

*District Mission:
