on page 87, where it states:

> During a traffic count performed on Ottawa Road on July 8, 2015 in support of this analysis, 50 vehicles were observed over a 15-minute interval, indicating that there are approximately 200 cars per hour that travel this road. This count was performed during the PM peak hour.

This count was performed to give a background estimate regarding existing traffic levels. As such, the specific description and purpose of these vehicles is not necessary for evaluating traffic volumes. This analysis was not specific to vehicles going to and from the Apple Valley Ranchos Water Company O&M facility.

The Draft EIR also provided an estimated number of vehicle trips that would be associated with the proposed Project. The estimated maximum number of trips leaving or entering the site during the peak hour is 58; these trips were attributed to the arrival of 20 office employees and 19 field staff, and the subsequent departure of the 19 field staff leaving for service calls. In order to provide a conservative analysis, the Draft EIR evaluated these trips as new trips to the road system even though they would likely be replacing existing vehicle trips associated with existing operation of the Apple Valley Ranchos water supply system (AVR System).

The commenter also objected to the use of the term "Guests" to describe visitor parking, suggesting that the term "Customers" should be used instead, and requested additional information on existing available parking. The document has been revised to refer to "customer" parking as opposed to guest parking. Additionally, a description of the existing onsite parking, including marked spaces and additional open parking, was added on pages 34 and 35 of the Final EIR. The update text provides the following information regarding the amount of parking available at the existing facility:

> The parking ~~lot~~ areas provide~~s~~ parking to all employee, ~~guests~~ customers, vendors, and consultants that may have business at the location. Parking areas include the following areas, approximated from aerial imagery:
>
> - 13,500 square feet of paved area at the front of the property, providing 30 marked spaces
> - 11,500 square feet of paved area behind the office buildings, providing 15 marked spaces
> - 14,000 square feet of unpaved open area north of the buildings, providing open parking

Lastly, the commenter inquired how the traffic count leads to the conclusion that Alternative #4 is the environmentally superior alternative. Selection of the environmentally superior alternative is based on a number of factors, including potential impacts to traffic as a result of the various alternatives, and is not based on one resource area alone. Table 6-1 shows a comparison of the various alternatives to the proposed Project. This table indicates that all four alternatives would have similar impacts to the proposed Project in terms of traffic. As such, the selection of Alternative 4 as the environmentally superior alternative is primarily based on analysis of the other resource areas that were found to have slightly lower impacts under Alternative 4 than under Alternatives 2 or 3, including Air Quality, Greenhouse Gas Emissions,

and Noise. Please see Section 6.5, Environmentally Superior Alternative, for discussion regarding this comparison.

Response 2.7

In a previous comment letter (dated July 17, 2015 and included in Appendix A), the commenter provided suggestions regarding additional recipients for the Notice of Preparation. This request was received after publication of the revised Notice of Preparation on July 16, 2015. In response to this request, the Town sent the Notice of Preparation of the Draft EIR to all recipients that were specified in the letter. In terms of environmental agencies with high desert expertise, the California Department of Fish and Wildlife (CDFW) was noticed, including Region 6, Inland Deserts Region, specifically, which serves Imperial, Inyo, Mono, Riverside, and San Bernardino counties. The CDFW has since issued a No Effects Determination for the proposed Project, indicating that the agency has reviewed the Project and determined that it would have no effect on fish, wildlife or their habitat. Accordingly, the Town has "followed-through" regarding the comments previously provided by the commenter.

Response 2.8

In a previous comment letter (dated August 13, 2015 and included in Appendix A), the commenter requested information regarding whether the Project would result in impacts related to Valley Fever. In his current letter, the commenter alleges that his concern was not addressed and that he was directed to the Air Quality section of the Draft EIR, which did not contain a discussion of Valley Fever. As discussed in the previous response on page 17 of the Draft EIR (page 18 of the Final EIR), Valley Fever is associated with the mobilization of particulate matter (dust) and subsequent inhalation by area residents, and the potential for the Project to result in air quality impacts, including emission of particulate matter, is included Section 4.1, Air Quality. The Draft EIR found that the proposed Project would not result in an increase in air emissions from operation or maintenance activities because no construction or operational changes that might result in ground-disturbance or increased air emissions are proposed. Given that there would be no increase in air emissions, the proposed Project would not contribute to increased risks associated with Valley Fever. Nonetheless, the above explanation has now been added to the discussion in Section 4.1, Air Quality, to specifically state that the proposed Project would not result in any impacts associated with generation of dust. Finally, it should be noted that the commenter makes a general reference to articles published by the Federal Environmental Protection Agency, but no articles were included with the comment letter. Thus, no further response can be provided.

Response 2.9

The commenter alleges that the level of analysis for Alternatives 2 and 3 was not sufficient for satisfying the requirements of CEQA, but does not provide any details regarding how the analysis is purportedly inadequate. Because the statements do not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) Nonetheless, the following information is provided to summarize why the analysis of alternatives is fully adequate under CEQA. Under State CEQA Guidelines § 15126.6, the alternative analysis shall:

> …include sufficient information about each alternative to allow meaningful evaluation, analysis, and comparison with the proposed project. A matrix displaying the major characteristics and significant environmental effects of each alternative may be used to summarize the comparison. If an alternative would cause one or more significant effects in addition to those that would be caused by the project as proposed, the significant effects of the alternative shall be discussed, but in less detail than the significant effects of the project as proposed. (County of Inyo v. City of Los Angeles (1981) 124 Cal.App.3d 1).

The Draft EIR includes a description of each of the alternatives and, for each alternative, analysis of all of the resource areas that were evaluated for the proposed Project, regardless of the level of impact. As there are no significant impacts associated with the proposed Project or any of the alternatives, this analysis was performed in addition to the base analysis that is required under CEQA. In additional to this analysis, the alternative analysis in the Draft EIR includes a matrix of impacts for each of the alternatives relative to those associated with the proposed Project. This matrix was used to further support the conclusion of the EIR regarding the environmentally superior alternative.

Response 2.10

The final comment is a conclusory statement regarding the commenter's dissatisfaction with the Draft EIR, in which he claims that the report has, "several defects which needed to be addressed beyond those mentioned above." However, as this comment is general in nature and does not provide any specifics regarding these purported defects, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) The commenter's opinion that the EIR should not be certified has been passed to Town decision-makers for consideration as part of the wider Project review process.

From: David Mueller
Date: October 23, 2015 at 2:28:36 PM PDT
To: Lori Lamson
Subject: Response to Town of Apple Valley DEIR

This letter is in response to the DEIR that was done by Rincon Consultants concerning the town's contemplated takeover of Apple Valley Ranchos Water.

3-1

I read Rincon's comments and found the entire study lacks sufficient detail to make any determination as to the potential impacts to the environment, for this reason, I am challenging the entire report as defective.

The town requested that questions from the public during the scoping process be provided and I found that my questions weren't answered. Below is the letter I sent with questions during the scoping process in early August:

3-2

I wish to protest the entire document that was sent to me, because it is so vague, that I have no idea how Rincon consultants can even identify what major areas of CEQA and the environmental subheadings will be impacted. The document should have sufficient enough detail to delineate what is fact from pure speculation. As an example, Rincon has determined that as a result of the town acquiring the Apple Valley Ranchos Water Company, there would be no impact to the population of the town. That is pure speculation on the part of both the town and their consultants. If the town owns the water company, what would inhibit their approving even more development than they already have approved? There are numerous sites around the town that are already approved, graded, underground water and sewer installed, but haven't been finished because of the crash. I'll give just two examples of the many. Please see the development off of Yucca Loma Rd. across from Chateau Court- nearly one hundred pads ready to build out. Another example is near the intersection of Itoya Vista and Bear Valley Rd. behind the K-Mart. Just these two developments would add another 200 or more homes to our area. The markets are recovering from the crash and their is a shortage of homes now. This is nearly universally

3-3

acknowledged that growth is coming back to real estate. Which means more people moving here. I've listed more areas below that require some definitive answers before an EIR for acquisition should be approved:

3-3 (cont)

(#8) For instance, the town might manage the water system, or it could be subcontracted to someone else, or it might be turned over to another public agency? Each one of those options impacts a different set of possible environmental issues that would need to be addressed depending on who is going to be actually doing the work. The wording in this part of the amended document still doesn't definitively explain who will manage and run the Apple Valley Ranchos. This is a major flaw. We are talking about protecting the environment with this study, but the study seems to be more focused on obscuring what will be the ultimate end results, and thereby negating any legal options available to anyone from the public who didn't think of the potential environmental issues during this so called study. It is reprehensible and not legal in my opinion.

3-4

(#4 and #10 of the study) Town and Rincon consultants doesn't include all of the Apple Valley Ranchos Water Company assets in their scope. I'm assuming the recently court awarded and acquired Yermo Water District was not part of the study because it isn't within the jurisdiction of the town? Government Code Section 65402 requires the planning agency to make a finding of General Plan conformance whenever a governmental entity proposes to acquire or dispose of property. The town has decided to remove this asset from the study even though it is part of the Apple Valley Ranchos Water Company assets. They then include in Figure 1 of the study an area known as the Hacienda Project in Fairview Valley which is two miles east of the town and outside town boundaries but in their sphere of influence. This would be the yellow pipeline areas OUTSIDE the General Plan boundaries of the Town of Apple Valley. The town has been told that the Apple Valley Ranchos Water Company isn't for sale. Indeed, it is a division of Park Water Company, which is part of Western Water Holdings LLC., which in turn is owned by Carlyle Infrastructures, who recently sold Park Water Company to Liberty Utilities. On the macro scale, the town refuses to recognize that the Apple Valley Ranchos isn't for sale, because it has already been sold to someone else. On the micro scale, the town picks and chooses what assets of the Ranchos they will study for environmental impacts should their eminent domain seizure be successful. This EIR study must focus on the actual acquisition of ALL Ranchos assets, not just those the town would like to acquire.

3-5

(IX) Groundwater is identified as potentially significant unless mitigation is incorporated. This should be a significant finding requiring substantial evidence to prove that SB 610 and a WSA is current and not just reference a UWMP by the Mojave Water Agency (MWA), but provide proof through study of the aquifer.

3-6

The MWA has been telling the citizens of the High Desert that our aquifer is being seriously over drafted for the last fifty years. The Watermaster is tasked with tracking verified production from those wells that pump 10 acre feet of water or more from the aquifer. The verified production proves that we are indeed pumping more water than we are putting back into the aquifer as recharge from State Water Project (SWP) deliveries, or through reclamation projects. The last thorough study of the basin was done by the USGS in 1968. The State of California only recently has passed legislation that groundwater supplies be measured within the MWA boundaries. In the 1968 USGS study, the basin contained an estimated 30 million acre feet of water. That was forty-seven years ago. The above referenced Hacienda Project water supply was estimated to be 500,000 acre feet of water available and Terra Nova did their study in 2013. Please see both the Draft EIR and the FEIR for the project. The fact is, water is fluid and it moves around from one area to another depending on the geology and faults underground. We can't see what our groundwater levels are, so we use test well locations and measure depths in select areas. What we do know for certain is we use more than we put back in.

The MWA, without fail, always issues UWMP reports every five years that claim we have enough groundwater to last another twenty to thirty years beyond whatever project is being contemplated. In the case of the Hacienda project, the 2010 UWMP said we had enough water supplies to last until the year 2030. http://www.desertnewspost.com/deserts-water-supply-approaching-historic-low/ note that one year after Terra Nova supplied their WSA for Hacienda, without any changes in water supply, water supply availability estimates increased fifteen years! The MWA are supposed to be the experts- more expert than Terra Nova apparently. The truth is, they have no idea beyond well measurements, what our aquifer condition truly is.

3-6 (cont)

The adjudication doesn't limit how much water is pumped as long as the MWA is paid for replacement water. This explains why they said nothing when Victorville had Dr. Pepper Snapple Group come to the High Desert and build a west coast bottling plant, which uses millions of gallons of water a day. Likewise, the Town of Apple Valley needs development dollars to fund their ever growing budgets. It also explains why one housing project after another has been approved for development in every city or town in the High Desert. The latest is the Tapestry Project in Summit Valley that would become a new master planned city of nearly 70,000 people. The MWA uses SWP water deliveries, conservation, and reclaimed water to issue these UWMP pronouncements that the aquifer has plenty of water. The trouble with this is we aren't getting SWP deliveries because of the drought. In fact the MWA has never taken their full allotment of 89,800 acre feet of water, even when they could have gotten it before this severe drought came about. The MWA uses two water rights purchases from Dudley Ridge and Berrenda Mesa Water Districts in Kern County to "pad" their assessments of water availability into the future. As I said, they don't take full entitlements when they can get SWP water. I've tracked their water deliveries for years. When they became an approved water agency within California, they were allotted 50,800

acre feet of water. Only once have they ever brought in their full allotment in their entire history. This means that the water rights that were bought, also never delivered a single drop of that purchased water. It's just a paper transaction. We are living off of our groundwater.

The drought has all but eliminated the recharge we get in wet years. MWA board president Bev Lowry told the Daily Press newspaper that we have supplies to last three years. That was two years ago. If she is referencing "banked "water they claim in San Luis Reservoir, it isn't there. Even if it was, the state isn't moving much water this year in SWP. That leaves recharge from reclamation and conservation. People are pulling up grass to conserve, and water consumption is down, but we still are taking more water than we put back in. Most of Apple Valley isn't on sewer and the reclamation plant has broke ground but is not operational yet. My point here is nothing is slowing the approvals to build. The MWA has either lied to the public for fifty years about the actual status of our aquifer, or they are political appendages of the local municipalities, only doing the bidding of the BIA and local government by rubber stamping the UWMP every five years. Apple Valley has the Hacienda Project (3000 homes, 360 acres of park and a golf course), two recent large acreage General Plan zone changes for high density housing projects off of Sitting Bull Rd., and just approved the building of 400 homes in the Sun City senior living area (using a mitigated negative declaration to get around EIR) and has numerous previously approved tracts to build out that are in various stages of planning approvals. Please see above. The town will build this valley out. The MWA says there is plenty of water for all of these and more. Groundwater availability requires substantial evidence that this is so- not just an UWMP report from a proven biased authority which lacks a thorough investigation into its accuracy by a neutral third party.

3-6 (cont)

(#11) If the scope can't be defined, how can environmental areas of concern be defined? This document is fatally flawed.

The initial study document and amended initial study documents are fatally flawed. I'm protesting both in their entireties? The EIR shouldn't be done until ownership, management, and assets involved in the scope have been settled. CEQA law doesn't allow for Rubix's Cube scenarios wherein the public needs to guess what combination of events is going to happen with a potential future acquisition of the Apple Valley Ranchos and how those multiple combinations might impact the environment. This EIR has to do with the acquisition of the Apple Valley Ranchos. It isn't for sale and until the courts have ruled that the town does own them through an eminent domain decision, or subsequently after all appeal processes have been exhausted, this EIR study is premature. I'm challenging both studies as fatally flawed and a ridiculous waste of taxpayer money. At the last scoping meeting the consultants claimed that this EIR must be done first before ownership is resolved and that this is a normal occurrence. Nothing about this study is normal.

3-7

Sincerely,
Mr. David Mueller
Apple Valley

Lori, please use this amended letter and respond to my questions please.

Rincon Consultants hasn't addressed the above questions from me at the original scoping with sufficient detail to proceed to a FEIR status. The law requires that decisions made regarding CEQA must be factually based and not based on speculation. The town can't determine that parts of Apple Valley Ranchos assets aren't going to be considered, i.e., Yermo Water District, when in fact this district IS part of the Apple Valley Ranchos Water Company holdings. Rincon Consultants excludes the fact that Yermo Water District is near a federal superfund cleanup site and the aquifer in the area has been identified as having toxic plumes. Rincon simply burying their heads in the sand and proclaiming that Yermo will not be considered and then checking a box in the DEIR that says no superfund exists, doesn't satisfy the law as it relates to this study. In fact, it mandates a response from the town as to how the town would address these real world issues and factual environmental problems should the town successfully seize the Ranchos through eminent domain. The town will seize ALL assets of the Ranchos after an eminent domain proceeding, including all the debt and potential environmental issues from all of the holdings.

3-8

The DEIR still doesn't positively identify who will be running the water operations. If Rincon intends to use an a La Carte approach to who will be running the operations, then they need to provide separate studies for each possibility because each one potentially impacts the environment differently depending on who is running the water company.

3-9

The town and Rincon Consultants can't rely on a 2010 Urban Water Management Report (UWMP) to comply with SB 610 or an outdated Water Supply Assessment (WSA) from a consultant that is years old and was contradicted above by the MWA. Please see the supplied link. The Mojave Water Agency hasn't released the 2015 UWMP, so therefore no current WSA exists and when one is produced by any local agency, because of the droughts impacts, a serious study of this aquifer needs to be accomplished by the USGS or some other independent agency to make certain the aquifer can sustain the number of projects and developments the town already has approved and the region anticipates approving. This region lives on water in our aquifer, not water deliveries. Rincon had already checked the box that claims the town running the water company would have no impacts on development or population. The town plans to build out and plans for as much population and job growth as possible. Please see Vision 20/20.

3-10

The entire DEIR is flawed. I'm not going to write a novel to emphasize just how badly flawed it is by doing Rincon's work for them. The basic starting points haven't even been identified. Don't attempt to pencil whip CEQA

3-11

requirements in the interest of expediting an eminent domain action.

3-11 (cont)

Please acknowledge your receipt.

Sincerely,
David Mueller

Letter.3

COMMENTER: David Mueller, Public

DATE: October 23, 2015

RESPONSE:

Response 3.1

This comment is an introductory statement in which the commenter frames the nature of the comment letter as a whole and claims that the analysis in the EIR lacks sufficient detail. Because these statements are general in nature and because the statements do not raise specific environmental concerns about the Draft EIR or the proposed Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) Specific concerns detailed in this letter are addressed in the following responses.

Response 3.2

The commenter alleges that the comments included in his previous letters (dated August 6, 2015 and included in Appendix A) were not addressed in the Draft EIR, and includes the comments in this new comment letter as well. Contrary to his claim, his comments were summarized and responses were provided in Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR. His restated comments are addressed in the responses below, which include the original responses contained in the Draft EIR as well as expanded information relating to his comments.5

Response 3.3

The commenter alleges that the Amended Initial Study lacks sufficient detail, and expresses concerns regarding existing approved development and potential growth inducement as a result of the proposed Project.6 As discussed in the initial response to this comment, growth inducement effects are addressed under Population and Housing in the Amended Initial Study in Appendix A, and in Section 5.0, Growth Inducement and Other CEQA Issues, in this EIR. Section 5.0, Growth Inducement and Other CEQA Issues, of this EIR explains that the proposed Project would not induce substantial population growth, including in the unlikely event of a reduction in water rates, nor would it result in a significant number of new employees to the community. Additionally, it would not result in any significant effect resulting from removing obstacles to growth. More specifically, and although some growth (such as the pending developments identified by the commenter) may occur in the Town and its general vicinity, any such growth would not be caused by the Project.

5 The numbering included at the start of some of the comments in the letter, refer to numbered items in the Amended Initial Study which is included in Appendix A of this EIR.
6 The commenter refers to an inadequate "document." Presumably this refers to the Amended Initial Study since the comment was initially written during the scoping period for the Draft EIR

The Draft EIR also addresses existing approved development and potential contributions from the proposed Project in Section 4.4, Land Use and Planning. Because the Project area for the proposed Project includes most of the Town's incorporated area, this analysis considers cumulative development in terms of total development across the Town. As such, the EIR relies on the General Plan EIR, which analyzes land use impacts associated with growth throughout the Town. According to the General Plan EIR, development proposed in Annexation 2008-001 was determined to result in a cumulatively significant land use impact. Please see the cumulative impact discussion in Section 4.4.2(a) where this information regarding cumulative development was disclosed. Although proposed development in the Town of Apple Valley would result in a cumulatively significant land use impact, the proposed Project's contribution to cumulative land use impacts would not be cumulatively considerable as it would not alter any land use designations nor conflict with land use plans, policies, or regulations.

Response 3.4

This comment relates to the Amended Initial Study and claims that the document does not definitively explain who would manage the AVR System after the acquisition. Contrary to this claim, the project description included in the Amended Initial Study was amended to refine the proposed Project to be defined as management by the Town following the acquisition; this refinement of the project description was one of the primary reasons for amending and redistributing the Initial Study and was made in response to comments received at the first scoping meeting for the EIR. As discussed in the previous response to this comment in Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR, the refined proposed Project is included in the Amended Initial Study and described in Section 2.0, Project Description, while potential alternate operators are discussed in Section 6.0, Alternatives as recommended by the commenter.

The commenter suggests that the AVR System could be "subcontracted to someone else." Presumably, the commenter means that the AVR System's operation could be subcontracted to a private party. The EIR considers the whole of the action (i.e., the Project) as proposed by the Town, but also considers alternatives involving operation of the system by other public agencies and by the Town from an alternative location. This is a reasonable range of alternatives meeting CEQA's requirements. Nonetheless, if the commenter's recommended option were to be pursued, it is anticipated that the impacts from a private operator would be similar to the type and magnitude of impacts associated with the proposed Project, if the AVR System continued to be operated from the current O&M facility. This is mainly because the operation and maintenance activities associated with the AVR System are currently part of the existing environmental condition. If a private operator were to relocate the base for maintenance and operation activities to an alternate facility, impacts would likely be of similar type and magnitude as for Alternatives 2 and 3. Given that under any of these scenarios the Town would maintain ownership and thus final approval authority over the system, this option would also likely be consistent with the proposed Project objectives. If this is an option that the Town chose to consider at a later date, the Town would undertake any additional CEQA analysis required.

Response 3.5

This comment relates to the Project's proposed acquisition of the AVR System, excluding the recently acquired Yermo System, and makes the claim that the EIR needs to consider acquisition of all of Apple Valley Ranchos holdings (including the Yermo system) rather than only those that benefit or are in the vicinity of the Town (such as the portions of the system identified by the commenter that are located adjacent to but immediately outside of the Town's boundaries). The initial response in Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR explains that this EIR considers the whole of the action (i.e., the Project) as proposed by the Town, and any acquisition beyond that described in this EIR is not reasonably foreseeable at this time. Therefore, this EIR satisfies the requirements of CEQA for the Project, as described. In the event that the Town is unable to acquire the AVR System without the Yermo system, the Town would undertake any additional CEQA analysis required.

Additionally, the commenter claims that Government Code section 65402 requires General Plan conformity determinations when an agency "proposes to acquire or dispose of property." This is incorrect. Section 65402 requires a General Plan conformity report to be prepared prior to the actual acquisition of such property – not merely at the time such acquisition is proposed. Ultimately, the EIR identifies that the preparation of such reports will be part of the CEQA process going forward (EIR p. 36), and all such reports will be timely completed in the manner required by law. CEQA itself expressly states that an EIR may be included as part of any report prepared and submitted under Section 65402. (Pub. Res. Code, section 21151.)

Response 3.6

This comment relates to concerns regarding management of water supplies. The commenter observes that the Amended Initial Study identified impacts to groundwater to be potentially significant unless mitigation is incorporated, and claims that this finding should be significant, requiring substantial proof of water supplies. In the initial response in Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR, the commenter was directed to Section 4.3, Hydrology and Water Quality, for discussion of the concerns that were expressed in this comment. The Draft EIR includes additional information on groundwater resources and finds that this impact would be less than significant. For more specific information regarding this finding, please see Impact WAT-1, starting on page 71 of the Final EIR, in Section 4.3, Hydrology and Water Quality.

The commenter also states that the analysis should consider the Water Supply Assessment (WSA) and ensure it is current, rather than referencing the Urban Water Management Plan (UWMP), and expresses concern regarding sustainability of groundwater supplies. The discussion on page 66 of the Draft EIR in Section 4.3, Hydrology and Water Quality, explains that projects that are located in basins that are already adjudicated, such as the Upper Mojave River Valley Groundwater Basin, are exempt from requiring a WSA because implementation of an adjudication order would achieve the same goals towards water supply reliability planning as would a WSA. As part of the Adjudication Judgment, the MWA is required to file an annual Watermaster Report with the Court, detailing the information listed in Section 4.3.1(c) of the EIR on an annual basis, including hydrologic data, summary of water production, purchases of supplemental water and recharge with supplemental water (MWA, 2015). Information

provided in the annual Watermaster Report is used to ensure compliance with the Adjudication Judgment, thereby ensuring that management efforts conducted in the basin are making effective progress towards achieving sustainability and water supply reliability. Additionally, in 2014 a package of bills referred to as the Sustainable Groundwater Management Act was passed to require that certain priority groundwater basins throughout the State are managed under a Groundwater Management Plan per the direction of a Groundwater Sustainability Agency, although adjudicated basins may comply through implementation of the applicable Adjudication Judgment. As Watermaster of the Upper Mojave River Valley Groundwater Basin, the MWA considers the annual Watermaster Report to be useful for documenting sustainability of the groundwater basin in reference to the Sustainable Groundwater Management Act (MWA, 2015). Information from both the annual Watermaster Report and the UWMP was used during development of the Draft EIR. For more information, please see Section 4.3, Hydrology and Water Quality.

The Draft EIR also addresses sustainability of the groundwater basin in Subsection 4.3.1, Setting, of Section 4.3, Hydrology and Water Quality, where it states:

> As described in MWA's most recent Watermaster Report, which is produced on an annual basis and filed with the Court for compliance with the Adjudication Judgment, the Alto Subbasin is considered to be in a sustainable state, meaning that overdraft conditions are no longer present…The 2015 Watermaster Report recommends to the Court that the FPA [Free Production Allowance] allocated to the Alto Subbasin for the coming 2015/2016 year should remain unchanged from the 2013/2014 year because groundwater levels within the Alto Subbasin are stable, including the Transition Zone area (along the Helendale Fault) (MWA, 2015).
>
> Within the Alto Subbasin, the achievement of hydrologic balance described above is attributable to conservation, importation of State Water Project water, MWA's public outreach efforts, and implementation of the Adjudication Judgment. The current Watermaster Report states that under the conditions existing at this time, Rampdown of groundwater production in the Alto Subbasin is unnecessary, where "Rampdown" refers to the Court-ordered reduction in groundwater production rates to avoid potential overdraft conditions (MWA, 2015).

Accordingly, the commenter is incorrect that the data relied upon in the EIR is outdated and that the Project may result in impacts to the groundwater basin.

The commenter also claims that cumulative impacts to groundwater are occurring or will occur in future as a result of the management of the basin by MWA (including through certain water exchange and acquisition efforts) and several pending projects which have been approved in the region. While it is not the purpose of the EIR to speculate on the competency of the MWA in managing the groundwater basin, the proposed Project would not contribute to cumulative impacts to groundwater significant or otherwise since the proposed Project would not result in an increase in groundwater use as described in Impact WAT-1. Instead, the Project would simply maintain the existing baseline condition, albeit under a different operator. Furthermore, the purpose of an Adjudication Judgment is to account for basin-wide water usage (i.e., the

cumulative condition), and the nature of the annual Water Reports is to ensure that basin is continually managed to ensure a sustainable yield – thus protecting against impacts.

Finally, the commenter states that the CEQA process is "premature" until and unless the Town actually holds final title as to the AVR System. The commenter is incorrect. CEQA is clear that environmental review must be completed *prior to* – not after – a discretionary approval (such as the commencement of acquisition proceedings) is issued. (State CEQA Guidelines, section 15004(a).)

Response 3.7

This comment expresses concern regarding the definition of the scope of the proposed Project, claiming that it cannot be defined based on the commenter's concern regarding the project description; these concerns include (1) clearly defining the operator who would manage the AVR System following acquisition and (2) potential issues regarding acquisition of the AVR System without the recently acquired Yermo System. These concerns were addressed under Response 3.4 (system operator) and Response 3.5 (system acquisition) above.

Response 3.8

The commenter restates his concerns regarding the Town's proposal to purchase the AVR System without the Yermo system, indicating that these concerns are still applicable to the content of the Draft EIR. This comment is partially addressed under Response 3.5 above. In response to the commenter's statements about the presence of a Superfund site and contaminated groundwater in proximity to the Yermo system, these comments are noted. However, the proposed Project does not include acquisition of the Yermo system, nor would the proposed Project result in environmental impacts in areas nearby the Yermo System due to the Yermo System being located many miles away from the Town. Therefore, these issues are outside the study area for the proposed Project and are not included in the scope of analysis of this EIR. Finally, issues related to existing Superfund sites within the Project study area are discussed in Section VIII, Hazards and Hazardous Materials, of the Amended Initial Study included in Appendix A of this EIR.

Response 3.9

The commenter restates his concern regarding the project description, indicating that the description in the Draft EIR also does not positively identify who would operate the AVR System after acquisition. This comment was addressed under Response 3.4 above.

Response 3.10

The commenter restates his concern regarding use of currently available water supply assessment information, indicating that newer information must be obtained in light of current drought conditions. He also restates his concern regarding potential future growth in the area. These concerns were previously addressed under Response 3.6 (water supply) and Response 3.3 (regional growth) above.

Response 3.11

This concluding comment restates the commenter's dissatisfaction with the Draft EIR. As this comment is general in nature and does not provide any specifics regarding these purported defects, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

19250 Red Feather Road
Apple Valley, CA 92307

October 29, 2015

Lori Lampson
Assistant Town Manager
Town of Apple Valley
14955 Dale Evans
Apple Valley, CA 92307

Re: Apple Valley Ranchos Water System Acquisition Project Draft Environmental Impact Report (DEIR)

Dear Officials:

How can the RINCON Consultant Inc. contractor perform a Project study that they possess no comprehension nor expressed understanding of the assignment? **The Project is a TOTAL "ACQUISTION" change of OWNERSHIP ASSETS RIGHTS AND RESPONSIBILITIES of a water system** with 22,000 current connections with residential and business commercial properties and potential for a larger number of currently vacant additional land properties. **The report does not encompass nor focus directly on the ownership and management essentials of this Project**.

The State Water Resources Control Board's July 13, 2015 letter (page 9 and on page 27 of DEIR) clearly states that a Permit will be required and that the applicant demonstrate to the Division that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water. "Every aspect" of any Acquisition resulting organization will originate at very top of organizational ownership and management including establishment of Rates, regulatory compliance, staffing and profitability or loss.

4-1

For example, Rate structure is not an exact science and if the Owner sets them top high or too low, impacts will occur down into how field operations perform in that and other environments. These many management tasks cannot be separated, they are very inter-connected and directly impact on the environment. DEIR mentions infra-structure improvements which all the result of Ownership decisions not just casual thinking about them appearing to take place in this Project area. These words and concepts are very meaningful. The TOAV cannot qualify for the above permit based on lack of qualifications required. The DEIR has not addressed this major deficiency and flawed analysis.

The **Report is a Stoic, Bland work product** apparently written in a location far-removed from the unique High Desert area. It communicates that the writers do not possess requisite or sufficient subject-matter knowledge of how ownership and management assets and functions of this company occur. There is no confirmation that the writers really believe in what is being stated, but socially hanging out working together. A story is required to convey the writer's emotional passion of their subject and this Report is not a story, but a series of words put into sentences and paragraphs.

4-2

The High Desert is known to be a living and complex grouping of dynamic variables. The authors have communicated that they do not have any direct knowledge of the cold nights, hot sun blinding days, sandy soil attributes, windy afternoons, low rain/water levels, low quiet Noise normal levels, unique vegetation growth requirements and all of the inter-relationships creating the Apple Valley ENVIRONMENT AND ITS IMPACTS. WHY? Therefore, **this Report is considered as being non-compliant with CEQA and it is factually deficient in numerous details and with lacking material evidence being discussed including:**

4-3

1.Is the **Project Area** of Approximately 50 square miles as stated on page 1? Does it include some of Town of Apple Valley (internet says Town of 72 square miles—50% greater), some in incorporated Victorville and some in unincorporated area of San Bernardino County? Is this the exact Project area size? Will it be expanded or changed?

4-4

2. Why is there **no Mandatory Findings of Significance** listed in the Potential Environmental Effects on page 2? 4-5

3. Project Objectives (page 1) include that **TOAV will provide enhanced Customer Service,** but no detailed evidence or plan is provided to accomplish. A recent CPUC conclusion is that AVRWC has satisfactory Customer Service performance. TOAV has no Customer Service record since the Sewer and Trash Service is contracted to an outside business firm. Where is ANY proof of substance or supporting details of an ability to perform this necessary enhanced service? 4-6

4. **There is zero (no) evidence provided** that the City of Hesperia or City of Victorville can accommodate the addition of AVRWC vehicles in their facility (page 2). Were either of these agencies even contacted and what, if any, was their Official response for denial or acceptance going forward for consideration or option? 4-7

5. Summary of Significant Environmental impacts and mitigation measures (page 4) appear to have all impacts as Class III which is "Less than Significant." 4-8

6. Shouldn't a #8 Mandatory Findings of Significance narrative be added on page 5? 4-9

7. Project Background (page 6) **fails to recognize and understand** that AVRWC not only owns and operates, but ALSO PROVIDES MANAGEMENT FUNCTIONS. The Town's potential acquisition will necessitate critical MANAGEMENT which the Report's analysis has FAILED to consider and analyze. The Report lacks any details for **the transfer of necessary Environment Impacts** and other highly attributes which will be required. 4-10

8. System Operations and Maintenance section (page 33) states that AVRWC has 20 office and 19 Maintenance employees. So **what are the details and conclusions of this data** going forward? **It attempts to ignore** functions and contributions which are essential and critical. Has anyone even gone inside this building/facility and studied the functions and duties being performed? Additional functions are performed outside this location which the Report does not even consider and therefore confirms that the author was negligent and possess limited analysis and diligence in obtaining factual evidence. **The listing of critical operations at this facility is deficient which could have been obtained from more direct observations and discussions.** 4-11 4-11 4-11

9. Project Objective 2.6 (page 36) states "Provide for greater transparency and accountability as well as increased customer service and reliability AND **Enhanced customer service** and responsiveness to Apple Valley customers." Where are details and proof? 4-12

10. Comment (page 48): "System operation is expected to continue to require a staff of approximately 39 employees." **What is the basis of this conclusion?** It ignores the fact that additional Management including legal and regulatory compliance and other functions are being performed by Park Water Company. 4-13

11. **No mention of current Ranchos Construction Improvement and future needs or projections** (page 48). Required Pipe Replacement/ upgrades—what is employee staff and/or contractor labor requirements currently taking place? Did any observations or discussions occur? 4-14

12. Replace water system with energy efficient motors, pumps and other equipment with energy efficient (page 59). **This comment recognizes that infrastructure improvements are required, but no details nor plan are provided to execute to accomplish. Why not?**
The TOAV has appeared at the CPUC and argued against Infrastructure improvements. Why? 4-15

(The Ranchos Water system is about 70 years of age and considered to have environment impacts.) 4-15 (cont)

13. One objective of the Project is to achieve LOCAL Control over Rates (page 69). How is this planned to be carried out and accomplished? Where are the details? 4-16

14. Land use and Planning (page 72). The 1.3 square mile Northeast Industrial Area, Hacienda/Fairview, Sitting Bull and several other vacant lands have been identified for Planning and Development with Town Council approvals awaiting Developers actions to add population of in excess of 150,000. Additionally, separate real estate properties continue to be constructed on an individual basis. The Report is deficient in addressing the realities of current growth and development and the near-term future projections details. This disclosure is Critical to determining Environment Impacts on the Project including Hydrology and Water Quality. 4-17

15. The symbol "DMM" is used on pages 123 and 128, but has not been identified nor described? 4-18

16. All Report-noted 29 written and 4 verbal comments received have not been included nor are the issues addressed received a response. **An additional Alternative was commented and not addressed in the DEIR:** "With the possible Eminent Domain decision and Acquisition by the Town of Apple Valley, what would negate the possible re-sale later to another public or private entity?" Why was this Alternative not considered and addressed? 4-19

17. Where are the comments of the Mojave Water Agency, the Regional water provider, as well as other Critically-important High Desert Environment Impact Expertise? Was the Initial Study Distribution List deficient as previously commented and provided to Rincon consultant months ago? It is expected that the total Distribution List will be included in the Final EIR for transparency and accountability of the Lead Agency and Consultant. 4-20

18. The DEIR response to the wind/erosion "Valley Fever" issue is very indicative of how the Consultant writers analyze comments submitted and be dismissive as "Less than Significant." 4-21

19. Page 74 provides that "The purchase of Apple Valley Ranchos Water Company could, in fact, assist in the pursuit of some of the policies." This comment ignores the current opportunity for the TOAV to establish and work toward attainment of any goals at the present time leveraging the AVRWC expertise NOW. Why has this not already occurred in recent years? 4-22

It is important to note that the Purpose of this EIR is to serve as an information document. An EIR should be prepared with a sufficient degree of analysis to provide decision makers with information which enables them to make a decision which intelligently takes into account environmental consequences. The Draft Environment Impact Report does not meet this standard. The Final EIR needs to incorporate a very large amount of higher-level analysis, additional supporting details and locally applicable High-Desert provisions which are required for completion. 4-23

Yours truly,

Al Rice
Apple Valley taxpayer

Letter.4

COMMENTER: Al Rice, Public

DATE: October 29, 2015

RESPONSE:

Response 4.1

This comment generally relates to the legal and economic aspects of the proposed Project and makes the claim that the Project cannot be analyzed for its environmental effects without first considering the capability of the Town to successfully manage the AVR System. As noted in the comment, the Town would have to obtain a permit from the SWRCB, which would first review the Town's application to ensure that it has adequate technical, managerial, and financial capability to manage the system. Furthermore, it is not the role of CEQA to perform analysis regarding the legal and economic aspects of a project, but rather to provide a robust and transparent review of the potential environmental effects that could occur if the project were to proceed. Therefore, legal and economic issues are not within the scope of CEQA, and thus not included in this EIR (State CEQA Guidelines, § 15002 and § 15131). Finally, the commenter does not identify any impacts he believes may occur as a result of mere economic conditions of a change in the identity of the system operator (from Apple Valley Ranchos Water Company to the Town), nor are any such impacts reasonably foreseeable. Regardless, this comment has been passed to Town decision-makers for consideration as part of the wider project review process.

Response 4.2

The commenter claims that the authors of the report do not have sufficient understanding of the Project area and that the report is "stoic" and "bland," lacking demonstration of the writers' "emotional passion" for the subject. It is the role of CEQA, and any practitioner of CEQA, to provide a clear, unbiased description, review, and analysis of a proposed Project and any potential environmental effects. In the case, Citizens for Ceres v. The Superior Court of Stanislaus County (July 8, 2013) 217 Cal.App.4th 889, the Court of Appeal noted that, "the agency is duty bound to analyze the project's environmental impacts objectively." This Draft EIR provides objective analysis of the proposed Project and its potential effects to the environment; thereby complying with the intent of CEQA.

Response 4.3

The commenter asserts that the authors of the EIR do not have direct knowledge of the specific environment and dynamic variables of the Apple Valley area. The EIR provides a description of the existing environment in Apple Valley as it relates to each resource area (see Section 4, Environmental Impact Analysis). These descriptions provide sufficient detail for evaluating the proposed Project in terms of its potential effects to the physical environment in Apple Valley. These descriptions provide the basis for CEQA analysis, as required under Section 15125(a) of the CEQA Guidelines, which states:

> An EIR must include a description of the physical environmental conditions in the vicinity of the project, 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. This environmental setting will normally constitute the baseline physical conditions by which a lead agency determines whether an impact is significant. The description of the environmental setting shall be no longer than is necessary to an understanding of the significant effects of the proposed project and its alternatives.

Accordingly, the EIR fully complies with CEQA's requirements.

Response 4.4

This commenter questions the reported size of the Project area, stating that the Town is 72 square miles, which is much larger than the Project area of approximately 50 square miles reported in the Amended Initial Study and EIR. The Project area is based on the service area for the AVR System, as opposed to the Town of Apple Valley's incorporated boundary. As shown in Figure 2-1, the AVR System boundaries vary from the Town's incorporated boundary, with some portions of the Town not being included in the service area and some portions of the service area lying outside of the Town's boundaries. According to the 2010 Urban Water Management Plan, a report provided by Apple Valley Ranchos Water Company reporting on its system, the service area for this system is approximately 50 square miles (Apple Valley Ranchos Water Company 2011). According to the Town's community profile, the incorporated area of the Town is 78 square miles while its sphere of influence is 200 square miles (Town of Apple Valley 2015). As such, the Town's incorporated boundary is different from, and larger than, the proposed Project area, which is accurately described as being approximately 50 square miles.

Response 4.5

The commenter inquires why Mandatory Findings of Significance is not listed in the Potential Environmental Effects on page 2. Presumably, the commenter is referring to the Notice of Availability, which, on page 2, lists the resource areas that were evaluated for their potential impacts to the environment under the heading Potential Environmental Effects. This list does not include Mandatory Findings of Significance as one of the resource areas because it is not a specific resource area, but rather an analysis that relates to all of the resource areas evaluated in the EIR. During the Initial Study phase of a project, the Mandatory Findings of Significance analysis helps to inform the decision as to whether or not an EIR needs to be prepared (Section 15065 of the CEQA Guidelines). In writing the EIR, the issues discussed under this heading in the Amended Initial Study may be included in the EIR under each of the specific resource areas or in a separate section. This Draft EIR includes Section 4.8, Mandatory Findings of Significance, which addresses cumulative impacts and impacts to human beings. These potential impacts relate to any of the resource areas evaluated previously in the EIR, which includes all of the resource areas listed on page 2 of the Notice of Availability. Therefore, although a section was included that discusses Mandatory Findings of Significance, it is not a specific resource area for review and therefore is not listed in the Notice of Availability as such.

Response 4.6

This comment relates to the level of customer service that would be provided by the Town versus the current owner of the AVR System. Increased customer service is included in the EIR as one of the Town's stated objectives in pursuing the proposed Project; however, the level of customer service that would be provided does not relate to potential effects to the physical environment nor does the commenter identify how he believes it does. Therefore, analysis of effects to customer service is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131; § 15088 [responses are only required to comments raising environmental issues]). This comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 4.7

The commenter states that there is no evidence that either the City of Hesperia or Victorville would be able to accommodate the addition of vehicles associated with the operation and maintenance of the AVR System if they were to operate and maintain the system, as proposed in Alternatives 2 and 3. These two alternatives were proposed in order to provide a range of alternatives that allow for in-depth analysis of potential environmental impacts, evaluating the possibility of reducing potential effects through selection of one of these alternatives. In the event that either of these alternatives was selected, additional analysis if required by CEQA would be performed, including review of existing facilities and the ability of these facilities to support additional vehicles associated with AVR System operation and maintenance. However, given that these two alternatives were found to have slightly higher impacts to the environment, neither of them was selected as the environmentally superior alternative. Please see Section 6.5, Environmentally Superior Alternative, for a discussion of the various alternatives and selection of the proposed Project as being environmentally preferable to the alternatives evaluated in the EIR.

Further, and in response to the commenter's question regarding whether the cities were contacted regarding the proposed Project, both cities were included on the distribution list for each of the CEQA notices (including the Notice of Availability identifying the completion of the Draft EIR). Ultimately, neither city submitted comments raising concerns regarding the Project or the EIR's analysis.

Response 4.8

The commenter observes that the summary table on page 4 of the Draft EIR indicates that all impacts analyzed in the document were determined to be Class III, Less than Significant. This observation is accurate, as all impacts that were evaluated for this project were indeed found to be less than significant. Please see Section 4.0, Environmental Impact Analysis, and its subsections that relate to each of the resource areas for discussion regarding the potential impacts and how each impact was determined to be less than significant.

Response 4.9

The commenter inquires as to whether there should be a narrative added on page 5 of the document to address Mandatory Findings of Significance. The table on pages 4 and 5 addresses

all of the potential impacts for each of the resource areas, including their specific impact statements. The section on Mandatory Findings of Significance is different from the evaluations included in the resource area analyses, in that it includes an overview and discussion of cumulative impacts and impacts to human beings. These discussions relate to all of the potential impacts discussed previously under the specific resource areas, and do not include specific impact statements. Therefore, this information was not included in the table on pages 4 and 5. However, in consideration of this comment information has been added to Table ES-1 as follows:

MANDATORY FINDINGS OF SIGNIFICANCE		
Cumulative Impacts Cumulative impacts are addressed in this EIR for Air Quality, Greenhouse Gas Emissions, Hydrology and Water Quality, Land Use and Planning, Noise, Transportation/Traffic, Utilities and Service Systems. In total, those analyses determine that the proposed Project would not have environmental effects that are individually limited but cumulatively considerable. Therefore, the proposed Project would have a less than significant impact in this regard.	None required	Less than significant
Impacts on Human Beings While changes to the environment that could indirectly affect human beings would be represented by all of the designated CEQA issue areas, those that could directly affect human beings include air quality, greenhouse gas emissions, hydrology and water quality, noise, transportation and traffic, and utilities and service systems, each of which is addressed in this EIR. According to these analyses, the proposed Project would have less than significant impacts on human beings, and therefore would not have the potential to cause substantial adverse effects on human beings.	None required	Less than significant

Note: As discussed in Section IV, Biological Resources, and Section V, Cultural Resources, of the Amended Initial Study (Appendix A) implementation of the proposed Project would not have the potential to physically impact species or habitats, nor would it have the potential to physically affect historical, archaeological, or paleontological resources, or to disturb any human remains. Therefore, this environmental factor was scoped out of the EIR.

Response 4.10

The commenter alleges that the EIR does not address the change in management functions that would occur as a result in the change in ownership. However, as discussed throughout the EIR, the proposed Project entails the acquisition, operation, and maintenance of the AVR System; these activities inherently include management associated with these activities. Additionally, Section 1.6, Lead, Responsible, and Trustee Agencies, addresses the proposed change in terms of management of the system, including the SWRCB's role in evaluating the proposed change of ownership. As stated on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System. Ultimately, and because the Town already provides management functions for other utilities (sewer) and because Apple Valley Ranchos Water Company already provides management functions that are proposed to be undertaken by the Town, no changes in any environmental impacts (if any) associated with provision of those management functions are reasonably foreseeable, nor does the commenter identify any impacts that he believes are not accounted for.

Response 4.11

The commenter alleges, without support, that there are additional functions not accounted for in the project description provided in the EIR that are currently performed outside the existing Apple Valley Ranchos Water Company O&M facility. The comment accurately reflects that the EIR identifies the existing operation as having approximately 20 office and 19 maintenance employees. This information was obtained from the annual report for Apple Valley Ranchos Water Company, which does not identify any other employee positions related to this operation (Apple Valley Ranchos Water Company 2015a). Accordingly, the Town's analysis is fully supported by substantial evidence.

Response 4.12

The commenter requests details and proof regarding the Town's objective to, "Provide for greater transparency and accountability, as well as increased customer service and reliability." As discussed under Response 4.6 above, the purpose of an EIR is to evaluate a project for its potential effects to the physical environment. The Town's objective regarding transparency, accountability, and increased customer service does not relate to potential effects to the physical environment nor does the commenter identify how he believes it may, and therefore is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process, and a brief description regarding increased transparency and accountability is included below in response to this comment.

Ownership of the AVR System by the Town would lead to more open, transparent operations and rate setting. Currently, some of the rate decisions made by the CPUC occur at behind-closed-door sessions that are not accessible to the public. Under the Town's control, operation decisions and rate setting would be subject to California's open public meeting and disclosure requirements, including the Brown Act and the Public Records Act. Apple Valley Ranchos Water Company is not subject to these public access and disclosure requirements. Thus, Town ownership would result in greater local accountability and public transparency in the operation and rate-setting process for the AVR System.

Response 4.13

The commenter requests the basis of the conclusion that operation of the AVR System would continue to require 39 employees, and states that this assumptions does not account for legal and regulatory compliance functions that the commenter alleges are currently being performed by Park Water Company, the parent company of Apple Valley Ranchos Water Company. As discussed in Response 4.11 above, the annual report for Apple Valley Ranchos Water Company indicates that the company's current operation is supported by 20 office and 19 maintenance employees. The report does not identify any other employee positions related to this operation (Apple Valley Ranchos Water Company 2015a). Accordingly, the EIR is fully supported by substantial evidence. Furthermore, as discussed on page 52 of this EIR, the AVR System would maintain its existing size and capacity, and would continue to be operated and maintained in a manner similar to existing operations. For these reasons, this EIR assumes that approximately the same number and level of staff would be required to support operation and maintenance of the system following acquisition.

Response 4.14

The commenter states that the EIR does not include discussion of current construction improvements being performed by Apple Valley Ranchos Water Company or of any future needs projections for the water system. In a previous comment letter (dated August 4, 2015 and included in Appendix A), the commenter provided a similar comment expressing the need for an analysis of the condition of existing infrastructure and any necessary upgrades. As discussed in response to that comment in the Draft EIR on page 13 (located on page 14 in the Final EIR), the Town would acquire the AVR System in its existing condition; no system upgrades are proposed at this time that would require review under CEQA. The Town would maintain the system with the degree of prudence and caution required of a municipal operator of a water system. It should be noted that, these maintenance activities would be the same as those required by any owner and operator of the system, including Apple Valley Ranchos. The continuation of ongoing maintenance activities by the Town is considered and evaluated in Section 4.0, Environmental Impact Analysis, of this EIR.

Furthermore, construction improvements and future system needs, such as pipeline replacements and upgrades, would remain the same as those currently required for the AVR System, regardless of who owns the system. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. Any future upgrades of the system are not reasonably foreseeable. Additionally, future upgrades (if any) would be proposed and analyzed as required by CEQA and would require associated environmental review and documentation. The EIR has been updated in Section 4.0, Environmental Impact Analysis, on page 44 to include this explanation regarding potential construction improvements and future system needs.

Response 4.15

The commenter enquires about why the proposed Project does not provide specific details about how the Town would meet the requirements of the following policy in the Town's Climate Action Plan:

> Policy MO-24: Encourage Apple Valley Ranchos, Golden State and other water purveyors to replace water systems with energy efficient motors, pumps and other equipment.

The proposed Project is the acquisition of the existing AVR System, and ongoing operation and maintenance by the Town. Replacement of water system components (when and if proposed by the Town) would occur over time as part of these ongoing maintenance activities, at which time the Town would implement upgrades to more efficient motors, pumps and other equipment – thus furthering the Town's GHG reduction efforts.

The commenter also alleges that the Town has appeared at the CPUC and argued against infrastructure improvements, and enquires why the Town made these arguments. The Town's comments in those proceedings primarily related to the potential need and cost of such improvements - costs which the Town sought to curtail in order to prevent the imposition of further rate-increases by Apple Valley Ranchos Water Company through the CPUC process. One of the purposes behind the proposed Project is to allow Town ownership in order to

stabilize those very same water rates. In that regard, the Town's prior concerns regarding (unnecessary and unjustified) costs is entirely consistent with the Project proposed here.

Response 4.16

The commenter asks how the proposed Project would achieve its objective of achieving local control over rates. As discussed under Response 4.6 above, the purpose of an EIR is to evaluate a project for its potential effects to the physical environment. The Town's objective of achieving local control of water rates is an economic issue and does not relate to potential effects to the physical environment, and therefore is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process, and a brief description regarding how the proposed Project would increase local control over rates is included below.

The proposed Project would provide greater local control of the AVR System because the Town's ownership of the system would put it under Proposition 218, which does not permit municipalities to make a profit in water service operations. For decades the Apple Valley community has been concerned about the increasing water rates charged by Apple Valley Ranchos Water Company. As an investor-owned utility regulated by the CPUC, Apple Valley Ranchos Water Company is entitled to charge its users a "rate of return," or profit on its water service. By contrast, municipal water providers are not permitted to charge a rate of return for water service. Thus, acquisition of the AVR System by the Town would result in a savings to the consumers of any pass-through of the rate of return or profit.

Additionally, as a publically traded company, Apple Valley Ranchos Water Company is incentivized to pay dividends to its stock-holders, which in-turn puts pressure on the company to increase water rates to pay those dividends to provide a reasonable rate of return to investors. Ownership of the AVR System by the Town would put an end to the payment of dividends and the upward pressure that puts on water rates.

Also, as an investor-owned for-profit utility, Apple Valley Ranchos Water Company is required to pay income taxes. Because municipal utilities are not-for-profit entities, they are not required to pay taxes. Thus, acquisition by the Town would avoid this expense.

Another issue affecting rates under Apple Valley Ranchos Water Company's ownership is the Water Rate Adjustment Mechanism (WRAM), which is unique to the CPUC and does not affect municipal purveyors. Under the WRAM, where there is a drop in water demand, such as in periods of drought that California is now experiencing, Apple Valley Ranchos Water Company is entitled to impose a surcharge to water users. Municipal public utility owners are not entitled to charge a WRAM.

Not only are Apple Valley Ranchos Water Company's rates increasing, but they are higher than the rates charged by nearby municipal and investor-owned purveyors. As an illustration, in October 2015, the water rates for Apple Valley Ranchos Water Company were higher than for neighboring water service providers (Table 8-2).

Table 8-2
Rate Comparison of Nearby Water Service Suppliers

Water Provider	Minimum Monthly Service Charge			Water Usage Charge		
	5/8" x 3/4" meter	3/4" meter	1" meter	10 CCF	17 CCF	28 CCF
Apple Valley Ranchos Water Company[1]	$22.55	$33.83	$56.38	$28.45	$50.16 (+$0.48)[2]	$87.31 (+$5.72)[2]
City of Hesperia	$19.63	$19.63	$29.45	$9.00	$19.85	$36.90
City of Victorville	$18.25	$18.25	$18.25	$15.30	$26.01	$42.84
County Service Area 64	--	$14.10	$23.50	$8.50	$14.84	$25.62
Golden State Water Company[1]	$16.15	$24.25	$40.40	$32.14	$42.84	$101.13
Helendale Community Services District	--	--	$26.25	$8.77	$15.35	$25.69

[1] Does Not Include Additional CPUC Taxes, Fees, WRAM and MCBA Surcharges and Other CPUC Approved Balancing Account.
[2] Apple Valley Ranchos Water Company also has a drought surcharge in addition to the water usage charge of $0.48 for 17 CCF and $5.72 for 28 CCF; these charges are in addition to the rates quoted above.
Source: Town of Apple Valley, October 2015

Ownership of the AVR System by the Town, would also increase local control of the system and rate-setting. Under Apple Valley Ranchos Water Company's ownership, water rates are set at CPUC proceedings located in San Francisco, California. By contrast, under the ownership and control of the Town, rates would be set based on local needs and demand and at proceedings within the Town, where affected ratepayers would have greater access to the process.

Response 4.17

The commenter alleges that the EIR is insufficient in its disclosure and analysis of recently approved projects and associated current growth and development. Because the Project area for the proposed Project includes most of the Town's incorporated area, this analysis considers cumulative development in terms of total development across the Town. In addition, the EIR considers other specific development projects proposed in the vicinity of the Project Area, which are listed in Table 3-1 of the EIR and are included in the cumulative impacts analysis.

The EIR relies on the General Plan EIR for analysis of land use impacts associated with growth throughout the Town, and other available documentation such as the Final Environmental Impact for the Hacienda at Fairview Valley Specific Plan Project (2013), where applicable, for analyses of land use impacts outside the Town boundaries, such as the Hacienda at Fairview Valley Specific Plan referenced by the commenter. According to the General Plan EIR, development proposed in Annexation 2008-001 was determined to result in a cumulatively significant land use impact. Please see the cumulative impact discussion in Section 4.4.2(a) where this information regarding cumulative development was disclosed. Section 7.0, References, has been amended to clarify where these references can be located.

As discussed in Section 4.4, Land Use and Planning, of this EIR, although proposed development in the Town of Apple Valley would result in a cumulatively significant land use impact, the proposed Project's contribution to cumulative land use impacts would not be cumulatively considerable as it would not alter any land use designations nor conflict with land use plans, policies, or regulations. The proposed Project would not contribute to cumulative land use impacts in the parts of the Project area outside of the Town boundaries, which include

portions of Victorville and San Bernardino County, for the same reasons. In those areas, no land use designation changes are proposed and no conflicts with land use plans, policies or regulations have been identified. Additionally, as discussed in Section 5.0, Growth Inducement and Other CEQA Issues, of this EIR, the proposed Project would not induce substantial population growth, in either the Town or outside the Town boundaries, including in the unlikely event of a reduction in water rates, nor would it result in a significant number of new employees to the community. Finally, no comments on the Draft EIR were received from either the County or Victorville with regards to land use or other project-specific or cumulative impacts. Additionally, it would not result in any significant effect resulting from removing obstacles to growth.

The following text has been added to Section 4.4, Land Use and Planning, on page 78 of the EIR under Impact LU-1 to clarify this analysis:

> Most of the portions of the AVR System service area that fall within San Bernardino County are currently zoned HF/SP (Hacienda Fairview Specific Plan) and AV/RL-40 (Apple Valley/Rural Living – 40 acre minimum). The remaining areas are zoned AV/RL-20 40 (Apple Valley/Rural Living – 20 acre minimum), AV/RL (Apple Valley/Rural Living), AV/IC (Apple Valley/Community Industrial), AV/CN (Apple Valley/Neighborhood Commercial) and AV/RS-1 (Apple Valley/Single Residential 1 acre minimum). The location of Well 7 in the City of Victorville is zoned SP (Specific Plan). In both cases, the proposed Project would not alter existing compliance with applicable land use plans, policies, or regulations, given that the proposed Project would alter the entity that owns and operates the existing Apple Valley Ranchos Water System, but would not alter the nature or intensity of operation and maintenance of the water system.

Response 4.18

This comment points out the acronym "DMM" was used without being defined on its first use. In this document, DMM is used to abbreviate Demand Management Measures. The Final EIR has been updated on page 129, where the acronym was first used, to include the full term.

Response 4.19

The commenter states that the Draft EIR did not respond to all comments that were provided during the scoping process. As discussed under Response 2.4 above, in total, there were 27 written comments received during the scoping process. All of these comments are tabulated and summarized in Table 1-1 of the Draft EIR; no comments were omitted. Page 8 of the Draft EIR erroneously reported that 29 comments were received. This number has been updated to 27 on page 9 of the Final EIR to reflect the correct number of comments received during the scoping process for the Draft EIR.

The commenter expressed concern regarding alleged omission of verbal comments from the scoping meeting, and claims that the following comment was made and no response was provided: "With the possible Eminent Domain decision and Acquisition by the Town of Apple Valley, what would negate the possible re-sale later to another public or private entity?" The commenter goes on to ask why this particular comment was not addressed.

At the scoping meetings, all commenters were asked to provide their specific comments on the comment cards provided or through email or by hard copy mail after the meeting as well so that they could be fully addressed. The Town is not aware of any comments (including any regarding additional alternatives) that have not been addressed. Ultimately, all comment cards received at the scoping meetings are included in the appendix of the Draft EIR and responses are included in the main document. Therefore, this comment did not previously receive a response.

To respond to this comment as it is presented here, the comment does not appear to be an additional alternative for consideration, but rather a question regarding a potential hypothetical result of the Town's acquisition of the AVR System. It is not the Town's intention to resell the AVR System to another public or private entity, and this action would not be consistent with the stated objectives of the proposed Project. Therefore, this action is not part of the proposed Project and is not a foreseeable consequence of the proposed Project. Thus, the potential indirect impacts that this comment attempts to establish are highly speculative and unsubstantiated conjecture (State CEQA Guidelines, § 15384 [substantial evidence does not include unsubstantiated opinion or speculation]) and this scenario need not be analyzed in detail in the EIR. (See *Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173, 1178 [CEQA does not require speculation]; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692 [EIR upheld – despite claims that project description was incomplete – because operation of plant beyond stated 20-year life was speculative].)

Response 4.20

The commenter asks, "Where are the comments of the Mojave Water Agency… as well as other Critically-important High Desert Environment Impact Expertise?" He goes on to imply that their lack of comment may be due to insufficient noticing, and indicates that he expects the full distribution list to be included in the Final EIR.

During the scoping process, the Mojave Water Agency was sent both the initial and revised Notice of Preparation inviting it to provide comments on the proposed Project; however, the agency did not provide a comment. The Mojave Water Agency was also sent the Notice of Availability of the Draft EIR. Additionally, in terms of environmental agencies with high desert expertise, the California Department of Fish and Wildlife was noticed, including Region 6, Inland Deserts Region, specifically, which serves Imperial, Inyo, Mono, Riverside, and San Bernardino counties. This agency did not provide a comment on the proposed Project; however, it has since issued a No Effects Determination for the proposed Project, indicating that the agency has reviewed the Project and determined that it would have no effect on fish, wildlife or their habitat. Additional environmental agencies and organizations within the region were noticed and did not provide comments on the proposed Project.

As discussed in Response 2.7 above, the commenter provided a comment letter during the scoping process (dated July 17, 2015 and included in Appendix A), providing suggestions regarding additional recipients for the Notice of Preparation. This request was received after publication of the revised Notice of Preparation on July 16, 2015. Nonetheless, in response to this request, the Town sent the Notice of Availability of the Draft EIR to all recipients that were

specified in the letter. Accordingly, the Town has "followed-through" regarding the suggested notifications previously provided by the commenter.

As with the Notice of Preparation, a full list of public agencies, responsible agencies, and others who were provided with the Notice of Availability will be provided either by e-mail or as a hard copy to anybody who requested it from the Town; however, it will not be included in the document itself.

Response 4.21

The commenter alleges that the response to his concern regarding Valley Fever that is included in the Draft EIR is dismissive of his concerns. As discussed under Response 2.8, in a previous comment letter (dated August 13, 2015 and included in Appendix A), the commenter requested information regarding whether the Project would result in impacts related to Valley Fever. Contrary to the commenter's claim that this concern was dismissed without proper evaluation, the Draft EIR included a response regarding his specific concern. As discussed in the previous response on page 17 of the Draft EIR (located on page 18 in the Final EIR), Valley Fever is associated with the mobilization of particulate matter (dust) and subsequent inhalation by area residents, and the potential for the Project to result in air quality impacts, including emission of particulate matter, is included Section 4.1, Air Quality. The Draft EIR found that the proposed Project would not result in an increase in air emissions from operation or maintenance activities because no construction or operational changes that might result in ground-disturbance or increased air emissions are proposed. Given that there would be no increase in air emissions, the proposed Project would not contribute to increased risks associated with Valley Fever. Nonetheless, the above explanation has now been added to the discussion in Section 4.1, Air Quality, to specifically state that the proposed Project would not result in any impacts associated with generation of dust.

Response 4.22

The commenter claims that the Town could be working toward achieving some of the goals outlined in Section 4.4, Land Use and Planning, and expresses disappointment the Town is not currently working toward attaining these goals with Apple Valley Ranchos Water Company as the owner. The commenter goes on to ask why this has not already occurred. This comment does not relate to the proposed Project, but to the Town's purported actions or inaction prior to proposing this Project. As such, this comment is not within the scope of CEQA and is not included in the analysis contained in the EIR. However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 4.23

The final comment is a conclusory statement regarding the commenter's dissatisfaction with the Draft EIR, which he claims lacks sufficient detail and high-level analysis. As this comment is general in nature and does not provide any specifics regarding these purported shortcomings, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) The commenter's opinion that the EIR should include additional higher-

level analysis, supporting details, and locally applicable High-Desert provisions has been passed to Town decision-makers for consideration as part of the wider Project review process.

From: Greg Raven
Sent: Sunday, November 01, 2015 3:52 PM
To: Apple Valley Mailbox
Subject: Opposing the Draft EIR Report

Lori Lamson, Assistant Town Manager
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

Via e-mail to applevalley@applevalley.org

Ms. Lamson,

I wish to register my opposition to the Draft EIR Report in its entirety.

It is clear as day that the Town of Apple Valley (TOAV) using the Environmental Impact Report process for nefarious purposes. There is no need for an EIR process when acquiring an existing business, as TOAV proposes to do, so the only reason why TOAV would spend the time and (taxpayer!) money on this process must be to create a fictitious aegis for their actions. Thus, any EIR that is not 100 percent negative serves their agenda of pushing forward with a decision made long ago. By misrepresenting the Project Objectives, they have guaranteed at least some positive outcome, upon which they will hang their hat in announcing this decision. To put it another way, for TOAV, this is not about water, it is about money. The EIR is a fig leaf behind which they will hide while doing what they have wanted to do anyway since 2006. 5-1

Additionally, I wish to object on specific grounds listed below.

Point 1 — Project Objectives: "The underlying purpose of the proposed Project is for the Town of Apple Valley to acquire, operate, and maintain the existing AVR System."

Objection 1: This purpose contains one or more falsehoods. The obvious falsehood is that TOAV even has the ability to operate and/or maintain a water utility. Apple Valley Ranchos Water Company (AVRWC) has two class 5 water operators, and numerous certified employees. Given the relentless attacks on AVRWC by TOAV over the years, few if any of these qualified persons would transition to TOAV to operate and/or maintain the water system (assuming they were even asked), meaning TOAV would have no one with any substantive knowledge of water system operation. The one person typically put forward as the expert for TOAV is Dennis Cron, who doesn't seem to know the difference between a booster station and a well head, nor the difference between potable water and portable water. 5-2

Point 2: Project Objectives: "Allow the Town to independently own and operate a water

production and distribution system;"

Objection 2: See Objection 1.

5-2 (cont)

Point 3 — Project Objectives: "Provide for greater transparency and accountability, as well as increased customer service and reliability;"

Objection 3: TOAV has been utterly opaque both in terms of its true goals in seizing AVRWC, and in its finances in general. Currently, TOAV is running a deficit both with the Golf Course and in general, while cooking the books to make it appear to the public that things are going great. Also, TOAV continues to hide financial documents from public scrutiny, while publicly claiming not to be hiding anything. TOAV is simply not to be trusted on anything it says at this point. Even the "transparency reports" it promised would be available every month have failed to materialize. Furthermore, while I have lived in Apple Valley for a decade, I have yet to call Town Hall and actually reach anyone except for the receptionist, which I do not consider to be good customer service. Finally, it bears repeating that TOAV has experience with three different water projects over the last 16 years or so, each of which has come to grief: Apple Valley Water District, the MWA well (through Council Member Art Bishop), and the Apple Valley Golf Course. This history of failure shows TOAV is not, and probably never will be, suited to run a water utility. Evidence of this can be seen in the fact that after TOAV gained water rights through the purchase of Apple Valley Country Club, it immediately transferred all or some of the rights to other entities.

5-3

Point 4 — Project Objectives: "Enhance customer service and responsiveness to Apple Valley customers;"

Objection 4: With no idea how to operate and/or maintain a water system, there is no way TOAV can make this promise. And, given its financial situation, there is no way it can fulfill this promise no matter how sincere the promise or great the effort, short of massive increases in either water rates, taxes, or both. Also, as mentioned in Point 3 above, TOAV's existing customer service is abysmal.

5-4

Point 5 — Project Objectives: "Provide greater local control over the rate setting process and rate increases;"

Objection 5: No one has yet been able to figure out what TOAV means by the vague and misleading term "local control." The Town Council Members are not in control of TOAV staff, TOAV farms out its accounting, TOAV has allowed Outer Highway 18 to be destroyed piecemeal (which leaves residents at the mercy of CalTrans!), and Town Council Members are either too lazy to probe into obvious problems in the town, or are willfully ignorant of them. Also, TOAV has increased sewer rates at a faster rate than AVRWC has increased water rates, and unlike AVRWC, there is no oversight for TOAV increases. After securing its last sewer rate increase, TOAV turned around and loaned millions from the sewer fund to the general fund to help cover a budget shortfall. One Town Council Member referred to this as a surplus, saying, "Surpluses are good!" And, if TOAV farms out the operation and/or maintenance of the water system to an outside firm, this represents a loss of "local control."

5-5

Point 6 — Project Objectives: "Provide direct access to locally elected policy makers for the water operations;"

5-6

Objection 6: We residents currently do not have what I would call direct access to elected officials for current TOAV business. True, we can contact them through e-mail or perhaps voicemail, but they virtually never respond, and never substantively. These are not the people we want running our water system.

5-6 (cont)

Point 7 — Project Objectives: "Allow the Town to pursue grant funding and other types of financing for any future infrastructure needs, including grants and financing options which the CPUC does not allow private company to include in their rate base (such that private companies do not pursue advanced planning and investment for infrastructure); and"

Objection 7: AVRWC is a successful company that is a subsidiary of another successful company, and as such has already has figured out the funding for future infrastructure needs. The fact that TOAV is already saying it doesn't have funding, indicates to me that TOAV will be skimming funds out of the water system and into the general fund, using underhanded and seamy tactics, to the point that there will be nothing left for future infrastructure needs. This means TOAV will be forced to encumber residents with even more debt (atop the mountain of debt needed to complete the condemnation process) to maintain what we have now, let alone for any speculative ventures.

5-7

Point 8 — Project Objectives: "Enable the Town to use reclaimed water for public facilities without invoking potential duplication of service issues with AVR."

Objection 8: There is a much easier way of using reclaimed water, and TOAV knows it. TOAV signed an agreement with AVRWC granting AVRWC the exclusive position of water retailer within its service area. AVRWC welcomes the use of reclaimed water, and TOAV knows this, too. TOAV is using this as a ploy in an attempt to justify the necessity of the multi-million dollar mistake it wants to make.

5-8

Each of the so-called Project Objectives is essentially a promise by TOAV to conduct business in a way utterly different from how they currently conduct business. If these Objectives are important, TOAV could start implementing them now. They don't because they have no intention of fulfilling these implied promises. It will be business as usual, but with millions more (and our water system!) at stake.

5-9

I have some other objections, too.

Objection 9 — Alternatives: The only alternative that makes any sense is No Project. Victorville appears to have mismanaged millions in its own water utility, and has come under harsh criticism from both a Grand Jury investigation and a state water audit of our area. Former Hesperia council woman Diana Carloni is on record as saying that Hesperia took over its water utility for monetary reasons, not for any of the eyewash TOAV presents as goals. Neither of these entities is suitable to operate our water utility, and the very fact that TOAV proposes them reveals that they don't care about what happens to our water system. Should either of them become the operator of the Apple Valley water system, they are going to charge us whatever it costs them, plus add something for profit. Because neither is as good at running a water utility as AVRWC, this means higher costs, poorer service, and possibly reduced water quality. As for Alternative 4, running a water utility is far more complex than running a town the size of Apple Valley. As it is, TOAV barely manages to run itself; there is no way it could run a water utility, so this is not a viable alternative. To recap, the only serious, sustainable option is Alternative 1 — No Project. TOAV will use any other

5-10

recommendation as proof of support for its hostile takeover. 5-10 (cont)

Objection 10 — Areas of known controversy (hydrology and water quality): This section is bad fiction from beginning to end. First, it ignores the fact that TOAV has no ability to run a water system, so water quality is a key issue. Second, "required to comply" could mean that TOAV would just pay any fines associated with overuse of water, rather than conserving, because the ratepayers are picking up the tab. To date, TOAV has done virtually no conservation messaging, and hasn't even joined AVRWC to support their conservation messaging. As the biggest user of water in the area, with the least knowledge of how a water utility must be run, TOAV is not to be trusted in this area. 5-11

Objection 11 — Areas of known controversy (Utilities impact U-3): TOAV has essentially claimed that everything AVRWC says is a lie. I believe these claims to be false, but here, TOAV is conveniently taking AVRWC at its word about the sufficiency of the water supply. I want to see proof. 5-12

Objection 12 — 1.1 Project background: AVRWC has holdings outside of Apple Valley. My understanding is that TOAV cannot run projects outside of their sphere of influence. There is no way for TOAV to buy all of AVRWC without Yermo. There is no way for TOAV to buy AVRWC without Yermo without incurring significant additional costs, potentially running into the millions. 5-13

Objection 13 — 1.2 Purpose and legal authority: This is the hook upon which TOAV will hang its hat in promoting the hostile takeover of AVRWC. Because of the flawed nature of the DEIR, there will be no "significant environment effects of the project," therefore, TOAV can say they received the green light for the project on the strength of this flawed EIR. 5-14

Objection 14 — 1.3 Notice of preparation and scoping: Just looking at the responses to my earlier objections, TOAV would have us believe that it will spend millions pursuing eminent domain proceedings against AVRWC, and then be at the mercy of the SWRCB? Are you seriously proposing that as a response? If TOAV was worried about not being fit, it would be beavering away now so that it will be in a position to "demonstrate … its ability to operate the system." Instead, it is engaged in a propaganda war against AVRWC. Persons licensed and certified to run a water system in California do not grow on trees. Where is TOAV going to get these persons? Are they going to hire them before the trial, after the trial, during the trial, or when? Also, the failure of the EIR process to evaluate all aspects of the project is the very thing upon which TOAV is counting. The EIR process is being played, at the expense of the ratepayer. 5-15

Objection 15 — 1.6 Lead, responsible, and trustee agencies: TOAV does not have discretion over the acquisition of AVRWC. That entity is a court somewhere, at an eminent domain hearing. TOAV only has the discretion of mis-spending taxpayer monies in this insane jihad against AVRWC. Furthermore, there is no way TOAV will acquire AVRWC through "a negotiated purchase." AVRWC is not for sale, and the TOAV's so-called offer was pitifully low. The inclusion of this language in this document raises doubts about the entire document, as well as the purpose for this document. 5-16

Objection 16 — 2.4.4 System operation and maintenance: TOAV says it wants to use the existing AVRWC facilities. We already have a water system being run out of that building. Thus there is no benefit to ratepayers for TOAV to spend millions to obtain something we

already have. 5-16 (cont)

I don’t know what the term of art is for it, but the Final Report must urge TOAV not to pursue this course of action one moment longer. The only logical and ethical choice is the “no acquisition” option. 5-17

— Greg Raven, Apple Valley, CA

Greg Raven
20258 US Hwy 18 Ste 430-513
Apple Valley, CA 92307-9705
http://en.gravatar.com/gregraven

I'm not a Democrat, and I'm not a Republican. I'm an American, and I want my country back.

Letter.5

COMMENTER: Greg Raven, Public

DATE: November 1, 2015

RESPONSE:

Response 5.1

This introductory comment expresses the commenter's dissatisfaction with the Town's decision to complete an EIR to evaluate the proposed Project, stating that it is a waste of time and money. The commenter goes on to claim that the project objectives are misrepresented. These statements are general in nature and do not raise specific environmental concerns about the Draft EIR or the Project; therefore, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) Specific concerns detailed in this letter are addressed in the following responses. Finally, the commenter states that the Town's CEQA process only serves to ratify "a decision made long ago." Contrary to the commenter's statements, the Town has not made a decision regarding whether to approve the Project. Indeed, the EIR process and other studies reviewed by the Town in recent times have been undertaken in a good-faith effort to fully study the proposed Project to determine whether an approval (if any) is appropriate. Such efforts are entirely consistent with CEQA's directive that planning processes proceed concurrently with the completion of CEQA review. (State CEQA Guidelines, § 15004.)

Response 5.2

The commenter questions the Town's ability to operate the AVR System. Section 1.6, Lead, Responsible, and Trustee Agencies, addresses the proposed change in terms of management of the system, including the SWRCB's role in evaluating the proposed change of ownership. As stated on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System. Further, the commenter does not identify any environmental impacts that he believes may arise as a result perceived staffing issues. Thus, no further response is required. (State CEQA Guidelines, § 15088 [responses are required only for comments raising environmental issues].)

Response 5.3

The commenter questions the Town's objective to, "Provide for greater transparency and accountability, as well as increased customer service and reliability," and alleges that the Town has financial motivations for pursuing the proposed Project. Greater transparency and accountability and increased customer service are included in the EIR as some of the Town's stated objectives in pursuing the proposed Project; however, these particular objectives do not relate to potential effects to the physical environment. Therefore, analysis of effects to transparency, accountability, and customer service are not within the scope of CEQA and are

not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). This is also true of any unsupported allegations concerning the Town's financial motivation for pursuing the proposed Project. Nonetheless, and to be clear, the Town's website makes reference to financial transparency reports which the Town will attempt to post each "quarter." Such statements do not amount to a "promise" to post reports on a "monthly" basis as the commenter asserts. However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process, and a brief description regarding increased transparency and accountability is included below in response to this comment. In addition, the commenter references "three different water projects" involving Apple Valley Water District, the MWA well, and the Apple Valley Golf Course asserting that they all "came to grief." This comment is unclear and not supported by any fact. First, it is unclear what "MWA well" the commenter is referring to. Second, the Town did refurbish an existing well on the Golf Course to ensure it could support Golf Course irrigation needs. Third, the former Apple Valley Water District was dissolved and its function became an enterprise function of the Town (for political and administrative efficiency). Thus, it is unclear why the commenter believes these projects are problematic, and there is no explanation of why those projects are relevant in determining what environmental impacts the commenter believes may arise from *this Project*. Without further information on the meaning of this comment, no further response can be provided. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

The Town's intent in acquiring the AVR System is to provide more open, transparent operations and rate setting. Currently, some of the rate decisions made by the CPUC occur at behind-closed-door sessions that are not accessible to the public. Under the Town's control, operation decisions and rate setting would be subject to California's open public meeting and disclosure requirements, including the Brown Act and the Public Records Act. Apple Valley Ranchos Water Company is not subject to these public access and disclosure requirements. Thus, Town ownership would result in greater local accountability and public transparency in the operation and rate-setting process for the AVR System. Please also see Global Response #1.

Response 5.4

The commenter also questions the Town's objective to provide increased customer service, and alleges that the Town does not have the expertise to operate the AVR System. As discussed in Response 5.3 above, increased customer service does not relate to potential effects to the physical environment, and, therefore, is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). The Town's ability to operate the AVR System is addressed under Response 5.2 above, which indicates that the SWRCB would evaluate the proposed change of ownership and determine if the Town should be approved to operate the system and issued a permit, as discussed on page 21 of the EIR. Please also see Global Response #1.

Response 5.5

The commenter indicates that it is unclear what the Town considers greater local control over the rate setting process and rate increases. The purpose of an EIR is to evaluate a project for its potential effects to the physical environment. The Town's objective of achieving local control of

water rates is an economic issue and does not relate to potential effects to the physical environment, and therefore is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process, and a brief description regarding how the proposed Project would increase local control over rates is included below.

Additionally, and to be clear, the proposed Project would provide greater local control of the AVR System because the Town's ownership of the system would put it under Proposition 218, which does not permit municipalities to make a profit in water service operations. For decades the Apple Valley community has been concerned about the increasing water rates charged by Apple Valley Ranchos Water Company. As an investor-owned utility regulated by the CPUC, Apple Valley Ranchos Water Company is entitled to charge its users a "rate of return," or profit on its water service. By contrast, municipal water providers are not permitted to charge a rate of return for water service. Thus, acquisition of the AVR System by the Town would result in a savings to the consumers of any pass-through of the rate of return or profit.

Additionally, as a publically traded company, Apple Valley Ranchos Water Company is incentivized to pay dividends to its stock-holders, which in-turn puts pressure on the company to increase water rates to pay those dividends to provide a reasonable rate of return to investors. Ownership of the AVR System by the Town would put an end to the payment of dividends and the upward pressure that puts on water rates.

Also, as an investor-owned for-profit utility, Apple Valley Ranchos Water Company is required to pay income taxes. Because municipal utilities are not-for-profit entities, they are not required to pay taxes. Thus, acquisition by the Town would avoid this expense.

Another issue affecting rates under Apple Valley Ranchos Water Company's ownership is the Water Rate Adjustment Mechanism (WRAM), which is unique to the CPUC and does not affect municipal purveyors. Under the WRAM, where there is a drop in water demand, such as in periods of drought that California is now experiencing, Apple Valley Ranchos Water Company is entitled to impose a surcharge to water users. Municipal public utility owners are not entitled to charge a WRAM.

Not only are Apple Valley Ranchos Water Company's rates increasing, but they are higher than the rates charged by nearby municipal and investor-owned purveyors. As an illustration, in October 2015, the water rates for Apple Valley Ranchos Water Company were higher than for neighboring water service providers (Table 8-3).

Table 8-3
Rate Comparison of Nearby Water Service Suppliers

Water Provider	Minimum Monthly Service Charge			Water Usage Charge		
	5/8" x 3/4" meter	3/4" meter	1" meter	10 CCF	17 CCF	28 CCF
Apple Valley Ranchos Water Company[1]	$22.55	$33.83	$56.38	$28.45	$50.16 (+$0.48)[2]	$87.31 (+$5.72)[2]
City of Hesperia	$19.63	$19.63	$29.45	$9.00	$19.85	$36.90

City of Victorville	$18.25	$18.25	$18.25	$15.30	$26.01	$42.84
County Service Area 64	--	$14.10	$23.50	$8.50	$14.84	$25.62
Golden State Water Company[1]	$16.15	$24.25	$40.40	$32.14	$42.84	$101.13
Helendale Community Services District	--	--	$26.25	$8.77	$15.35	$25.69

[1] Does Not Include Additional CPUC Taxes, Fees, WRAM and MCBA Surcharges and Other CPUC Approved Balancing Account.
[2] Apple Valley Ranchos Water Company also has a drought surcharge in addition to the water usage charge of $0.48 for 17 CCF and $5.72 for 28 CCF; these charges are in addition to the rates quoted above.
Source: Town of Apple Valley, October 2015

Ownership of the AVR System by the Town, would also increase local control of the system and rate-setting. Under Apple Valley Ranchos Water Company's ownership, water rates are set at CPUC proceedings located in San Francisco, California. By contrast, under the ownership and control of the Town, rates would be set based on local needs and demand and at proceedings within the Town, where affected ratepayers would have greater access to the process. Please also see Global Response #1.

The commenter also alleges that the Town has raised sewer rates at a faster rate than Apple Valley Ranchos Water Company has increased water rates. While the commenter provides no evidence in support of this assertion, in response it is worth noting that sewer rate increases occurring as a result of "pass-thru rates" and charges that the Town must pay to the Regional Treatment Authority are not the same as the Town increasing rates for operation of its own system. These types of increased rates are necessary, and are accordingly passed on to Town sewer customers, to generate the necessary revenue to pay these pass-thru payments.

Response 5.6

The commenter indicates that he does not believe that the residents of Apple Valley have direct access to elected officials because he claims that these officials do not respond when contacted. The level of access to elected officials does not relate to potential effects to the physical environment, and, therefore, is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 5.7

The commenter objects to the statement that private companies do not have access to certain types of funding (such as grants limited to public agency applicants) that may be available to public agencies. To be clear, the Town is not suggesting that private companies are necessarily forbidden from doing advanced funding planning. However, private companies have more limited options with regard to funding operation and maintenance of public utilities, and they respond to different financial pressures (such as guaranteeing a rate of return to investors) than exist for public agencies.

In terms of the commenter's allegations about the Town's intent, this comment is an unfounded statement regarding the Town's objective to secure additional funding to be used for water infrastructure improvements. As this comment relates to economic aspects of the proposed Project, it is not within the scope of CEQA, and thus not included in this EIR (State CEQA Guidelines, § 15002 and § 15131). Regardless, this comment has been passed to Town decision-

makers for consideration as part of the wider project review process and additional information has been provided below.

The Town has not indicated that it lacks funding for infrastructure improvements. The stated objective indicates only that the Town intends to pursue grant funding uniquely available to public agencies to provide additional funds to be used for infrastructure improvements, thereby reducing costs to rate payers. Additionally, as stated on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System.

Response 5.8

The commenter appears to claim that the Town's objective of enabling the use of reclaimed water for public facilities without invoking potential duplication of service issues with Apple Valley Ranchos Water Company is misguided. Although it is unclear what "agreement" the commenter is referring to, the commenter appears to be referring to Town Ordinance No. 13, which granted Apple Valley Ranchos Water Company a franchise to operate, use, and construct a municipal water system within the Town. The commenter's claim that the Project would violate that Ordinance is incorrect. Specifically, Section 4 of Ordinance No. 13 provides that:

> The term or period of this franchise shall . . . endure in full force and effect until . . . [it] is voluntarily surrendered or abandoned by its possessor, or until the State of California or some municipal or public corporation authorized by law shall purchase by voluntary agreement or condemn under the power of eminent domain, all property actually used and useful in the exercise of this franchise.

In addition, Section 9 of Ordinance No. 13 (which mirrors Public Utilities Code Section 6262) states as follows:

> The franchise granted hereunder shall not in any way or to any extent impair or affect the right of the Town to acquire the property of the Grantee either by purchase or through the exercise of eminent domain, and nothing herein contained shall be construed to contract away or to modify or to abridge, either for a term or in perpetuity, the Town's right of eminent domain with respect to the Grantee or any public utility, nor shall this franchise ever be given any value before any court or other public authority in proceedings of any character in excess of the cost to the Grantee of the necessary publication and any other sum paid by it to the Town at the time of the acquisition thereof.

Here, because the Town is a municipal corporation authorized to acquire property by purchase, eminent domain, gift, devise, contract, "or other means," the plain language of these provisions make it clear that the Town may acquire the AVR System from Apple Valley Ranchos Water Company and terminate the franchise agreement, if the proposed Project is approved. (Gov. Code, §§ 37350, 37350.5.)

Response 5.9

This comment is a conclusionary paragraph regarding the Project objectives, in which the commenter asserts that the Town does not intend to fulfil the implied promises. As this comment is general in nature and does not provide any specifics regarding these purported shortcomings, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

Response 5.10

The commenter states his objections to the potential alternate operators of the AVR System that are considered in the alternatives analysis, claiming that neither of these operators is suitable and that their operation of the system would result in higher costs, poorer service, and possibly reduced water quality. He goes on to state that the Town (and other agencies identified in the EIR as potential alternative operators) is also incapable of effectively operating the system and that the No Project Alternative is the only suitable option (e.g., continued ownership and operation by Apple Valley Ranchos Water Company).

As discussed under Response 5.2, Section 1.6, Lead, Responsible, and Trustee Agencies, addresses the proposed change in terms of management of the system, including the SWRCB's role in evaluating the proposed change of ownership. As stated on page 21 of the EIR, the Town – or any other proposed operator - would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System. The proposed Project or alternative that is selected would be reviewed by the SWRCB taking into consideration the specific operator defined in the selected action. The permit would only be issued if the SWRCB found that the selected operator has proven that they are capable of effectively managing the water system. Finally, the Town is not proposing to approve the operation of the system by the Cities of Victorville or Hesperia. Instead, those options are analyzed for purposes of meeting CEQA's alternatives requirements and providing a basis for comparing the Project's potential impacts to those of other options.

Response 5.11

The commenter restates his opinion that the Town is incapable of operating the water system, indicating that water quality is a key issue. He goes on to claim that the Town would not work toward conservation, but would instead overuse water and increase fees to their customers in order to cover fines associated with their overuse. The first of these comments is addressed in Response 5.2, which explains that the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System, as stated on page 21 in Section 1.6, Lead, Responsible, and Trustee Agencies of the EIR. Further, the commenter does not explain why, how, where, or to what extent he believes that the Town's operation of the system would result in water quality impacts. Unsupported and conclusion opinions are not substantial evidence showing that impacts will occur or that the Town's good-faith EIR analysis is incorrect. (See State CEQA Guidelines, § 15384 [defining substantial evidence].)

In response to the commenter's accusations as to how the Town would manage the water supply for conservation purposes, these claims, too, are speculative and the commenter again does not provide any supportive evidence, much less substantial evidence contradicting the Town's good-faith analysis. It is the Town's objective to work toward conservation of water rather than overuse. Thus, the potential indirect impacts that this comment attempts to establish are highly speculative and unsubstantiated conjecture (State CEQA Guidelines, § 15384 [substantial evidence does not include unsubstantiated opinion or speculation]) and this scenario need not be analyzed in detail in the EIR. (See *Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173, 1178 [CEQA does not require speculation]; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692 [EIR upheld – despite claims that project description was incomplete – because operation of plant beyond stated 20-year life was speculative].) Regardless, this comment has been passed to Town decision-makers for consideration as part of the wider project review process.

Response 5.12

The commenter requests proof that the information provided by Apple Valley Ranchos Water Company about the sufficiency of the water supply is accurate, referencing the use of this information in Impact U-3. Presumably, the commenter is referring to the UWMP that was written by Apple Valley Ranchos Water Company. Page 27 in Section 2.3, Regulatory Setting, of the EIR, includes the following discussion regarding UWMP's:

> Pursuant to the Urban Water Management Planning Act (California Water Code §§ 10610 - 10656) urban water suppliers having more than 3,000 service connections or water use of more than 3,000 acre-feet per year (AFY) for retail or wholesale uses are required to submit an Urban Water Management Plan (UWMP) every five years to the California Department of Water Resources (DWR). The Water Conservation Act of 2009 (often referred to as SBX7-7) requires increased emphasis on water demand management and requires the state to achieve a 20 percent reduction in urban per capita water use by December 31, 2020. Retail urban water suppliers are required to report baseline and compliance data in their UWMPs in accordance with the requirements of SBX7-7. UWMPs are prepared by California's urban water suppliers to support their long-term resource planning and to ensure that reliable and adequate water supplies are available to meet existing and future water demands over a 20-year planning horizon during normal, single-dry, and multiple-dry year periods.

UWMPs must be submitted to DWR every five years, at which time DWR reviews the submitted plans. As Apple Valley Ranchos Water Company's most recent UWMP was the 2010 UWMP adopted June 23rd, 2011, and the next update is due to be completed in July 1, 2016, the 2010 UWMP is the most up to date plan and was used to inform analysis in this EIR. Furthermore, CEQA does not require that an EIR present definitive and incontrovertible proof. Instead, an EIR must provide a good-faith and reasoned analysis supported by substantial evidence. The above UWMP, which has been adopted by Apple Valley Ranchos Water Company and reviewed by DWR, constitutes substantial evidence supporting the Town's conclusions.

Response 5.13

The commenter alleges that the Town cannot purchase the AVR System without also acquiring the Yermo System. The initial response on page 15 of the Draft EIR explains that this EIR considers the whole of the action (i.e., the Project) as proposed by the Town, and any acquisition beyond that described in this EIR is not reasonably foreseeable at this time. Therefore, this EIR satisfies the requirements of CEQA for the Project, as described. In the event that the Town is unable to acquire the AVR System without the Yermo system, the Town would undertake any additional CEQA analysis required.

Response 5.14

This comment claims that the Draft EIR is flawed, implying that the findings of significance are inaccurate. First, the Town's EIR is fully supported by substantial evidence and provides a good-faith and reasoned explanation as to why the Project (a mere title transfer) will not result in any significant impacts. Second, this comment is vague and does not provide any specific examples regarding what findings are purportedly inaccurate. Because these statements are general in nature and because the statements do not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

Response 5.15

The commenter expresses concern regarding the Town's potential denial of an operators permit following the acquisition of the water system, and goes on to enquire how the Town would secure appropriate staff to manage the system. The Town would need to secure a permit to operate the system prior to operating the system. Furthermore, nothing prevents the Town from securing – as necessary - appropriate personnel to operate the system.

The commenter implies that, in light of the "missing" information regarding staffing, the EIR has not evaluated all aspects of the project. However, the commenter fails to identify any particular impact for which he believes the EIR has failed to account. Moreover, the EIR provides a description of the proposed Project that fully complies with the requirements of CEQA (Pub. Res. Code § 21000 et seq.: "CEQA") and the State Guidelines for Implementation of CEQA. The State CEQA Guidelines specifically provide that the "degree of specificity required in an EIR will correspond to the degree of specificity involved in the underlying activity which is described in the EIR." (State CEQA Guidelines, § 15146.)

Here, the degree of specificity in the Draft EIR corresponds to the degree of specificity involved in the underlying action. As explained in the Draft EIR, the underlying purpose of the proposed Project is for the Town to acquire, operate, and maintain the AVR System. CEQA does not require that the Town provide an exhaustive explanation regarding the details of how the Town would manage the system and from where they would source their employees. (See State CEQA Guidelines, §15151 ["evaluation of environmental effects of a propose Project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible"]).

With respect to operations, the Draft EIR explains that the Town intends to continue operations substantially in their current form and no expansion of operations would occur with the proposed Project. Moreover, the Draft EIR clearly states that no new facilities are proposed by the Project and it is thus assumed that the system would require the same number of employees to operate and maintain it as under existing conditions. Thus, the Town has made all reasonable assumptions predicated on facts with respect to the number of employees that would be needed to operate and maintain the system. (State CEQA Guidelines, § 15384.)

Finally, and contrary to the commenter's statement that the Town has engaged in a "propaganda war against Apple Valley Ranchos Water Company," the Town's EIR and public outreach process are intended only to meet CEQA's informational disclosure and public involvement requirements.

Response 5.16

The commenter indicates that Apple Valley Ranchos Water Company will not settle for a negotiated purchase and the Town would have to engage in a legal battle to acquire the AVR System, and goes on to state that there is no benefit to spending millions to obtain existing Apple Valley Ranchos Water Company facilities since the existing supplier. This comment relates to legal and financial issues, which are issues that do not relate to potential effects to the physical environment. Therefore, this comment is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process. Please also see Global Response #1.

Response 5.17

The commenter expresses his opinion that the Final EIR should urge the Town not to pursue the proposed Project. However, the concerns expressed in this comment letter are largely financial and legal in nature. As discussed in the responses above, the EIR process is intended to provide analysis of the physical environmental setting and potential impacts of the proposed Project and alternatives in terms of the physical environment. In reviewing these factors, the EIR finds that environmental impacts of the proposed Project are less than significant. However, the commenter's suggestion that the No Project Alternative be selected has been passed to Town decision-makers for consideration as part of the wider Project review process. Please also see Global Response #1.

Leane Lee
12277 Apple Valley Road, #311
Apple Valley, CA 92308
(760) 413-4427

November 2, 2015

Lori Lamson, Assistant Town Manager
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

Re: Draft Environmental Impact Report - Apple Valley Ranchos Water System Acquisition Project

I again reaffirm my comments made July 7, 2015 on the Initial Study, and again on August 19, 2015 on the Amended Initial Study.

6.1

The CEQA process has been nothing less than disingenuous and lacks a good faith effort to be compliant. Statements are inconsistent and contradictory of the facts.

The document suggests the Town would acquire the AVR System through a negotiated purchase, which is known to be a non-option. Even the Town has informally and publicly indicated it would pursue the AVR System through eminent domain, and therefore presumes to know in advance what a court of law may decide, particularly as it relates to the Yermo portion of the AVR System.

6.2

Page 1 - Page 34 Section 2.5:

> "The Town's proposed acquisition of the AVR System would include all associated assets..."

To suggest an acquisition of ***"ALL"*** while excluding Yermo is less than factual and offers no detail of how this would be accomplished. The only offering for exclusion is the distance of Yermo from Apple Valley which is an admission by the Town's inability to operate the AVR system. This convoluted aspect has resulted in a narrow and limited focus and fails to conduct any analysis of impact relative to Yermo. Additionally there did not appear to be any notification provided from the beginning to anyone in Yermo.

6.3

Page 2 Objectives:

Objectives lists numerous claims which fall flat and lack any justification, nor does the lead agency currently comply with their existing services with respect to the following:

6.4

Transparency/Accountability
Customer Service
Rate Setting/Rate Increases
Funding for infrastructure

Currently the Town, as a public agency, makes every attempt to circumvent the state laws relating to transparency and accountability while the CPUC enforces disclosures by AVRWC. The Town's provision of customer service is not provided by the Town, but is contracted out as it relates to their existing sewer service. While the CPUC performs extensive rate reviews, justifications and formulas to establish rates and consider the impact to ratepayers the Town conducts no such review or justification, nor do they even comply with the state Proposition 218 requirements with their existing enterprise funds. Finally, the issue of funding for infrastructure, it has been apparent their overriding concern is merely for new infrastructure and not for addressing aging infrastructure, as is evidenced by their objections through the CPUC in opposing AVRWC's efforts to address aging infrastructure. This alone is of paramount importance from an environmental and public safety impact. This failing could result in serious bodily injury or death to the public and cannot be ignored. 6.5

Page 2 - Alternatives:

Alternative 1 - Is a shallow option since that has not received any consideration by the lead agency, and the decision for acquisition has already been informally decided.

Alternatives 2 and 3 - Are offered without even the minimal effort to meet with the adjoining agencies to know if they would even entertain such propositions. 6.6

Alternative 4 - Again, not a viable option because the lead agency only contracts services and lacks the minimal requirements to qualify as an operator of AVRWC, and as other agency comments reflect, the lead agency failed to even identify correctly the regulating agencies. It begs the question how a lead agency puts forward an alternative, or even a project, that had not been examined prior to embarking on such an acquisition, and shows a complete inability to plan, analyze and fully examine prior to taking affirmative steps to accomplish.

There is another alternative which was voiced by an individual at the second scoping meeting, but the comment was not included. However, a similar suggestion was quite minimally noted in the DEIR, but treated in a fashion that suggests it is closer to being the intent but would not be politically wise, so it has been played down and not addressed at all.

The minimally acknowledged alternative is the Town's acquisition and private contracting of AVRWC in a public private partnership that would result in a multi-million dollar cash wind fall to the Town, which would resolve their long standing financial problems, at the expense of the unsuspecting tax and rate paying public. It is believed the alleged project and CEQA process has been perpetrated under false pretenses. 6.7

Page 20 - Section 1.6 Responsible and Trustee Agencies

The fact that the town failed to correctly identify "responsible" agencies and their approval process demonstrates a clear lack of knowledge on the part of the town of the necessary steps required for their alleged project. That alone leaves serious doubt regarding their capabilities, and certainly shows no forethought or plan of action for their alleged project. 6.8

"Prior" to a change of ownership the lead agency must comply with the SWRCB requirements. The mandatory steps must be complete prior to even the issuance of financing.

The lead agency must meet all the Technical, Managerial and Financial Elements "...to assure the delivery of pure, wholesome, and potable drinking water." The required process is identified in no less than 15 pages of instruction and although clearly the provision of the above described water, not one part of this has been treated as an environmental consideration in this process. This process is premature since there is nothing more environmentally significant than the "delivery of pure, wholesome, and potable drinking water" and should therefore be address during the CEQA process and should have been recognized without a demand from the public. 6.9

It is appropriate to point out at this point the lead agency has offered nothing more than having one employee with water background, and that individual has already announced his retirement a very short time after the expected completion of this CEQA process. Probably a good thing he is retiring since he recently in a council meeting referred to potable water as being "portable."

Page 64 - Section 4.3 Hydrology and Water Quality (Also referred to in Section 5.1.2):

Although the DEIR states, "The Town of Apple Valley Municipal Code includes Ordinances that apply to water conservation towards the goals of minimizing per capita water demands and maintaining sustainable water supply to the area. These include Chapter 6.40, *Water Conservation Plan*, Section 6.40.030, *Water Regulations*, which requires that all water users in the Town of Apple Valley comply with specific water conservation measures. Exemptions are allowed to avoid undue hardship to a water user, to protect public health and safety, or under special circumstances subject to approval." The Town Council has for months, repeatedly "embraced" the public declarations of individuals failing to meet conservation mandates of the state and made no attempts to even seek compliance or apply their own ordinances in the current drought situation. To the contrary, the Town Council repeatedly attacked the successful efforts of AVRWC to enforce conservation as mandated by the state. Once member of the Town Council even declined utilizing the free conservation services of AVRWC, but complained, after wasting and exceeding reasonable water consumption, about the cost. This same whining was conducted publicly by the town's water wasters, and was actually encouraged by the town. This clearly shows the lead agency has no regard for even state mandated conservation measures, nor their own, so what assurance can the public expect in the future? Likely not much. 6.10

Finally, it is unreasonable that the public must train and instruct the lead agency on addressing issues in the CEQA process. Something as simple as "water neutral" solutions for conservation and environmental protections should have been an automatic issue addressed in the CEQA process, and yet is completely lacking in the DEIR. This lack of regard suggests there does not exist a competency nor necessary professionalism and understanding of their responsibilities. This gives rise to a reasonable belief the town also lacks the ability to competently manage a water distribution system, and in an environmentally safe manner, nor would it be state mandate compliant. 6.11

Since energy use is a major factor in producing drinking water, this document fails to address the energy conservation issues and has ignored "energy neutral" issues as well. 6.12

Page 86 - Section 4.6 Transportation and Traffic; and Appendix C: 6.13

The alleged "study" of traffic and noise was sorely lacking in substance and duration, which lacks professionalism and regard for the importance of an adequate study.

Many references are duplicated throughout the DEIR and any comment made is applicable to all the references which occur in the DEIR. 6.14

As the county previously pointed out, referring to implementation and mitigation by a plan that is not applicable (WMHCP), and another which is incomplete (MSHCP), confirms just how unprofessional, inadequate, insincere and premature the undertaking of this process has been. 6.15

The best choice for project alternative is clearly, for all the stated reasons and more, alternative #1, No Project. 6.16

I made requests to receive copies of the mailing lists utilized in this CEQA process, as I know others have, and no such lists were provided to date. 6.17

For the reasons stated previously and above, this DEIR is inadequate and sorely lacking and is not CEQA compliant. 6.18

I hereby continue to request to be included on the list of interested persons to be notified of, and receive all future notices and correspondence related to this project. 6.19

Leane Lee

Leane Lee

Received by Town of Apple Valley

Date:_____

_____
Printed Name

_____
Signature

Letter.6

COMMENTER: Leanne Lee, Public

DATE: November 2, 2015

RESPONSE:

Response 6.1

The commenter references previous comment letters submitted (dated July 7 and August 19, 2015 and included in Appendix A), and expresses dissatisfaction with CEQA process for the proposed Project to date. Because the statement does not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) See also Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR for responses to the commenter's previous letters.

Response 6.2

The commenter references Section 1.6, Lead, Responsible and Trustee Agencies, of the Draft EIR, which states that if the AVR System is acquired through a negotiated purchase, then the Town would also need to obtain approval from the CPUC for transfer of ownership and operation. Per State CEQA Guidelines § 15381, "Responsible Agency" means a public agency which proposes to carry out or approve a project, for which a Lead Agency is preparing or has prepared an EIR or Negative Declaration. For the purposes of CEQA, the term "Responsible Agency" includes all public agencies other than the Lead Agency which have discretionary approval power over the project. Because the acquisition pathway for the proposed Project was unknown at the time that the Draft EIR was released, the CPUC was been identified as a potential responsible agency for the proposed Project and the required consultation with that agency has been conducted as per State CEQA Guidelines § 15082 and § 15086. No comments in response to either the Notice of Preparation or Notice of Availability for the proposed Project were received from the CPUC.

Response 6.3

This comment relates to the Project's proposed acquisition of the AVR System, excluding the recently acquired Yermo System, and makes the claim that the EIR focus is too narrow and does not include analysis of impacts relative to the Yermo system. The initial response in Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR explains that this EIR considers the whole of the action (i.e., the Project) as proposed by the Town, and any acquisition beyond that described in this EIR are neither proposed nor reasonably foreseeable at this time. Therefore, this EIR satisfies the requirements of CEQA for the Project, as described. In the event that the Town is unable to acquire the AVR System without the Yermo system, the Town would undertake any additional CEQA analysis required.

The comment also incorrectly notes that notification for the proposed Project does not extend to the Yermo area. The newspaper notices for both the Amended Notice of Preparation and the Notice of Availability of a Draft EIR were both published in the Victorville Daily Press, which is a regional newspaper with circulation in the Yermo area. In addition, the Notice of Availability was posted with the San Bernardino County Clerk as per the requirements of State CEQA Guidelines § 15087. The Notices of Preparation of a Draft EIR were also posted with the San Bernardino County Clerk.

Response 6.4

This comment is an assertion regarding the Project objectives, stating that the objectives lack justification and the Town does not achieve the stated objectives with existing services. As this comment is general in nature and does not provide any specifics regarding these purported shortcomings of the objectives themselves, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

Response 6.5

The commenter also alleges that the Town has previously attempted to circumvent state laws regarding transparency and accountability and does not comply with Proposition 218 requirements. The commenter also states that the Town contracts out its sewer service. The commenter asserts that the Town's focus is on new infrastructure rather than existing infrastructure, and that this is important from an environmental and public safety perspective.

The initial response in Table 1-1 in Section 1.3, Notice of Preparation and Scoping, of the Draft EIR explains that this EIR considers the whole of the action (i.e., the Project) as proposed by the Town. Construction improvements and future system upgrades would remain the same as those currently required for the AVR System, regardless of who owns the system. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. Any future upgrades of the system are not proposed as part of the Project, nor are reasonably foreseeable at this time. If any when the Town approves the Project and is able to undertake its own inspection of the AVR System, the Town would assess at that time whether improvements are merited, when they would be appropriate, and to what extent they are required. Additionally, such future upgrades (if any) would be proposed and analyzed as required by CEQA and would require associated environmental review and documentation. The EIR has been updated in Section 4.0, Environmental Impact Analysis, on page 44 to include this explanation regarding potential construction improvements and future system needs.

This remainder of this comment relates to current Town services and the commenter's speculation on the motivation for the proposed Project beyond the stated objectives in the Draft EIR and does not relate to the contents and analysis contained in the Draft EIR, nor does it relate to potential impacts to the physical environment as a result of the Project. Therefore, this opinion is not within the scope of CEQA, and therefore not included in this EIR (State CEQA Guidelines, § 15131); see also State CEQA Guidelines, § 15088(a) [requiring responses only to comments that raise "environmental issues"]). Nonetheless, and to briefly respond, the proposed Project, which would result in the Town's ownership of the system, would place

system funding under the requirements of Proposition 218. As such, the Town would be required to comply with Proposition 218 and all public notification requirements therein.

Finally, the Town's comments in the CPUC proceedings referenced by the commenter primarily related to the potential need and cost of such improvements - costs which the Town sought to curtail in order to prevent the imposition of further rate-increases by Apple Valley Ranchos Water Company through the CPUC process. One of the purposes behind the proposed Project is to allow Town ownership in order to stabilize those very same water rates. In that regard, the Town's prior concerns regarding (unnecessary and unjustified costs) is entirely consistent with the Project proposed here.

This comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 6.6

In this comment, the commenter expresses dissatisfaction with the alternatives examined in Section 6.0, Alternatives, of the Draft EIR. The commenter provides feedback stating that Alternative 1 (No Project) has not received consideration from the Town and that the decision for acquisition has been informally decided. The commenter does not provide any evidence that the decision for acquisition has been made, even informally, at this time; therefore, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) With regards to the level of analysis provided for each of the alternatives, the following information is provided to summarize why the analysis of alternatives is fully adequate under CEQA. Under State CEQA Guidelines § 15126.6, the alternative analysis shall:

> …include sufficient information about each alternative to allow meaningful evaluation, analysis, and comparison with the proposed project. A matrix displaying the major characteristics and significant environmental effects of each alternative may be used to summarize the comparison. If an alternative would cause one or more significant effects in addition to those that would be caused by the project as proposed, the significant effects of the alternative shall be discussed, but in less detail than the significant effects of the project as proposed. (County of Inyo v. City of Los Angeles (1981) 124 Cal.App.3d 1).

The Draft EIR includes a description of each of the alternatives and, for each alternative, analysis of all of the resource areas that were evaluated for the proposed Project, regardless of the level of impact. As there are no significant impacts associated with the proposed Project or any of the alternatives, this analysis was performed in addition to the base analysis that is required under CEQA. In additional to this analysis, the alternative analysis in the Draft EIR includes a matrix of impacts for each of the alternatives relative to those associated with the proposed Project. This matrix was used to further support the conclusion of the EIR regarding the environmentally superior alternative.

Further, and in response to the commenter's erroneous statement regarding whether the cities of Hesperia and Victorville were contacted regarding the proposed Project, both cities were included on the distribution list for each of the CEQA notices (including the Notice of

Availability identifying the completion of the Draft EIR). Ultimately, neither city submitted comments raising concerns regarding the proposed Project or the EIR's analysis.

Finally, see Response 6.2, regarding to the commenter's statement about the Town's ability to operate the system under Alternative 4 and the identification of the responsible agencies for the proposed Project.

Response 6.7

In this comment, the commenter references omission of a possible additional alternative provided verbally at the second scoping meeting, but goes on to say that it was in fact minimally addressed in the EIR but does not specifically indicate where in the EIR it is discussed. The commenter goes on to state the opinion that the alternative to contract operation of the system to a private company was not addressed in the EIR because it is the ultimate intent of the Project and that the CEQA process has been undertaken under false pretenses.

At the scoping meetings, all commenters were asked to provide their specific comments on the comment cards provided or through email or by hard copy mail after the meeting as well so that they could be fully addressed. The Town is not aware of any comments (including any regarding additional alternatives) that have not been addressed. Ultimately, all comment cards received at the scoping meetings are included in the appendix of the Draft EIR and responses are included in the main document. Therefore, this comment did not previously receive a response.

See also Response 3.4 for a discussion of potential impacts associated with operation of the AVR System by a private operator rather than by the Town. Finally, no evidence supporting the allegations by the commenter that the Town's purpose for the proposed Project is economic is provided. This comment does not relate to potential effects to the physical environment, and therefore is not within the scope of CEQA and is not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). However, this comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 6.8

The commenter expresses the opinion that the Town did not correctly identify responsible agencies and their associated approval processes in the EIR. However, no specific concerns or deficiencies regarding the information provided in the EIR is provided. Because the statement does not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) It is, however, worth noting that each of the potentially responsible agencies denoted in the EIR received the Notice of Availability of the Draft EIR and no comments on the content of the document were received.

Response 6.9

The commenter correctly notes that the Town (as a new owner) would be subject to the SWRCB operational permitting requirements, as was described in Section 1.6, Lead, Responsible and

Trustee Agencies, of the EIR. As stated on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System. Furthermore, nothing prevents the Town from securing – as necessary – appropriate personnel to assist in the operation of the AVR System. The requirement to complete this administrative process was considered in the EIR and no further analysis is required.

Response 6.10

The comment correctly quotes page 67 of the Draft EIR and goes on to incorrectly opine that the Town is not currently enforcing State water reduction mandates. As discussed under Response 3.6 above, the purpose of an EIR is to evaluate a Project for its potential effects to the physical environment. In addition, the commenter does not explain how the Town's alleged reactions to State and local water conservation mandates relates to the impacts of the proposed Project or how a simple title transfer would result in such impacts. Further, and in response to the commenter's erroneous statement, the Town does not currently provide water service within the AVR System service area and as such is not charged with the responsibility for enforcement of the State mandate on water conservation; that responsibility is assigned to the water purveyor in the Governor's April 2015 mandate. The Town has made every effort to comply with the Governor's mandate in each of its own facilities and the Town enforces its own long-standing water conservation ordinance, as appropriate, but the Town is not the party charged with the responsibility of enforcement under the terms of the Governors mandate. Accordingly, no further response can be provided. This comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 6.11

The commenter expresses the opinion that "water neutral" solutions for conservation and environmental protection should have been included in the Draft EIR. First, it is unclear what the commenter means by referring to "water neutral" solutions. Second, Section 4.3, Hydrology and Water Quality, and Section 2.3, Regulatory Setting, of the Draft EIR already describe the existing regulatory requirements regarding water conservation applicable to the proposed Project. These include the requirement for the operator of the AVR System, whether it be Apple Valley Ranchos or the Town, to comply with the Water Conservation Act of 2009 (often referred to as SBX7-7), which requires increased emphasis on water demand management and requires the state to achieve a 20 percent reduction in urban per capita water use by December 31, 2020.

As described in Impact WAT-1 on page 72 of the EIR, any operator of the system would be required to comply with the water use reduction strategies and goals contained within the California Water Conservation Act of 2009. If the Town acquires the AVR System, it would be required to prepare a UWMP to support long-term resource planning and ensure that reliable and adequate water supplies are available to meet existing and future water demands over a 20-year planning horizon during normal, single-dry, and multiple-dry year periods, including through identification of water conservation measures. In addition, the EIR explains that the Town intends to continue operations substantially in their current form and no expansion of operations would occur with the proposed Project. Moreover, as discussed in Section 5.0,

Growth Inducement and Other CEQA Issues, of this EIR, the proposed Project would not induce substantial population growth, including in the unlikely event of a reduction in water rates, in that it would not alter any existing land use designations or zoning nor would it result in a significant number of new employees to the community. Additionally, it would not result in any significant effect resulting from removing obstacles to growth. As a result, the proposed Project would not result in an increase in water use and opportunities to introduce water conservation measures as a result of the Town's operation of the system would be identified as part of the water supply planning process.

Response 6.12

The commenter expresses the concern that the Draft EIR fails to address energy conservation issues and "energy neutral" issues associated with drinking water production. Again, it is unclear what the commenter means by referring to "energy neutral" solutions. However, Section 5.3, Growth Inducing Effects and Other CEQA Considerations, describes the supply and use of energy as a result of the proposed Project. State CEQA Guidelines Appendix F requires that EIRs analyze energy conservation consistent with Public Resources Code section 21100(b)(3). As described in Section 5.3 of the EIR, implementation of the proposed Project would not require new construction and operation of energy-related facilities nor would it result in an increase in energy demand. Also, as discuss in Section 4.2, Greenhouse Gas Emissions, operation of the system is not currently subject to the Town's GHG reduction goals for community and municipal operations. If the Town acquires the AVR System, it would fall within the Town's purview as a municipal operation and would allow the Town to work toward reducing GHG emissions associated with operation of the system, which may include energy conservation.

Response 6.13

The commenter expresses the opinion that the traffic and noise studies were lacking in substance and duration. Section 4.5, Noise, and Section 4.6, Transportation and Traffic, describe the potential impacts from the proposed Project in the context of the current environmental setting as per the requirements of CEQA. Because no specific environmental concerns are raised, no further response is required. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

Response 6.14

The commenter states that many references are duplicated throughout the Draft EIR and any comment made is applicable to all the references which occur in the Draft EIR. The comment being made here is unclear and because the statement does not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

Response 6.15

The commenter references the letter received from the County of San Bernardino in response to the Notice of Preparation. See Table 1-1 of the EIR for a response to the County's comment

regarding applicability and context of the HCPs discussed in the Amended Initial Study for the proposed Project.

Response 6.16

The commenter expresses her support for Alternative 1, No Project. This opinion is noted and has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 6.17

The commenter requests that copies of the mailing lists used for the CEQA process be provided. As with the Notice of Preparation, a full list of public agencies, responsible agencies, and others who were provided with the Notice of Availability will be provided either by e-mail or as a hard copy to anybody who requested it from the Town.

Response 6.18

The final comment is a conclusory statement regarding the commenter's dissatisfaction with the Draft EIR, for the reasons stated previously in her letter. As this comment is general in nature and does not provide any specifics regarding these purported shortcomings, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) The commenter's opinion on the content of the EIR has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 6.19

The commenter requests to be included on the list of interested persons to be notified of, and receive, all future notices and correspondence related to the Project. This request is noted and the commenter will be included on all future notification lists.

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November 2, 2015

Via E-Mail (applevalley@applevalley.org), Fax (760-240-7910)

& Federal Express

Lori Lamson
Assistant Town Manager
Town of Apple Valley
14955 Dale Evans Parkway
Apple Valley, CA 92307

Re: **Apple Valley Ranchos Water System Acquisition Project**

Dear Ms. Lamson:

This letter is written on behalf of Apple Valley Ranchos Water Company ("AVRWC") and responds to the call for comments on the Draft Environmental Impact Report ("DEIR") for the Town of Apple Valley's "Apple Valley Ranchos Water System Acquisition Project ("Project"). The Town of Apple Valley ("Town") proposes to take AVRWC's system by eminent domain and operate the system itself supposedly without changes in the way AVRWC operates the system.

As described below, the DEIR is inadequate for a number of reasons, including (1) the Project Description fails to identify the whole of the Project with sufficient clarity and specificity, and omits so many important and relevant factors, that a meaningful analysis of any potential significant environmental impacts cannot be made; (2) the discussion of Alternatives is inadequate since the Project Description is unstable, and there is no evidence the Alternatives proposed are even feasible; (3) the Town has impermissibly acted as advocate for its own Project in advance of the CEQA analysis and cannot now continue as an unbiased Lead Agency; (4) various substantive analyses, including sections on hydrology and water quality, transportation, traffic and public safety, stormwater conveyance, and growth inducing impacts, omit important information critical to the analysis.

7-1

At this stage, the Project is inadequately defined and the environmental analysis is premature such that the DEIR violates CEQA's informational mandates and must be revised and recirculated. (*Laurel Heights Improvement Association v. Regents of the University of California* 6 Cal.4th 1112, 1130 (1993); Pub. Res. C. section 21092.1; 14 Cal. Code Regs. Section 15088.5.)

A. The DEIR's project description has been improperly manipulated to limit the scope of environmental review by artificially narrowing the project description, thus minimizing the potential project impacts and undercutting public review.

An EIR is "an informational document," and "the purpose of an EIR is to provide public agencies and the public in general with detailed information about the effect which a proposed project is likely to have on the environment; to list ways in which the significant effects of such a project can be minimized, and to indicate the alternatives to such a project." (*Laurel Heights Improvement Assn. v. Regents of the University of California* 47 Cal.App.3d 376, 390 (1988); Public Resources Code Section 21061.)

"An accurate, stable and finite project description is the *sine qua non* of an informative and legally sufficient EIR." (*County of Inyo v. City of Los Angeles* 71 Cal. App.3d 185, 199 (1977).) "A curtailed, enigmatic or unstable project description draws a red herring across the path of public input." (*Id.* at p. 198) 7-2

Absent a project description that describes the entire project, the public and decision makers will not be adequately informed about the full scope and magnitude of the Project. (*City of Santee v. County of San Diego* 214 Cal.App.3d 1438, 1454 (1989) ("[O]nly through an accurate view of the project may the public and interested parties and public agencies balance the proposed project's benefits against its environmental cost, consider appropriate mitigation measures, assess the advantages of terminating the proposal and properly weigh other alternatives...").)

Importantly, a project description must include all relevant aspects of a project, including reasonably foreseeable future activities that are part of the project. (*Laurel Heights Improvement Assn. v. Regents of the University of California (Laurel Heights I)* 47 Cal.3d 376 (1988).) Responsibility for a project cannot be avoided by limiting the title or description of the project. (*Rural Land Owners Association v. Lodi City Council* 143 Cal.App.3d 1013, 1025 (1983).) Moreover, a single project may not be divided into smaller individual projects in order to avoid the lead agency's responsibility to consider the environmental impacts of the project as a whole. This is impermissible project segmenting or piecemealing. (*Orinda Assn. v. Board of Supervisors* 182 Cal.App.3d 1145, 1171 (1986).)

According to the DEIR, "the acquisition *and subsequent operation* of this water supply system by the Town represents the proposed Project." (DEIR, p. 1; emphasis added.) Although the project is denominated the "Apple Valley Ranchos Water System Acquisition Project," the "acquisition" portion of the Project merely represents a legal change in ownership with little or no environmental implications. The essence of the Project, from a CEQA standpoint, is the "subsequent operation," but the DEIR contains so little information about this aspect of the Project, and the information that has been provided has been intentionally manipulated to minimize potential Project impacts, as to make the DEIR of little value in assessing the Project's potential impacts. 7-2 (cont)

1. The Initial Study Project Description is uncertain and, therefore, unstable.

According to the June 24, 2015, "Project Description" in the Town's "Notice of Preparation of an Environmental Impact Report," the proposed Project includes "the Town's subsequent operation of the AVR System, either internally by the Town or through a qualified private contractor or public agency." As of that date, the Project included possible operation by (1) the Town, or (2) some unspecified private contractor, or (3) some unspecified public agency other than the Town. As of that date, the Project Description was so indefinite and vague as to make any assessment of the environmental impacts of the "subsequent operation" meaningless. Potential environmental impacts, as compared with current operations, could vary greatly depending on whether the Town, a private contractor or another public agency would be the operator. And the degree of specificity required by CEQA would not be achieved until a study was conducted recommending an Operations Plan specifying just how the post-acquisition water system would be operated so that the impacts of that operation could be identified and evaluated. 7-3

Instead of performing an operations study or developing and adopting an Operational Plan to provide the specificity to allow for a meaningful analysis, the Town instead impermissibly narrowed the Project Description to avoid systematic analysis altogether. On July 16, 2015, three weeks after issuing the original Notice of Preparation, the Town issued an "Amended Notice of Preparation of An Environmental Impact Report." Instead of describing operations to be provided by the Town or a private contractor or a public agency, as was the case in the June 24 NOP, the Amended Notice states only: "The proposed Project includes the Town's subsequent operation of the AVR System, although alternatives to the Town's direct operation of the system would be evaluated in the EIR...The Town would operate and maintain the system out of AVR's existing operations and maintenance facility."

2. The DEIR Project Description is uncertain and, therefore, unstable.

The Amended NOP Project Description was then carried over from the Amended NOP to the DEIR itself:

> "*For the purpose of the technical analyses in this EIR*, it is proposed that O&M activities would be managed from the same location from which they are currently performed: 21760 Ottawa Road. Additionally, it is proposed that AVR System infrastructure, including supply pipelines and storage tanks, would remain at existing locations within the existing AVR System service area. (Figure 2-3 and Figure 2-4) Finally, it is proposed that the Town of Apple Valley would operate the AVR System and exercise the associated water rights in the same manner as Apple Valley Ranchos Water Company has done. Other potential operational scenarios for the system, including other public agencies and private contractors, are considered in Section 6.0, Alternatives, of this document as required under CEQA." (DEIR, p. 35; emphasis added.)

7-4

Beginning the Project Description with the caveat, "*For the purpose of the technical analyses in this EIR it is proposed,*" demonstrates that the selection of the Town as the sole operator was the result of an effort to minimize impacts in the EIR – not the result of any operational study --and may not represent the most likely operational scenario once the EIR is certified. "Proposing" the Town as operator for purposes of the "technical analyses" and the assertion that, after acquisition, the Town would operate the system "in the same manner" as AVRWC, was merely the path of least resistance to getting past the EIR requirement with the least amount of analysis required – a strategy that does not comply with CEQA's informational goals.

3. The Town has no Operations Plan.

Rather than studying the operation issues at the outset and making them a part of the Project Description, the Town impermissibly narrowed the Project Description to avoid that analysis and deferred any decision about operations to some future date. Instead of deciding on a finite project, and deciding whether a private operator or other public operator would be selected, so that the Project Description would be finite and the impacts of each of those possibilities could be evaluated, the Town moved any discussion of operators-- other than the Town-- to the Alternatives Section in the DEIR where the

7-5

impacts analysis is much less rigorous. Instead of creating an Operations Plan, or at least a specific proposal after an operational study, so that any environmental impacts could be meaningfully assessed, the Town concluded that (for now) it would "propose" to operate the system itself in exactly the same way AVRWC privately operates the system so that there would be no impacts. This narrowing strategy deserves special scrutiny since, under the proposed project, the Town, which is the Lead Agency in charge of both drafting and approving the EIR, can "propose" itself as the operator for purposes of the "technical analysis" and then, once the EIR is certified and the project adopted, the Town can administratively change operators and avoid the environmental analysis of that change altogether.

7-5 (cont)

The DEIR's factual description of the Town's "subsequent operation," and particularly what it omits, exemplifies the Town's lack of knowledge of both the existing water system and what it would require were the Town to acquire it without having an Operations Plan prior to circulating the draft. Operational problems can lead to system reliability problems which can have significant environmental consequences. But by asserting that the Town would operate the system "in the same manner" as AVRWC, the Town attempts to avoid that analysis. Examples of operational aspects that are not considered in DEIR include:

7-6

- Many of AVRWC's current functions are not handled in Apple Valley but are performed by Park Water Company at its Downey location. These include all billing services, accounting services, engineering services, regulatory compliance reporting requirements, and water quality services. The DEIR is silent on how or where these operations would be handled if the Town were to operate the system.

- The DEIR is silent on whether Town staff and other Town Departments will be called upon to assist in running the water system. Will the Town be able to operate the system without hiring additional personnel? If additional staff is required, in what facility will they work? Will the Town need to secure additional facilities? Are the Town Departments equipped to handle the water system, both from a personnel and expertise standpoint? Will using Town Departments place a strain on other essential Town services? None of these is discussed in the DEIR.

7-7

- In the DEIR, the State Water Resources Control Board states that the Town would need to apply for and obtain a public water system permit, which requires the applicant to demonstrate its capability to manage the system. While the DEIR acknowledges that the Town would have to demonstrate "adequate technical, managerial and financial capability to assure the delivery

7-8

of pure, wholesome and potable drinking water," the Town's ability to make that showing is pure speculation in the absence of an Operations Plan. 7-8 (cont)

- Although the DEIR states that the Town will continue operation of the existing O&M Facility during regular business hours (M-F 7:30-5:30)[DEIR p. 35], existing Town departments at the Town office currently work nine out of ten working days and are closed every other Friday. If Town staff at the Town office is used to perform functions currently done at Park Water, the DEIR is silent on whether they would work only nine out of ten days and how this would impact customer service (the improvement of which is one of the stated goals of the Project). 7-9

- The DEIR evidences the Town's lack of understanding of the components of a water utility based on its abbreviated list of AVRWC assets (pages 1 and 34) or the types of personnel required to operate a water utility (Table 2-5, page 33). Many categories of the AVRWC plant are not identified, such as hydrants, meters, valves, pressure reduction stations, pumping structures, SCADA equipment, communications equipment and computer equipment. On staffing, the DEIR lists "plumbing system staff" which do not exist and only lists one employee as "water treatment staff" without regard to the number of employees holding Water Treatment Operator certifications or Water Distribution Operator certifications. The DEIR does not address what the appropriate or necessary number or grade of certifications is required for staffing a water utility the size of AVRWC. On p. 35, the DEIR uses different staffing numbers for AVRWC. -- first 39, then 48. 7-10

- The Town does not have experience operating a water system. According to the Town's 2014 "Financial Feasibility Analysis for the Acquisition of the Apple Valley Ranchos Water System:" 7-11

> "<u>RISK FACTORS OF THE AVR ACQUSITION</u>
> There are a wide range of uncertainties and risk factors associated with the potential AVR acquisition. The Town would begin a new relatively complicated enterprise involving employees and a large customer base, but the Town has no actual experience operating a water system. While the Town currently owns a wastewater enterprise, acquisition of the water system would add numerous new responsibilities

> including supplying water, maintaining facilities, and billing and accounting for customers. Future operating costs may be higher than anticipated under this analysis because of the Town's lack of experience in running the system. Also, operations costs could increase due to rising electricity, chemical, or commodity costs over which the Town has no control." (Financial Feasibility Analysis, p. 41)

7-11 (cont.)

What water losses or impacts on the reliability of the system should be expected as the Town moves up the learning curve? Will hiring new staff be conducted? Will current AVRWC staff be recruited to work directly for the Town? Will the Town need to hire consultants for training inexperienced staff? Could operating cost issues affect Town delivery of other services such as police or fire, as well as water quality in the system? These issues should be evaluated.

- In addition to having no Operations Plan, the Town provides no infrastructure replacement plan. The Town does not address what it would cost to acquire the system and, therefore, does not know what cash-flow it would have available to replace aging infrastructure, and it will have no reserves for that purpose. (Financial Feasibility Analysis, p. 34)

7-12

- The DEIR claims that increased customer service and reliability are project objectives but does not address how these would be achieved. Ordinarily such improvements would require more attention throughout the system, whether in the form of added maintenance, more complaint responsiveness, more long range planning, more personnel, better training for new or existing personnel, any and all of which have increased physical and/or operating cost implications. These must be discussed, understood and disclosed.

7-13

- The DEIR asserts that everything will remain unchanged under Town ownership without explaining how the Town will accomplish that. The Town is not proposing any changes to operations, but the DEIR shows it is not aware of how AVRWC operates. Rate increases for the Town operated sewer system have outpaced those by AVRWC, and the Town has diverted enterprise funds from the sewer system to the Town's general fund, indicating poor management.

7-14

4. The Project Description ignores severance of the Yermo System.

AVRWC's service area includes both services in the Bellview Heights area of Victorville and the Yermo system near Barstow. The map of AVRWC's service area in Figure 2.1 of the DEIR does not show these service areas outside the Town's jurisdictional boundaries and is not accurate. This is in direct contradiction of the letter included in the DEIR from LAFCO in which LAFCO specifically asked for a new map including Bellview and Yermo.

With respect to Bellview, it is contradictory that that the Town has chosen to include the Bellview system (in the City of Victorville) and not Yermo in the acquisition, even though both systems are outside the Town's political subdivision.

The DEIR acknowledges that AVRWC's service area includes a water system and service in both the Town and the Yermo Water District near Barstow:

> "Although Park Water Company/Apple Valley Ranchos Water Company recently acquired the Yermo Water District and its facilities, the proposed project does not include acquisition of the Yermo Water System, which is located east of the City of Barstow and is currently undergoing a transfer from its current owner to Apple Valley Ranchos Water Company. This is because the Yermo Water District facilities are located approximately 45 miles from the Town; Yermo Water District does not provide any water services to the Town's residents, businesses, or other uses; and the Yermo Water District's facilities do not provide any other benefit to the Town's residents. Furthermore, the Yermo system is an entirely separate and distinct system that is not integrated into the AVR System."

7-15

Since Yermo is a part of AVRWC, it is not enough for the DEIR to indicate that it will not be acquiring the Yermo portion. Severance of the Yermo system from AVRWC must be made part of the Project Description so that the DEIR will assess the potential environmental implications that may flow from the severance. For example, AVRWC personnel work on the Yermo system from the AVRWC facility in the Town, and if they cannot do so, AVRWC will have to establish a facility in the Yermo service area - a base of operations with a yard, staging area, materials inventory for repairs, etc. The impacts of constructing that facility, if necessary, and operating it must be disclosed.

Severance of Yermo must be part of the Project Description, and the logical and foreseeable environmental consequences of that severance must be evaluated in the DEIR. 7-15

5. The Project Description fails to disclose and discuss changes in the regulatory structure that would result from the proposed acquisition.

The Project Description should also recognize that the acquisition of AVRWC's system in the Town will result in a shift from a public utility regulated by the California Public Utilities Commission ("CPUC"), to a municipal utility without CPUC oversight. Under a municipal structure, property owners would also be permitted to invoke the Proposition 218 process to stop rate increases, which may affect the Town's ability to maintain the system's infrastructure and thus a reliable system. In addition, AVRWC is subject to certain customer service response requirements and other service requirements under CPUC General Order 103-A; a municipal utility is not subject to that order. General Order 103-A also requires AVRWC to have a Summary Operations and Maintenance Plan which is updated every 5 years. As noted above, the Town has not prepared an Operational Plan and the potential environmental impacts of the Town's proposed operation of AVRWC's system cannot be evaluated without one. 7-16

The CPUC also regulates the rate setting process and rate increases for the benefit of customers of AVRWC in ways a municipal utility does not, which, again, raises reliability questions. Under private ownership, shareholders generally want a return on their investment which provides incentive for the company to achieve savings in between rate cases but which the CPUC requires to be passed on to ratepayers in each succeeding rate case. This promotes efficiency and incentive for the company to address replacement of aging infrastructure so that service quality and reliability are maintained.

The CPUC process provides public meetings at which customers can express their desires for lower rates, and the Office of Ratepayer Advocates represents customers in the CPUC proceedings. Its statutory mission is "to obtain the lowest possible rate for service consistent with reliable and safe service levels." The CPUC, through an adversarial process that includes testimony, hearings and briefs, weighs all evidence and points of view and makes a rate-setting determination based on the expenses and capital projects reasonably necessary for the long term best interests of customers, while maintaining safe and reliable service. None of those protections exist with a municipal system.

The CPUC forward-looking rate case process requires advanced planning of investment in infrastructure as evidenced by AVRWC's annual capital budgets and 5-year capital budgets. The DEIR states that the project would allow the Town to pursue grant funding, but does not disclose the fact that private companies are also eligible for grant funding and that the CPUC does allow private companies to pursue grant projects; a

private company just cannot include those projects in its rate base, which is an advantage to the rate payers. AVRWC, and its parent Park Water Company, have pursued grant funding and Park has received $2.5 million in grant funding. 7-16 (cont.)

Under municipal ownership, the Town council is subject to the political process and may tend to favor lower rates over spending the money necessary to keep the system maintained and the infrastructure timely replaced. Several comments in the DEIR suggest that the Town has no intention of investing capital in the water system in the foreseeable future. And, as noted above, even if the Town council acts responsibly, its decision making is subject to second guessing of the public under the Proposition 218 process. To the extent infrastructure reliability and maintenance may reasonably be negatively affected by the proposed project, resulting in potential significant environmental impacts, these issues should be disclosed and discussed in the DEIR. 7-17

6. The Project Description must describe the reasonably foreseeable future construction of a new O&M facility in Apple Valley and planned system upgrades.

The DEIR states:

> "The existing buildings at the site would be maintained at their current locations and continue to house their current O&M functions...Given that the existing O&M facility has sufficient existing space and facilities to support current O&M staff and activities, the proposed Project would not involve construction of new facilities, as identified in the Initial Study prepared for the proposed Project and included in Appendix A." (DEIR pp. 35-36) 7-18

As the Town is well aware from its participation in the latest rate case, the existing AVRWC Operation and Maintenance building in the Town is too small for existing operations, does not meet current seismic codes or comply with ADA requirements, and is planned to be replaced. This new construction needs to be addressed in the DEIR as the change in ownership will trigger requirements to comply with current building codes.

In addition, the DEIR states that "the proposed Project does not include any expansion in the delivery capacity of the AVR System nor does it contemplate any physical upgrades to any of the AVR System facilities." (DEIR p. 50) AVRWC has reasonably foreseeable system improvements planned over the next 5 years to upgrade the system as part of its capital plan. These improvements should be evaluated in the DEIR or, if the 7-19

Town does not plan to do any of these projects, the potential, significant environmental consequences of that decision, including degradation of water quality, reduced system pressure, reduced ability to provide fire flows and public fire protection, increases in lost water, and reductions in pump efficiency, should be evaluated and disclosed.

AVRWC also has a Main Replacement Program that was developed by an outside consultant Asset Management Study on Mains (with Kanew analysis) and is designed to avoid catastrophic failures of aging mains and to achieve the AWWA standards for leak rates. Again, this should have been disclosed as a reasonably foreseeable future project, and the lack of any reference in the DEIR to the Main Replacement Program causes serious environmental concerns. By not replacing and upgrading mains that have reached or exceeded the end of their useful life, there will be environmental impacts that are not included or discussed in the EIR. 7-19 (cont.)

The Town, in AVRWC's current CPUC rate case proceeding, advocated for substantial reduction in the level of main replacements, a level that would result in a replacement period of about 200 years and would increase leak rates and the potential for pipe failures. The Town maintained this advocacy even after review of additional testimony resulted in AVRWC and ORA reaching a settlement on the issues that included a rate of replacement substantially closer to that initially recommended by AVRWC. The Town did not address any of the engineering studies that were the basis of the main replacement program and introduced no independent analysis, but simply argued that mains should not be replaced because rates were too high. The Town's position on main replacements, were the Project to be approved, would result in a significant "change in operation" compared to the reasonably foreseeable project planning by AVRWC.

In its Application for Rehearing on CPUC Resolution W-4998, the Town also argued that the replacement and upgrade of system infrastructure that has exceeded its useful life is part of the "whole of the action" and that not including the impact of those replacements and upgrades of infrastructure exceeding its useful life in the CEQA review constitutes improper piecemealing of the project. By its own arguments to the CPUC, the absence of any analysis in the DEIR of the impacts of the office building project, the main replacement program, and other projects that are necessary to upkeep AVRWC's system, constitutes improper piecemealing of the Town's proposed "Project."

7. The DEIR has numerous deficiencies and needs to be revised and expanded; the analysis sections should be revised based on an updated Project Description and the DEIR recirculated. 7-20

The Project Description in the DEIR is anything but an accurate, stable and finite project description as required for an informative and legally sufficient EIR. (*County*

of Inyo v. City of Los Angeles 71 Cal. App.3d 185, 199 (1977).) It is, in fact, a curtailed, enigmatic and unstable project description. *Id.* at 198. Instead of studying the operations issue, the Town has impermissibly narrowed the description (system to be operated "in the same manner" as the current private operator) so there would be no impacts; and, true to form, the DEIR finds no significant environmental impacts. 7-20 (cont.)

The Town is itself unsure how it will operate the system upon acquisition. The Town does not know the scope of the project or all its facets since it has not studied how the system will be operated or whether it has the expertise to do so. These issues have not been studied and do have environmental implications. The DEIR is therefore premature and merely a sham to get beyond the environmental review stage and deal with the operational aspects later. This is impermissible project segmenting where a single project is divided into smaller individual projects to avoid consideration of environmental impacts of the project as a whole. (*Orinda Assn. v. Board of Supervisors,* 182 Cal.App.3d 1145, 1171 (1986).) And where the DEIR project description omits critical aspects of the Project, it results in an understated and inadequate analysis of the Project's impacts. (See e.g., *San Joaquin Raptor Wildlife Rescue Center v. Arambel and Rose Development, Inc.* 27 Cal.App.4th 713, 722-735 (1994)). A clear and definite project needs to be defined in the Project Description and then analyzed in the DEIR after preparation of a comprehensive operations plan so that operational aspects of the Project are not impermissibly deferred, piecemealed or otherwise ignored. 7-21

Tbe DEIR fails to address whether the Town would continue AVRWC's low-income discount program to needy individuals and seniors. Under Proposition 218, the Town is prohibited from instituting such a program. The lack of a low-income discount program will have a significant impact on citizens in need, leading to potential population shifts and impacts on social services. 7-22

B. The discussion of alternatives is inadequate since the Project Description is unstable and there is no substantial evidence that operation of the system by Victorville or Hesperia is feasible. 7-23

The requirement that EIRs identify and discuss alternatives to the project stems from the fundamental statutory policy that public agencies should require the implementation of feasible alternatives to reduce a project's significant environmental impacts. (*Citizens of Goleta Valley v. Board of Supervisors* 52 Cal.3d 553, 564 (1990); Public Resources Code Section 21002.) The alternatives presented in an EIR must be potentially feasible. (*City of Long Beach v. Los Angeles Unified Sch. Dist.* 176 Cal.App.4th 889, 920 (2009); 14 Cal. Code Regs. Section 15126.6(a).)

As discussed above, for a number of reasons, the DEIR does not contain an adequate Project Description. Absent an adequate description, it is impossible to know whether there are potentially significant environmental impacts. And without that information, it is impossible to select a meaningful range of alternatives designed to avoid or substantially lessen the Project's impacts. Nor is there any substantial evidence in the DEIR that operation of the AVRWC system by either the City of Victorville or City of Hesperia is practical, feasible, economic, or that it would fulfill any of the Project objectives. This is again because the Town has done no Operations Study that would address these issues prior to conducting this EIR process. Instead, the Town merely shifted the question of potential operation by these neighboring communities from the Project Description to the Alternatives section in order to streamline the analysis and avoid having to discuss the potential impacts of the alternatives in detail. 14 Cal. Code Regs. Section 15126.6(d). 7-23 (cont.)

C. The Town's advocacy of the project during the EIR process demonstrates its predisposition on the project outcome and inability to act as an unbiased Lead Agency.

Save Tara v. City of West Hollywood 45 Cal.4th 116, 139 (2008) explains the general principle that before conducting CEQA review, agencies must not 'take any action' that significantly furthers a project 'in a manner that forecloses alternatives or mitigation measures that would ordinarily be part of CEQA review of that public project.' " *Id.* The critical question based upon all the surrounding circumstances is "whether, as a practical matter, the agency has committed itself to the project as a whole or to any particular features, so as to effectively preclude any alternatives or mitigation measures, that CEQA would otherwise require to be considered, including the alternative of not going forward with the project. *Id.* Under CEQA, the Lead Agency has an obligation to consider all evidence of significant environmental impacts prior to certification of the EIR and must avoid predisposition or prejudging the evidence to favor a project during the CEQA process. This is especially true when the Lead Agency is also the project applicant and is defining the project in such a way that it could have no impacts, selecting and retaining the project's environmental consultants, defining the scope of the CEQA inquiry, certifying the EIR and ultimately voting on its own project. 7-24

The Town's actions to narrow the Project Description and "propose" that the Town operate the system "in the same manner" as AVRWC "for the purpose of the technical analyses in this EIR" were designed to further the Project and foreclose or at least truncate, the environmental review. This is because the Town had already committed itself to the Project before the review process even began. Substantial evidence exists that the Town has operated as a biased advocate in anticipation of the CEQA process and is unable to act as an open-minded Lead Agency as contemplated by CEQA. This evidence

includes a Town sponsored advocacy website called "H2Ours" or www.avh2ours.com, supporting the Town's acquisition of AVRWC. The Town's overt advocacy in favor of acquisition has also included radio advertising, newspaper advertising, cable television advertising and digital advertising, including on the Town's official Facebook page. 7-24 (cont.)

D. The DEIR's Hydrology and Water Quality analysis is legally inadequate.

As discussed above, if the Town does not continue AVRWC's Main Replacement Program, as the DEIR and prior Town comments in the rate case suggest, there will be an increase in the rate of leaks and potential for pipe failures. Because of soil conditions in Apple Valley and because many of the mains are located in public rights of way, water lost due to leaks and pipe failures tends to surface, cause erosion, disrupt traffic, and be lost to evaporation or be lost down storm drains, rather than return to the groundwater aquifer. To meet the same demand, more water will need to be pumped from the ground which will contribute to over-drafting the groundwater basin. In addition, the DEIR's discussion of the relationship between potential increased water use in response to " water pricing" that may be reduced, or not increased is unclear. (DEIR, pp. 69-70) The DEIR's conclusion is that rates will not impact "groundwater supply reliability." But "reliability" of the ground water supply is not the appropriate measure. Increased use of ground water is a significant potential impact that will require more ground water replenishment likely using imported State Water Project (SWP) water. The associated impacts should be discussed in the DEIR. 7-25

In addition, the EPA and State Board DDW are continually evaluating and proposing Maximum Contaminant Levels (MCL) for new constituents to be monitored, as well as revising existing MCLs. The exact same concentrations of constituents that are now acceptable could result in a degradation of water quality, with respect to what is allowed for potable water, due to changed water quality regulations. AVRWC's personnel take water samples, deliver them to a lab, and handle routine reporting. However AVRWC's primary water quality expertise comes through administrative support from Park Water. The functions of tracking ongoing changes in water quality regulations and conducting planning to meet them, is accomplished at Park. The DEIR does not explain how the Town will replace this function or what impact the loss of this function will have on the Town's ability to ensure future compliance with water quality standards. 7-26

An academic study recently performed found that government-owned and operated water systems have a worse record than privately-owned water systems when it comes to compliance with the Safe Drinking Water Act (SDWA).[1] The DEIR notes that the system must comply with SDWA requirements and states that AVRWC has done so 7-27

[1] Konisky and Teodoro, "When Governments Regulate Governments," (2015) pp. 1, 22.

under its ownership. (DEIR p. 33) The DEIR states that based on AVRWC's 2009/10 Consumer Confidence and Water Quality Report (CCR), there have been no contaminants detected that exceed primary or secondary standards. In section 4.3, purportedly addressing water quality, there is no discussion of the SDWA or water quality and no discussion of how the Town plans to maintain AVRWC's level of compliance with the SDWA in an ever-changing water quality landscape when the concentration of constituents in the groundwater can change (especially if the groundwater basin is receiving less recharge) and the regulations and maximum contaminant levels are also changing. (DEIR pp. 64-71) 7-27 (cont.)

The DEIR assumes that compliance with SDWA will be maintained without any explanation of how this will be done or with what effects. The DEIR, refers to AVRWC's 2009/10 CCR but did not reference any of the subsequent annual reports in the last 5 years.

While none of AVRWC's active wells currently exceed water quality standards, this is a result of AVRWC's active management and planning – not because the groundwater in the Alto sub-basin meets water quality standards. There are water quality issues in the Alto sub-basin, including arsenic and fluoride, which can affect the groundwater in AVRWC's area. AVRWC has had to remove one of its wells from active status due to high arsenic levels, and other systems nearby have fluoride issues. AVRWC has analyzed the groundwater basin and determined the best sites to drill new wells for both optimal water quantity and quality. The best sites are in the southwest part of AVRWC's service area, so well-site planning has to be done in coordination with operational planning; if well sites are concentrated in one area of the system, then the transmission capacity of the system must be up-graded to get the water to other parts of the system. The DEIR fails to discuss the potential impacts of any of these factors. Maintenance of water quality requires an active effort and long-term awareness of the groundwater basin, developments in water quality regulations, and coordination with engineering and operations. The DEIR evaluated conditions in 2010 and went no further with the analysis. 7-28

E. The DEIR's failure to include discussion of the Main Replacement Program has impacts on transportation and traffic and public safety.

As discussed above, if the Town does not continue AVRWC's Main Replacement Program as the DEIR indicates, there will be an increase in the rate of leaks and potential for pipe failures. Leaks, and especially pipe failures, because many of the mains are in public rights of way in streets, can cause safety problems by flooding roads and intersections and causing erosional damage. This is especially a problem at night when it is hard to see and more so in the winter when it can freeze and result in icy road conditions. 7-29

The DEIR's statements regarding a main replacement program will have impacts on transportation and traffic and public safety and should be analyzed in the DEIR. 7-29

F. The DEIR's discussion of stormwater conveyance fails to discuss the loss of the current system's check and balance approach.

The DEIR discussion of stormwater conveyance does not mention Town's numerous Class V injection wells spread throughout the community and used for stormwater mitigation. (DEIR p. 100) These wells also provide a potential contamination route to the aquifer. Joint ownership by the Town of both the Class V injection wells and the water system will remove the existing check and balance with regard to this potential contamination route and could result in a higher risk of contamination. This impact should have been discussed and evaluated. 7-30

G. The DEIR fails to discuss the potential growth inducing impacts of Town ownership of the water system and the relation to Town General Plan forecasts.

The DEIR states that the proposed project does not include expansion of the delivery capacity of the water system but that implementation of the Town's General Plan could result in an increase of population by 114,462 persons, or an increment on the order of 150 percent of the current population. (DEIR pp. 39-40, 50) The DEIR fails to discuss how that growth could be accomplished without expansion of the delivery capacity of the system or physical upgrades to the system. This is an average annual growth rate of over 8 percent and will require a significantly increased production, treatment and conveyance of water. The DEIR suggests that lower rates may ensue after adoption of the project (or perhaps elimination of the tiered rate structure) which can have a growth inducing impact. Whether the acquisition is designed to encourage growth consistent with the General Plan should be evaluated. 7-31

The Town, in AVRWC's current CPUC rate case proceeding, objected to AVRWC's conservation rate structure which includes multi-tiered rates. The DEIR does not include any study on how rates might be structured and the resultant impact on water demand. The Town has not performed a rate design study to even determine whether, under Proposition 218, the Town can legally have tiered rates. Were the Town to move to a single-tier rate structure, that would be a significant change in operations and would likely promote increased demand which will have environmental and operational impacts which should be evaluated. In addition, the effect of a single-tier rate would be to increase charges for water service to customers using average or less than average water consumption. This would tend to disproportionately impact low-income customers and seniors, exacerbating the issue pointed out above in Section A.7. 7-32

On the basis of all of the foregoing, recirculation of a new DEIR is the only reasonable course of action and is legally compelled to satisfy CEQA's informational goals. 7-33

Very truly yours,

KEVIN H. BROGAN
OF
HILL, FARRER & BURRILL LLP

HFB 1582291.5 W4302061

Letter.7

COMMENTER: Kevin H. Brogan, Hill, Farrrer & Burrill

DATE: November 2, 2015

RESPONSE:

Response 7.1

This comment is an introductory statement in which the commenter frames the nature of the comment letter as a whole, primarily focusing on purported deficiencies in the project description and the analysis of alternative and also expressing concern regarding the Town's actions as both the Project proponent and Lead Agency. Because these statements are general in nature and are included in greater detail at later points in this comment letter, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) Specific concerns detailed in this letter are addressed in the following responses.

Response 7.2

The commenter claims that the project description has been manipulated to limit the scope of the environmental analysis by narrowing the project description. The comment later explains that the primary concern regarding the project description is purported deficiencies in the description regarding operation of the AVR System following the Town's acquisition of the system; however, it does not explain what details the commenter feels are missing from the description. Contrary to Commenter's allegations, the project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project.

The cases that Commenter cites are inapposite. For example, in County of Inyo v. City of Los Angeles (1977) 71 Cal.App.3d 185, 199, the court invalidated the EIR because, among other reasons, the project description shifted throughout the EIR and was inconsistently described in various parts of the document. (Id. at 197-198.) Here, the project description is consistent throughout the Draft EIR. The project description outlined in Section 2.0 of the Draft EIR explains the underlying purpose of the proposed Project – acquisition of the AVR System – and identifies certain factual assumptions that were made about the acquisition. Those assumptions are carried forward in each environmental impact section of the Draft EIR. For example, see the methodology discussion for each of the resource areas (i.e., Sections 4.1.2, 4.2.2, 4.3.2, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6, and 4.4.7), where the methodology section explains the scope of the proposed Project and how Project impacts were evaluated for specific environmental factors. Each of these sections relate to the proposed Project as it is described in Section 2.0, and are consistent with each other in terms of Project details. Therefore, the project description does not shift, it is not curtailed, and it is stable. Contrarily, the document considered in County of Inyo v. City of Los Angeles (1977) was found to have, "incessant shifts among different project descriptions," which were found to, "vitiate the city's EIR process as a vehicle for intelligent public participation".

As explained by the court in Native Sun/Lyon Communities v. City of Escondido (1993) 15 Cal.App.4th 892, 909, in upholding an EIR despite claims that the project description was incomplete, CEQA "does not require analysis in the EIR of each and every activity carried out in conjunction with a Project." Thus, the commenter's suggestions that the Town needs to identify specific details regarding how it would manage the AVR System is contrary to existing law. Additionally, the court in Dry Creek Citizens Coalition v. County of Tulare (1999) 70 Cal.App.4th 20, 28 explained that the minimum requirements of CEQA demand "a 'general description' of a Project's technical characteristics." The project description clearly comports with this concept and includes the relevant details regarding the elements of system operation that may potentially result in impacts to the environment (e.g., how many employees would travel to and from the O&M facility).

Indeed, lead agencies need not undertake a premature or speculative evaluation of the environmental consequences of undefined future projects. (*Id.*; *see also Friends of the Sierra RR v. Tuolumne Park Rec Dist.* (2007) 147 Cal.App.4th 643, 657 [finding there was no project to analyze under CEQA, even though it was probably that lands transferred to a Native American tribe would be developed in the future, because there were "no specific plans on the table"].) Instead, the scope of an EIR is guided by standards of reasonableness and practicality. (*Environmental Council of Sacramento v. City of Sacramento* (2006) 142 Cal.App.4th 1018.

For these reasons, the project description is accurate, stable and finite, and describes the entire Project, including all reasonably foreseeable Project elements and activities. As such, it is different from the faulty project descriptions in the cases cited by the commenter.

The commenter next incorrectly alleges that the EIR does not fully address operation of the system following the acquisition. However, the EIR includes both discussion of how the Town would be reviewed for its technical proficiency in operating the system, as well as any elements with the potential to result in environmental effects. Section 1.6, Lead, Responsible, and Trustee Agencies, addresses how the Town would be reviewed to ensure it is capable of managing the system. As discussed on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System.

In terms of environmental effects related to management of the system, there would be little to no change in environmental effects because there would be little to no change in how the system is managed. The Town intends to continue operation of the system in much the same manner as it is currently operated by Apple Valley Ranchos Water Company. Ultimately, and because the Town already provides management functions for other utilities (sewer) and because Apple Valley Ranchos Water Company already provides management functions that are proposed to be undertaken by the Town, no changes in any environmental impacts (if any) associated with provision of those management functions are reasonably foreseeable, nor does the commenter identify any specific impacts that he believes are not accounted for. Ultimately, the commenter seems to asserting that at some unknown future time, the Town will propose as-yet-unknown changes in water operations, which will allegedly result in unidentified environmental impacts. Such speculation on potential future activities and impacts –

particularly when, as here, no such activities are proposed and none is reasonably foreseeable – is not required by CEQA. (State CEQA Guidelines, §15145.) See also Global Response #2.

Response 7.3

The commenter claims that the project description in the Initial Study is uncertain and, therefore, unstable. Through the EIR process there has been one refinement to the project description that occurred following publication of the original Initial Study; the refined project description included in the Amended Initial Study and the Draft EIR is accurate, stable, and finite, as discussed in Response 7.2 above.

Based on initial comments received during the scoping process for the Draft EIR, the project description was refined to more clearly define what entity would manage the AVR System after the Town's acquisition of the system. The project description in the original Initial Study included a range of management options, including management by the Town or through a qualified private contractor or public agency. Based on comments received, in which commenters requested a more specific project description, the Project was refined to include only management by the Town, and the options to manage the system through qualified public agencies were included as alternatives to the proposed Project that were analyzed in the Draft EIR. (See Section 6.0, Alternatives, of the Draft EIR). Following this change the scoping process was extended for an additional 30-day period and an amended Notice of Preparation and Initial Study was sent to all agencies, organizations, and individuals included on the distribution list.

This refinement in the project description allowed for more targeted environmental analysis that addresses the specific potential environmental concerns associated with the proposed Project, including the Town's management of the AVR System following the acquisition. Additionally, each of the alternatives specifically addressed potential effects of system management by the entity defined for each alternative. As such, the refined project description used in the Amended Initial Study and the Draft EIR was clear and consistent, and allowed for robust environmental analysis based on the specific management options.

Response 7.4

This comment relates to the refined project description included in the Amended Initial Study and the Draft EIR. The commenter alleges that the project description was refined in order to minimize the impacts that would be identified in the EIR, and claims that the project description may not include the most likely scenario that would occur after certification of the EIR.

As discussed in Response 7.3 above, the project description was refined to provide more specific information about the proposed Project and allow for robust environmental analysis based on the specific management options. This was done in response to comments received in the initial stages of the Draft EIR scoping process and also to ensure that a complete description of all aspects of the Project were identified consistent with CEQA's informational disclosure requirements.

In terms of system operation, the Town proposes to manage and operate the system following the acquisition. In the event of unforeseen circumstances that result in the Town being unable to

operate the system themselves, and alternate operator may be selected. In this case, the Town would perform all necessary related review under CEQA. See also Global Response #2.

Response 7.5

The commenter again accuses the Town of narrowing the project description to avoid analysis and defer operational decisions to a later date. This assertion is untrue. As discussed in Response 7.3 above, in response to comments received in the initial stages of the Draft EIR scoping process, the project description was refined to provide more specific information about the proposed Project and allow for robust environmental analysis based on the specific management options. Additionally, as discussed in Response 7.2, the project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project. Further, the description regarding operation of the AVR System is sufficiently detailed to allow for full analysis of any potential environmental effects related to these activities. Finally, the commenter does not identify any impacts that it believes may occur as a result of the Town's operation of the system. Instead, the commenter's statements are flat conclusions unsupported by substantial evidence. (See State CEQA Guidelines, § 15384 [substantial evidence does not include argument, speculation, unsubstantiated opinion or narrative].)

The comment also restates the commenter's allegation that the Town can administratively change operators and avoid the environmental analysis of that change altogether. Again, this assertion is untrue, as any discretionary approval to approve a change in operator (such an operations agreement) that may result in environmental effects would be subject to CEQA, as discussed in Response 7.4 above. The Town would perform environmental review under CEQA, as required, for any changes that are proposed to management of the system. See also Global Response #2.

Response 7.6

The commenter again claims that the project description is insufficient in its description of the Town's operation of the system following acquisition, indicating that this results in unidentified deficiencies in the associated environmental analysis. This general accusation regarding sufficiency of the project description is addressed in Response 7.2 above, which explains how the project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project.

In this comment, the commenter states that examples of the operational factors that should be considered are provided subsequently in the letter. These examples have been addressed individually below.

Response 7.7

The commenter claims that Apple Valley Ranchos Water Company's existing operation of the system includes employees that are located offsite who handle regulatory compliance reporting requirements and perform billing, accounting, engineering, and water quality services; however, these additional employees were not accounted for in the Draft EIR. Additionally, the

commenter goes on to enquire where any new staff required to operate and maintain the AVR System would work, inaccurately claiming that this in not discussed in the Draft EIR.

Schedule C-3 on page 46 of the appendices for the annual report for Apple Valley Ranchos Water Company indicates that the company's current operation is supported by 20 office and 19 maintenance employees. The report does not identify any other employee positions related to this operation (Apple Valley Ranchos Water Company 2015a). Accordingly, the EIR is fully supported by substantial evidence. Furthermore, as discussed on page 52 of this EIR, the AVR System would maintain its existing size and capacity, and would continue to be operated and maintained in a manner similar to existing operations. Moreover, the Town already has administrative staff and provide billing and administrative support services for its existing sewer utility services within the Town. For these reasons, this EIR assumes that approximately the same overall number and level of staff would be required to support operation and maintenance of the system following acquisition.

Additionally, as discussed in Section 2.0, Project Description, the T own would operate and maintain the system out of Apple Valley Ranchos Water Company's existing operations and maintenance facility, which is located at 21760 Ottawa Road, approximately half a mile south of Highway 18 and 300 feet east of the intersection of Navajo Road and Ottawa Road. Therefore, any staff required to operate and maintain the AVR System would continue to work at this location.

Ultimately, the commenter's statements are not related to environmental impacts, but to policy-type decisions which are outside the scope of the EIR and are left to the decision-makers as part of overall consideration of the Project.

Response 7.8

The commenter claims that it is speculative to believe the Town has the ability to obtain a permit to operate the system from the SWRCB. Section 1.6, Lead, Responsible, and Trustee Agencies, addresses the proposed change in terms of management of the system, including the SWRCB's role in evaluating the proposed change of ownership. As stated on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System. Thus, no further response is required. (State CEQA Guidelines, § 15088 [responses are required only for comments raising environmental issues].) Finally, the Town already successfully provides management functions for other utilities (sewer).

Response 7.9

The commenter notes that the hours of operation for most Town offices is different from those proposed for the AVR System staff, and questions whether this is accurate and, if not, how this would impact customer service. As stated in the EIR on page 36, the regular business hours of the facility would continue as under existing operations, from Monday through Friday from 7:30 AM to 5:30 PM. Therefore, there would be no change in hours of operation and no resulting environmental effect. In the event that the hours of operation were to change, potentially affecting customer service, this change would not affect the physical environment and therefore

is exempt from analysis under CEQA (State CEQA Guidelines, § 15131; § 15088 [responses are only required to comments raising environmental issues]). This comment has been passed to Town decision-makers for consideration as part of the wider Project review process.

Response 7.10

The commenter claims that the Town lacks understanding of the components of a water utility based on its "abbreviated" list of existing system assets, including staff. The Draft EIR provides an overview of the primary AVR System components in order to inform the environmental analyses; this is not indicative of the Town's level of understanding regarding water supply systems. The project description fully complies with the requirements of CEQA (Pub. Res. Code § 21000 et seq) and the State CEQA Guidelines (14 Cal. Code Regs., § 15000 et seq.). The State CEQA Guidelines specifically provide that the "degree of specificity required in an EIR will correspond to the degree of specificity involved in the underlying activity which is described in the EIR." (State CEQA Guidelines, § 15146.)

Here, the degree of specificity in the Draft EIR corresponds to the degree of specificity involved in the underlying action. As explained in the Draft EIR, the underlying purpose of the proposed Project is for the Town to acquire, operate, and maintain the AVR System. CEQA does not require that the Town provide an exhaustive list of the specific assets that the Town would acquire from Apple Valley Ranchos Water Company. (See State CEQA Guidelines, §15151 ["evaluation of environmental effects of a propose Project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible"]).

With respect to operations, the Draft EIR explains that the Town intends to continue operations substantially in their current form and no expansion of operations would occur with the proposed Project. Moreover, the Draft EIR clearly states that no new facilities are proposed by the Project and it is thus assumed that the system would require the same number of employees to operate and maintain it as under existing conditions. Thus, the Town has made all reasonable assumptions predicated on facts with respect to the number of employees that would be needed to operate and maintain the system. (State CEQA Guidelines, § 15384.)

Notwithstanding, the Town did identify system components that it assumed (for purposes of environmental analysis) would be acquired. Specifically, on page 31, the EIR identifies approximately 469 miles of pipeline, 22,431 active service connections, 11.7 million gallons of storage provided in 11 storage tanks, and 8 booster sites/pump stations that comprise the AVR System.

The commenter also points out a discrepancy in the reported staffing levels for Apple Valley Ranchos Water Company on page 35 of the Draft EIR. In response to this comment, the discrepancy has been corrected on page 36 of the Final EIR and now reflects the correct number of 39 total employees, as reflected throughout the rest of the EIR.

Response 7.11

The commenter claims that the Town does not have the necessary experience to operate a water system and goes on to question how the Town would manage the system. As described in Response 7.10 above, the degree of specificity in the Draft EIR corresponds to the degree of

specificity involved in the underlying action. As explained in the Draft EIR, the underlying purpose of the proposed Project is for the Town to acquire, operate, and maintain the AVR System. CEQA does not require that the Town provide an exhaustive description of the operational regime for the system. (See State CEQA Guidelines, §15151 ["evaluation of environmental effects of a propose Project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible"]). With respect to operations, the Draft EIR explains that the Town intends to continue operations substantially in their current form and no expansion of operations would occur with the proposed Project. Thus, the Town has made all reasonable assumptions predicated on facts with respect to the number of employees that would be needed to operate and maintain the system. (State CEQA Guidelines, § 15384.). As noted in Section 1.6, Lead, Responsible, and Trustee Agencies, on page 21 of the EIR the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System.

Finally, the quotation provided by the commenter and the reference to the Financial Feasibility Analysis confirm that any impacts resulting from the Town's operation of the water system would be *economic* – not environmental. Such economic issues are not relevant for CEQA purposes. See Global Response #1. Nonetheless, these comments will be passed on to the decision-makers for consideration.

Response 7.12

The commenter asserts that the Town does not have an infrastructure replacement plan in place. The commenter also correctly notes that the EIR does not address what it would cost to acquire the system and thus the EIR does not provide information on reserve funds that would be available to replace aging infrastructure. The commenter is correct that the EIR does not detail the approximate cost or "cash-flow" that the Town may have available as a result of operation of the system. It is not the role of CEQA to perform analysis regarding the economic aspects of a project, but rather to provide a robust and transparent review of the potential environmental effects that could occur if the project were to proceed. Therefore, economic issues are not within the scope of CEQA, and thus not included in this EIR (State CEQA Guidelines, § 15002 and § 15131). See also Global Response #1. Regardless, this comment has been passed to Town decision-makers for consideration as part of the wider project review process.

Response 7.13

The commenter references the Project objectives of increasing customer service and reliability but questions how they would be achieved. He goes on to speculate that for these to occur more maintenance, complaint responsiveness, long range planning, personnel and training would be required, and that these would have increased physical and/or operating cost implications. The commenter does not provide any evidence that the stated improvements would be required or that they would result in physical effects to the environment. As discussed under Response 4.6, the purpose of an EIR is to evaluate a project for its potential effects to the physical environment. The Town's objective regarding increasing customer service and reliability does not relate to potential effects to the physical environment nor does the commenter identify how he believes it may, and therefore is not within the scope of CEQA and is not included in the

analysis contained in the EIR (State CEQA Guidelines, § 15131). In addition, it is not the role of CEQA to perform analysis regarding the economic aspects of a project, but rather to provide a robust and transparent review of the potential environmental effects that could occur if the project were to proceed. Therefore, economic issues are not within the scope of CEQA, and thus not included in this EIR (State CEQA Guidelines, § 15002 and § 15131). See also Global Response #1.

Response 7.14

The commenter correctly asserts that the under the proposed Project examined in the EIR, the Town proposes to manage and operate the system in the same manner as currently following the acquisition. The commenter goes on to state that the EIR shows it is not aware of how Apple Valley Ranchos Water Company operates but does not provide any evidence to support this statement. Because these statements are general in nature and because the statements do not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].)

In addition, the commenter asserts that rate increases for the Town operated sewer system have outpaced those by Apple Valley Ranchos Water Company, and the Town has diverted enterprise funds from the sewer system to the general fund. Presumably the former part of this comment is referring to water rate increases charged by Apple Valley Ranchos Water Company, for which the commenter provides no evidence in support of this assertion. Further, and in response to this comment, it is worth noting that sewer rate increases occurring as a result of "pass-thru rates" and charges that the Town must pay to the Regional Treatment Authority are not the same as the Town increasing rates for operation of its own system. These types of increased rates are necessary, and are accordingly passed on to Town sewer customers, to generate the necessary revenue to pay these pass-thru payments.

Similarly, the commenter provides no evidence in support of the assertion in the latter part of this comment. In both cases, these comments are focused on the ability of the Town to operate the system rather than on the physical effects to the environment and as such are outside of the scope of CEQA and are not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131).

Response 7.15

The commenter erroneously states that the description of the proposed Project ignores severance of the Yermo System. The commenter goes on to state that Apple Valley Ranchos Water Company includes both services in the Bellview Heights area of Victorville and in Yermo. The commenter is correct that Figure 2-1 in the EIR does not show the Yermo system as part of the proposed Project. The commenter does not make clear what they mean by Bellview system, but it appears to be a reference to that portion of the Project located outside the Town's boundaries and within the City of Victorville nearby Bellview Heights. The Bellview Heights Well is shown on Figure 2-3 as numbered item 16. In addition, the scale of Figure 2-4 has been amended to reduce the scale of the map to ensure that the Bellview Heights Well, which is included as Well 7 in the legend in the Draft EIR, appears within the map view. The well is located in in Pressure Zone Z as indicated in the legend in the Draft EIR. Therefore, the portion

of the AVR System is considered in the EIR as requested by the commenter. The amended map is included at the end of Section 8.0, Responses to Comments, and in Section 2.0, Project Description See also Table 1-1 on page 10 of the EIR for a response to the LAFCO letter received in response to the Notice of Preparation.

The commenter also opines that it is contradictory that the Town has chosen to include the Bellview well and not Yermo in the acquisition and goes on to correctly quote the EIR, which states that:

> the proposed Project does not include acquisition of the Yermo Water System, which is located east of the City of Barstow and is currently undergoing a transfer from its current owner to Apple Valley Ranchos Water Company. This is because the Yermo Water District facilities are located approximately 45 miles from the Town; Yermo Water District does not provide any water services to the Town's residents, businesses, or other uses; and the Yermo Water District's facilities do not provide any other benefit to the Town's residents. Furthermore, the Yermo system is an entirely separate and distinct system that is not integrated into the AVR System.

The commenter does not provide any further evidence as to why this decision is contradictory beyond quoting the rationale for not including the Yermo system from the EIR. Thus, no further response can be provided or is necessary.

The commenter also states that since Yermo is part of the Apple Valley Ranchos Water Company, the EIR should include the severance of Yermo in the project description and assess the potential environmental effects associated with severance of the system. As noted above, the Yermo system was only recently acquired. The CPUC only authorized Apple Valley Ranchos Water Company to proceed with requested acquisition in August of2014 via Resolution W-4998, at which point Apple Valley Ranchos Water Company sought to formally acquire Yermo through a receivership proceeding pending in San Bernardino Superior Court. The formal approval of that acquisition, however, just occurred this past summer, after the Town's CEQA process for the Project was well-underway. Up until that point, Yermo was a stand-alone water system that already had administrative offices in Yermo, CA to allow for its management. Further, the entirety of the Yermo Water Company system includes only 250 service connections. Accordingly, and contrary to the commenter's statements, it is reasonable to conclude that any severance of Yermo Water Company from the remainder of the Apple Valley Ranchos Water Company would not create a need to build new facilities in the Yermo area that may result in any new significant impacts.

Response 7.16

The commenter expresses the opinion that the EIR fails to disclose changes to the regulatory structure that would result from the proposed Project. The commenter is correct that under the Town's ownership, similar to every other municipally-operated water system in the State, the AVR System would no longer be regulated by the CPUC. Text has been added to page 21 of the EIR, to clarify this point in response to this comment as follows:

> Once acquired, the regulatory responsibility of the CPUC over the AVR System would cease.

The commenter goes on to speculate that property owners could in future use Proposition 218 to halt rate increases, which in turn could affect the Town's ability to maintain system infrastructure. It is correct that, similar to every other municipally-operated utility in the State, the Proposition 218 process would be the regulating mechanism under which future rate increases would be approved. However, the commenter's claims as to whether approval or not of potential future rate increases needed to maintain the system would result in impacts are entirely speculative, and the commenter again does not provide any supportive evidence, much less substantial evidence contradicting the Town's good-faith analysis. See also Global Response 2. Thus, the potential indirect impacts that this comment attempts to establish are highly speculative and unsubstantiated conjecture (State CEQA Guidelines, § 15384 [substantial evidence does not include unsubstantiated opinion or speculation]) and this scenario need not be analyzed in detail in the EIR. (See *Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173, 1178 [CEQA does not require speculation]; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692 [EIR upheld – despite claims that project description was incomplete – because operation of plant beyond stated 20-year life was speculative].) With regards to the comment about the preparation of an operations plan, see Response 7.8.

With regards to the commenter's recap of the CPUC process on rate setting, this information is noted though it should be noted that currently some of the rate decisions made by the CPUC occur at behind-closed-door sessions that are not accessible to the public. Under the Town's control, operation decisions and rate setting would be subject to California's open public meeting and disclosure requirements, including the Brown Act and the Public Records Act. Apple Valley Ranchos Water Company is not subject to these public access and disclosure requirements. Further, and as noted by the commenter, under the Town's ownership the AVR System would be subject to the rate setting process under Proposition 218 rather than the CPUC process; therefore, the "protections" provided by the CPUC process would, as correctly noted by the commenter, apply since the CPUC would no longer regulate the system. The Proposition 218 process includes numerous, rigorous steps to ensure public transparency and accountability in the rate setting process, with evidence required to demonstrate how those rates would be spent in the long term best interests of customers, which includes maintaining safe and reliable service.

The commenter's final statement references the proposed Project objective, which indicates that the Town intends to pursue grant funding uniquely available to public agencies to provide additional funds to be used for infrastructure improvements, thereby reducing costs to rate payers. To be clear, the Town is not suggesting that private companies are necessarily forbidden from doing advanced funding planning based on grant opportunities. However, private companies have more limited options with regard to funding operation and maintenance of public utilities, and they respond to different financial pressures (such as guaranteeing a rate of return to investors) than exist for public agencies. Regardless, this comment has been passed to Town decision-makers for consideration as part of the wider project review process.

Response 7.17

The commenter alleges that the Town may favor lower rates over spending on maintenance and infrastructure improvements and erroneously states that the EIR indicates that the Town would not invest in the water system in the foreseeable future. No evidence is provided to support these statements in the comment. Because these statements are general in nature and because the statements do not raise specific environmental concerns about the Draft EIR or the Project, no further response is required to this portion of the comment. (See Browning-Ferris Indus. v. City of San Jose (1986) 181 Cal.App.3d 852 [where a general comment is made, a general response is sufficient].) Further, it is correct that, as discussed on page 35 of the EIR, under the proposed Project the Town would acquire the AVR System in its existing condition and no system upgrades are proposed at this time that would require review under CEQA. However, the Town would maintain the system with the degree of prudence and caution required of a municipal operator of a water system. Furthermore, construction improvements and future system needs, such as infrastructure replacements and upgrades, would remain the same as those currently required for the AVR System, regardless of who owns the system. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. While at this time, any future upgrades of the system are not reasonably foreseeable, future upgrades (if any) would be proposed and analyzed as required by CEQA and would require associated environmental review and documentation. The EIR has been updated in Section 4.0, Environmental Impact Analysis, on page 44 to include this explanation regarding potential construction improvements and future system needs. Also, see Response 7.16 for a response to comments regarding Proposition 218.

Response 7.18

The commenter claims that the Apple Valley Ranchos Water Company's O&M facility is too small for existing operations and does not meet current seismic codes or comply with ADA requirements, and goes on to claim that the EIR needs to consider potential replacement of this facility. The commenter correctly states that, as stated on page 36 of the EIR, the Town intends to operate the system out of the current location and existing O&M facility. Replacement of the existing facility is not proposed as part of the Project. However, in the event that the building is found to be in need of upgrades that have not yet been performed by Apple Valley Ranchos Water Company, the Town would evaluate the needs of the facility and any necessary improvements. At that time, the Town would perform any additional CEQA analysis required to support the selected course of action. Furthermore, the Town already provides administrative and billing services for its existing wastewater utility services. Such administrative support could also be used in connection with the Apple Valley Rancho system, thus easing any perceived burden on the existing operational facilities.

If, as the commenter alleges, the building is currently in need of construction improvements, these improvements would remain the same as those currently required to meet seismic codes, accommodate existing staffing levels, or comply with ADA requirements, regardless of who owns the system. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the O&M facility. While at this time, any future building upgrades are not reasonably foreseeable, future upgrades (if any) would be proposed and analyzed as required by CEQA and would require associated environmental review and

documentation. The EIR has been updated in Section 4.0, Environmental Impact Analysis, on page 44 to include this explanation regarding potential construction improvements.

Response 7.19

In this comment, the commenter correctly notes that under the proposed Project as defined, the Town would acquire the AVR System in its existing condition; no system upgrades are proposed at this time that would require review under CEQA. If, as the commenter alleges, the Apple Valley Ranchos Water Company has system improvements planned over the next 5 years as part of its capital improvement plan, these improvements would remain the same as those currently required to maintain reliability, regardless of who owns the system including Apple Valley Ranchos. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system upgrades, including future main replacements. If acquired, the Town would maintain the system with the degree of prudence and caution required of a municipal operator of a water system, and the Town would be able to conduct its own site-specific analysis of the System to confirm if the capital improvement plan currently in place for Apple Valley Ranchos Water Company is appropriate or necessary under Town ownership. While at this time, any future upgrades are not reasonably foreseeable, future upgrades (as required) would be proposed by the Town and analyzed as required by CEQA and would require associated environmental review and documentation. The EIR has been updated in Section 4.0, Environmental Impact Analysis, on page 44 to include this explanation regarding potential construction improvements.

The commenter also alleges that the Town has appeared at the CPUC and argued against infrastructure improvements. The Town's comments in those proceedings primarily related to the potential need and cost of such improvements - costs which the Town sought to curtail in order to prevent the imposition of further rate-increases by Apple Valley Ranchos Water Company through the CPUC process. One of the purposes behind the proposed Project is to allow Town ownership in order to stabilize those very same water rates. In that regard, the Town's prior concerns regarding (unnecessary and unjustified) costs is entirely consistent with the Project proposed here.

With regards to the commenter's remarks on the project description, see Response 7.2 and Response 7.5.

Response 7.20

The commenter again alleges that the project description is deficient, claiming that it does not qualify as accurate, stable, and finite, and goes on to state that the Draft EIR should be recirculated. As discussed in Response 7.2, the project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project. The analysis and conclusions of the Draft EIR are based on this fully CEQA-compliant project description, and therefore accurately describe potential impacts of the Project as a whole. Thus, there are no changes to the findings of the EIR and no need to recirculate the Draft EIR.

Response 7.21

The commenter again claims that the Town does not have full understanding of the water supply system and does not have the expertise to operate it. As discussed in Response 7.8, Section 1.6, Lead, Responsible, and Trustee Agencies, addresses the proposed change in terms of management of the system, including the SWRCB's role in evaluating the proposed change of ownership. As stated on page 21 of the EIR, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water,"
before it would be approved for a permit to operate the AVR System. Thus, no further response is required. (State CEQA Guidelines, § 15088 [responses are required only for comments raising environmental issues].) Finally, the Town already successfully provides management functions for other utilities (sewer).

The commenter also again alleges that the project is being segmented to avoid evaluation of the project as a whole. As discussed in Response 7.2, the project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project. As such, the analysis contained in the Draft EIR properly evaluates the proposed Project as a whole and is in full compliance with CEQA.

Response 7.22

The commenter states that the Draft EIR does not address whether or not the Town would continue existing programs for needy individuals and seniors, and goes on to claim that removal of these programs would result in potential population shifts and impacts to social services. He further claims that Proposition 218 does not allow the Town to institute such programs. First, the commenter does not identify any specific environmental impacts that he believes will occur, but instead refers to economic and social impacts. Although the commenter does reference "population shifts," it is unclear why the commenter believes that such shifts will occur. The commenter fails to identify how many rate-payers in the Town currently receive discount program rates, how much that discount actually equates to, or why the commenter believes that incremental differences between discounted and standard rates would lead to impacts. Accordingly, no further response can be provided to this general comment. See Global Response #1. Finally, it is correct that discounted rates cannot be funded with water service fees under Proposition 218. However, it should also be noted that municipalities have other options for subsidizing water rates, provided that such subsidies are taken from unrestricted revenue sources.

Response 7.23

The commenter claims that the discussion of alternatives is inadequate based on his claims that the project description is inadequate and that there is no substantial evidence that operation of the system by Victorville or Hesperia is feasible. First, as discussed in Response 7.2, the project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project. Therefore, the commenter's claim of an inadequate project description is invalid.

Further, the two alternatives alluded to above (operation of the system by the City of Victorville or City of Hesperia) were proposed in order to provide a range of alternatives that allow for in-depth analysis of potential environmental impacts, evaluating the possibility of reducing potential effects through selection of one of these alternatives. In the event that either of these alternatives was selected, additional analysis if required by CEQA would be performed. However, given that these two alternatives were found to have slightly higher impacts to the environment, neither of them was selected as the environmentally superior alternative. Please see Section 6.5, Environmentally Superior Alternative, for a discussion of the various alternatives and selection of the proposed Project as being environmentally preferable to the alternatives evaluated in the EIR.

Response 7.24

In this comment, the commenter claims that Town is unable to act as an unbiased Lead Agency, citing the Town's advocacy for the project and commenter's previous claim that the city narrowed the project description. As quoted by the commenter, "agencies must not 'take any action' that significantly furthers a project 'in a manner that forecloses alternatives of mitigation measures that would ordinarily be part of CEQA review of that public project." The Town has, indeed provided information to the public through their website and by other means to inform them about potential acquisition of the water supply system by the Town. However, in no way has this action led to foreclosed Project alternatives or mitigation measures. It has not resulted in any changes to the physical environment or effected potential alternatives or mitigation measures that could be implemented. To the contrary, the Town has merely been diligent in disclosing all the information it can to the public, and has brought forward its planning and environmental review process concurrently to the fullest extent possible, as encouraged by CEQA. (State CEQA Guidelines, § 15004.) The commenter does not elaborate on how the Town's purported advocacy of the project has allegedly led to any of these effects. As to the commenter's claim that the Town intentionally narrowed the project description, this concern is addressed in Response 7.2, which explains that project description in the Draft EIR is accurate, stable and finite; describes the entire project; and includes all relevant aspects of the Project, including reasonably foreseeable future activities that are part of the Project. As such, the review contained in the Draft EIR properly evaluates the proposed Project as a whole and is in full compliance with CEQA, and the Lead Agency has considered all evidence of significant environmental impacts prior to certification of the EIR.

Response 7.25

The commenter refers to his previous erroneous statement in Comment 7-17, again implying that the Town would not continue to maintain the system and the associated infrastructure in a responsible manner, which in turn would result in leaks and pipe failures and associated water losses. As discussed in Response 7.17, the Town would acquire the AVR System in its existing condition. While no system upgrades are proposed at this time that would require review under CEQA, the Town would maintain the system with the degree of prudence and caution required of a municipal operator of a water system. Furthermore, construction improvements and future system needs, such as pipeline replacements and upgrades, would remain the same as those currently required for the AVR System, regardless of who owns the system. Future upgrades (as identified when needed) would be proposed and analyzed as required by CEQA and would

require associated environmental review and documentation. As such, the speculative impacts to water losses and the need to pump additional groundwater raised by the commenter would not occur and no further response is required to this comment.

The commenter also expresses confusion regarding the discussion under Impact WAT-1. The commenter suggests that reliability of groundwater is not the appropriate measure for that impact, but rather increased use of groundwater is a significant impact. As described on pages 72 and 73 of the EIR, the proposed Project would alter the entity that operates the existing AVR System, which could potentially alter the rate structure and fee charged for water service; if a reduction in pricing occurs, water use in the area could potentially increase because water use is linked to cost. However, the operator of the system would be required to comply with the water use reduction strategies and goals contained within the California Water Conservation Act of 2009, which requires specific reductions in urban water consumption by the year 2020. As a result, water use rates would continue to decline on a per capita basis regardless of potential changes in the system operator or water rate structures. Since 1990, per capita water use rates in California and throughout the U.S. have been declining (Donnelly and Cooley 2015; Hanak et al 2011); there is nothing to indicate that alteration of the entity that owns the AVR System would deviate from this national trend. Therefore, although water pricing may change, either as a slowing in rate increases or in the more unlikely scenario of rate decreases, as a result of water system ownership changes included under the proposed Project, compliance with the existing Adjudication Judgment and other laws and regulations as well as evidence based on national trends in water use, indicate that the proposed Project would not result in significant adverse impacts to groundwater supply reliability, which is the correct measure of significance for this impact.

Response 7.26

The commenter correctly states that – as with any other legal or regulatory requirements - the regulatory regime around water quality may be subject to change in the future. The commenter goes on to describe the methods that Apple Valley Ranchos Water Company uses to comply with current water quality monitoring and reporting requirements. The commenter states that the Draft EIR does not explain how the Town intends to continue tracking changes in water quality regulations as they occur in future. These comments are focused on the ability of the Town to operate the system rather than on the physical effects to the environment and as such are outside of the scope of CEQA and are not included in the analysis contained in the EIR (State CEQA Guidelines, § 15131). Nonetheless, and in response to this comment, the following clarification is provided.

As stated previously, the Town would have to, "demonstrate to the SWRCB that it possesses adequate technical, managerial, and financial capability to assure the delivery of pure, wholesome and potable drinking water," before it would be approved for a permit to operate the AVR System. This includes demonstrating the requisite ability to monitor and react to future, and currently unforeseeable, changes in the water quality regulatory regime. It is worth noting that the Town already provides management functions for other utilities (sewer) and also monitors and complies with regulatory requirements with regards to those as well as in numerous other areas. In this case the operator does not provide any evidence that in the case of

the AVR System the Town would not maintain and operate the system with the degree of prudence and caution required of a municipal operator of a water system.

Response 7.27

The commenter cites a study that compared government-owned and operated water systems to privately-owned systems with regards to compliance with the Safe Drinking Water Act (SDWA). The study cited by the commenter was not provided with the comment letter, but it bears mentioning that the study is not specific to the Project or to the Town, and thus it does not alter or affect the conclusions set forth in the Draft EIR. The commenter goes on to correctly quote the EIR, which says that the AVR System must comply with the SDWA and that it has done so under Apple Valley Ranchos Water Company ownership. This citation and summary of the EIR are noted.

The commenter also states that there is no discussion of the SDWA or water quality in Section 4.3, Hydrology and Water Quality. The commenter is directed to the detailed description of the SDWA provided in Section 2.3.1 of the EIR on page 25. Section 4.3.1(c) directs the reader to the information contained in Section 2.3.1. The potential for the proposed Project to result in impacts to water quality was previously addressed in the Amended Initial Study (included as Appendix A of this EIR). As described there, the proposed Project would result in no impact to water quality and as such this issue was scoped out of the EIR. The commenter goes on to query how the Town plans to maintain the existing level of compliance with the SDWA in future. As noted in Response 7.17, the Town would maintain the system with the degree of prudence and caution required of a municipal operator of a water system. This includes maintaining compliance with the SDWA. Further speculation on potential future changes in the concentration of constituents in the groundwater as well future changes to the regulatory regime are outside the scope of the CEQA and are not considered in this EIR (See *Anderson First Coalition v. City of Anderson* (2005) 130 Cal.App.4th 1173, 1178 [CEQA does not require speculation].

The commenter also states that the EIR did not utilize any of the Annual Reports produced by Apple Valley Ranchos Water Company for reporting to CPUC. In response to this comment, additional information from the two most recent Annual Reports (2013/2014 and 2014/2015) has been added to Section 2.4.3 on page 34 of the EIR. These changes do not introduce new information or otherwise affect the analysis or conclusions of the EIR and thus do not require recirculation under State CEQA Guidelines § 15088.5.

Response 7.28

The commenter provides information about AVR System wells' compliance with water quality standards and provides background information on water quality issues in the Alto sub-basin. The commenter goes on to describe the process for well site planning in the AVR System service area. The commenter remarks that the EIR does not address impacts from future well site planning activities and states that the EIR evaluated conditions in 2010 only.

The commenter is correct that the EIR does not address impacts associated with future well site planning, because none is proposed or reasonably foreseeable at this time. As described in Response 7.17, the Town would acquire the AVR System in its existing condition. Furthermore,

future system needs, such as well site planning, would remain the same as those currently required for the AVR System, regardless of who owns the system. Therefore, there would be little to no change to the physical environmental setting in terms of the needs of the system. While at this time, any future system upgrades or additional wells are not reasonably foreseeable, future upgrades (including well site planning if needed) would be proposed and analyzed as required by CEQA and would require associated environmental review and documentation. Finally, it is unclear what "conditions in 2010" the commenter is referring to in the last sentence of this comment. As per State CEQA Guidelines Section 15125(a), the physical environmental conditions upon which the analysis is based are those that existing at the time the Notice of Preparation was published. As such the best available information at that time was used to characterize existing baseline environmental conditions, as they relate to the proposed Project, which were in turn used to determine if impacts were significant.

Response 7.29

The commenter refers to his previous erroneous statement in Comment 7-17, again implying that the Town would not continue to maintain the system and the associated infrastructure in a responsible manner, which in turn would result in leaks and pipe failures and associated safety issues with regards to transportation and traffic. As discussed in Response 7.17, that the Town would acquire the AVR System in its existing condition. While no system upgrades are proposed at this time that would require review under CEQA, the Town would maintain the system with the degree of prudence and caution required of a municipal operator of a water system. Furthermore, any construction improvements and future system needs, such as pipeline replacements and upgrades, would remain the same as those currently required for the AVR System, regardless of who owns the system. Future upgrades (if any) would be proposed and analyzed as required by CEQA and would require associated environmental review and documentation. As such, the speculative impacts to transportation and traffic raised by the commenter would not occur and no further response is required.

Response 7.30

In this comment, the commenter suggests that Section 4.7.1(c) of the EIR should reference the Class V injection wells operated by the Town for stormwater management. In response to this comment the following text has been added to page 104 of the EIR:

> Class V injections wells (often called "shallow disposal wells") are typically shallow disposal systems used to place a variety of fluids below the ground surface. To protect underground sources of drinking water, these wells are regulated by the U.S. EPA's Underground Injection Control (UIC) Program. U.S. EPA is directly responsible for regulating Class V wells in California under authority of Part C of the Safe Drinking Water Act.
>
> Within the Lahontan Regional Water Quality Control Board area, several municipalities are using dry-well systems for residential stormwater and nuisance water runoff collection and disposal, including Apple Valley. As part of operation of these wells, monitoring and reporting criteria and other necessary information are required to be provided by the Town to the Regional Board on an annual basis to ensure groundwater quality. Finally, the Town's ongoing use of such dry wells to manage stormwater flows

would continue regardless of the Project, such the wells' operation is not an impact caused by the Project.

The commenter goes on to assert that the discussion of stormwater conveyance should discuss the relationship between the Town's operation of Class V injection wells and its potential ownership of the AVR System, speculating that Town ownership of both systems could result in a higher risk of contamination. As described above, Class V injection wells are regulated under the Safe Drinking Water Act. The Town would continue to be required to comply with all requirements of the Act with regard to its Class V wells and these requirements would not change as a result of the proposed Project. Finally, the Town's maintenance activities are also reported to the RWQCB annually as required under the permits.

Response 7.31

The commenter claims that the Draft EIR fails to discuss potential growth inducing impacts of Town ownership of the water system in relation to the Town's General Plan forecasts. Specifically, the commenter expresses concern that the water supply system would be expanded to meet growing needs of the Town or that lower water rates under Town management could lead to increased water use.

Section 4.3, Hydrology and Water Quality, and Section 2.3, Regulatory Setting, of the Draft EIR already describe the existing regulatory requirements regarding water conservation applicable to the proposed Project. These include the requirement for the operator of the AVR System, whether it be Apple Valley Ranchos Water Company or the Town, to comply with the Water Conservation Act of 2009 (often referred to as SBX7-7), which requires increased emphasis on water demand management and requires the state to achieve a 20 percent reduction in urban per capita water use by December 31, 2020.

As described in Impact WAT-1 on page 72 of the EIR, any operator of the system would be required to comply with the water use reduction strategies and goals contained within the California Water Conservation Act of 2009. If the Town acquires the AVR System, it would be required to prepare a UWMP to support long-term resource planning and ensure that reliable and adequate water supplies are available to meet existing and future water demands over a 20-year planning horizon during normal, single-dry, and multiple-dry year periods, including through identification of water conservation measures. In addition, the EIR explains that the Town intends to continue operations substantially in their current form and no expansion of operations would occur with the proposed Project. Moreover, as discussed in Section 5.0, Growth Inducement and Other CEQA Issues, of this EIR, the proposed Project would not induce substantial population growth, including in the unlikely event of a reduction in water rates, in that it would not alter any existing land use designations or zoning nor would it result in a significant number of new employees to the community. Additionally, it would not result in any significant effect resulting from removing obstacles to growth. As a result, the proposed Project would not result in an increase in water use and opportunities to introduce water conservation measures as a result of the Town's operation of the system would be identified as part of the water supply planning process.

Response 7.32

The commenter discusses various rate structures and questions how the Town's management of the system, specifically related rate structures, would affect water demand and use. He goes on to express concern regarding potential disproportionate cost impacts to low-income customers and seniors. As discussed under Response 7.31 above, water demand would be driven by compliance with existing laws that call for a reduction in water use, and therefore would not increase. Additionally, as discussed in Response 7.22 above, municipalities do have other options for subsidizing water rates. Ultimately, the commenter's statements relate to economic and social impacts that are outside the scope of environmental analysis under CEQA. Please see Global Response #1.

Response 7.33

The final comment is a conclusory statement regarding the commenter's opinion that recirculation of the Draft EIR is required, based on his previous comments. See Response 7.1 through Response 7.32 for responses to the referenced comments. The commenter's opinion that the Draft EIR should be recirculated has been passed to Town decision-makers for consideration as part of the wider Project review process.

8.2 ERRATA

This section of the Final EIR for the Apple Valley Water System Acquisition Project presents a summary of minor modifications to the Draft EIR text following publication. Deletions are noted by ~~strikeout~~ and insertions by underline. Individual typographical corrections are not specifically indicated here. A section by section breakdown of deletions and insertions are provided in this section, where not made in direct response to a comment. Deletions and insertions made in response to a specific comment received are detailed in Section 8.1, above.

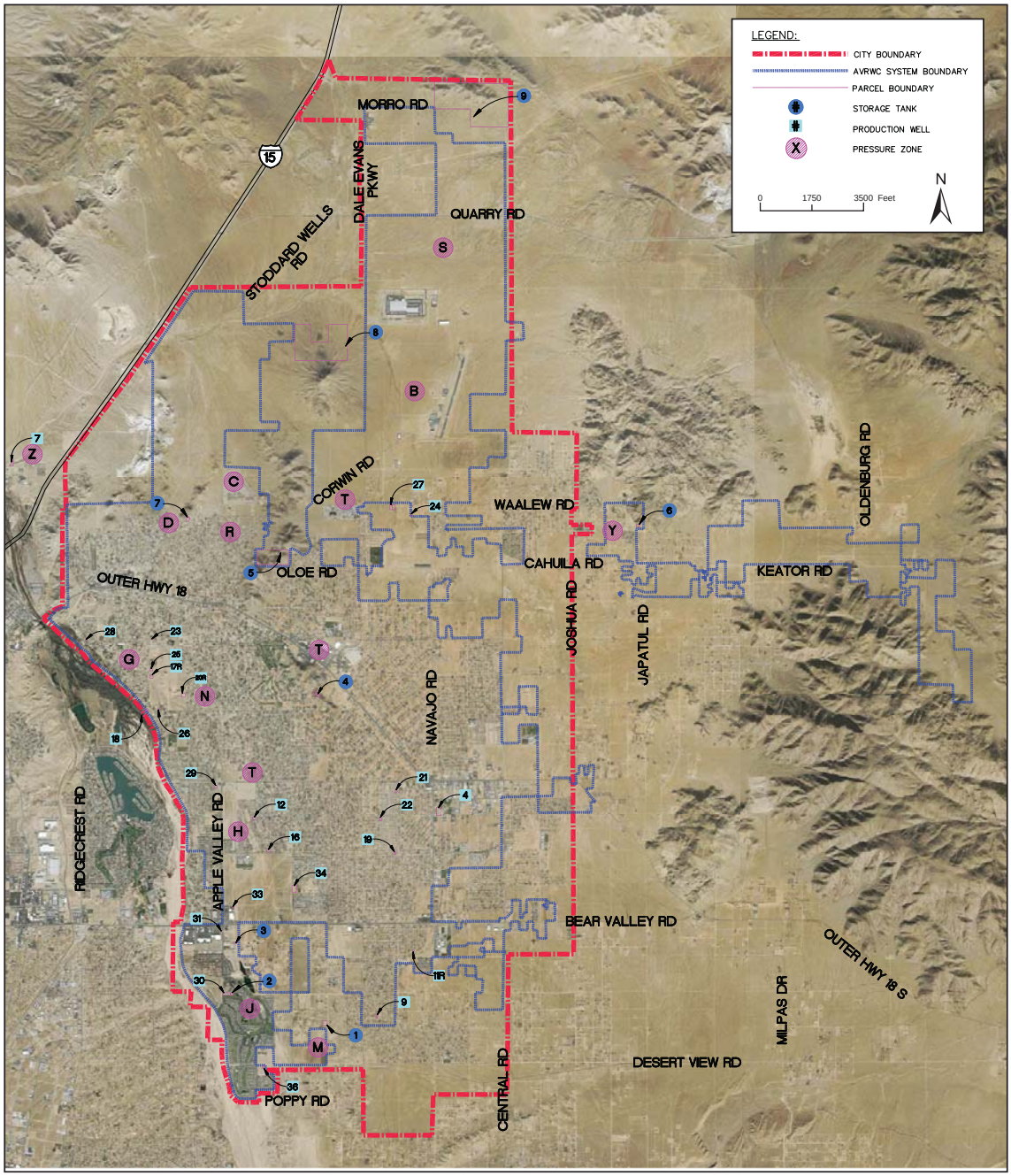
The changes incorporated into this EIR correct minor errors or clarify information. The changes do not result in presentation of new substantial adverse environmental effects. None of these changes introduces significant new information or affects the conclusions of the EIR.

The following text has been added to Section 4.1, Air Quality, on page 47 of the EIR along with revisions to Table 4.1-1:

> Since publication of the Draft EIR, the U.S. EPA has adopted revised primary and secondary National Ambient Air Quality Standards for ozone. The U.S. EPA is revising the levels of both standards to 0.070 parts per million (ppm), and retaining their indicators (O3), forms (fourth-highest daily maximum, averaged across three consecutive years) and averaging times (eight hours).

References to the Yermo Water District have been corrected to refer to the Yermo Water Company wherever present in the EIR.

Figure 2-4, below, has been re-scaled to make the graphics easier to view.



PRESSURE ZONES

A) AZTEC 3080' ELEV
B) BELL MOUNTAIN 3140' ELEV
Z) BELLVUE 2920' ELEV
C) CORWIN 3380' ELEV
D) DESERT KNOLLS 3340' ELEV
H) HIGH COUNTRY 3060' ELEV
J) JESS RANCH 3038' ELEV
M) MAIN 3155' ELEV
N) MANDAN 3044' ELEV
R) REDUCED CORWIN 3190' ELEV
G) RIVERSIDE 2953' ELEV
S) STODDARD 3370' ELEV
T) TRACT 15250 2953' ELEV
Y) YOUNGSTOWN 3175' ELEV

WELLS:

4) WELL 4 APN: 3087-351-08-0000
7) WELL 7 APN: 0472-061-22-0000
9) WELL 9 APN: 0434-353-09-0000
11R) WELL 11R APN: 0434-446-05-0000
12) WELL 12 APN: 3084-711-24-0000
16) WELL 16 APN: 3087-072-13-0000
17) WELL 17R APN: 0479-073-29-0000
18) WELL 18 APN: 0444-233-01-0000
19) WELL 19 APN: 3087-471-12-0000
20R) WELL 20R APN: 0479-072-07-0000
21) WELL 21 APN: 3087-271-01-0000
22) WELL 22 APN: 3087-291-01-0000
23) WELL 23 APN: 0473-069-01-0000
25) WELL 25 APN: 0479-073-35-0000 18555 Tuscola Rd
26) WELL 26 APN: 0479-073-37-0000 18588 Seneca Rd
27) WELL 27 (STANDBY) APN: 0440-014-05-0000 21271 WAALEW ROAD
28) WELL 28 APN: 0473-141-60-0000
29) WELL 29 APN: 3088-431-30-0000 19237 Yucca Loma Rd
30) WELL 30 APN: 0434-671-06-0000 11401 Apple Valley Rd
31) WELL 31 APN: 0339-271-38-0000
33) WELL 33 APN: 3087-751-03-0000 12297 APPLE VALLEY RD.
34) WELL 34 APN: 3087-201-01-0000 12500 Geronimo Rd
36) WELL 36 APN: 0438-021-46-0000 19739 TUSSING RANCH ROAD

STORAGE TANKS:

1) MOCKINGBIRD TANK 1.6 MG, 3043' ELEV APN: 0434-191-80-0000
2) JR DEL ORO TANK 0.29 MG, 2886' ELEV APN: 0434-671-05-0000
3) JR HILLTOP TANK 0.29 MG, 2914' ELEV APN: 0434-021-52-0000
4) HILLTOP TANKS 2 TANKS 3.0 MG, 3160' ELEV APN: 3112-181-04-0000, 3112-181-05-0000
5) CORWIN TANK 1.6 MG, 3398' ELEV APN: 0441-041-11-0000
6) YOUNGSTOWN TANK 0.12 MG, 3184' ELEV APN: 0437-553-24-000
7) DESERT KNOLLS TANKS 2 TANKS 2.7 MG, 3160' ELEV APN: 0473-011-31-0000, 0473-481-04-0000
8) BELL MOUNTAIN TANK 1.0 MG, 3140' ELEV APN: 0472-302-34-0000
9) STODDARD TANK 1.0 MG, 3374' ELEV APN: 0463-081-10-0000

Source: TKE Engineering

Water System Infrastructure and Pressure Zones

Figure 2-4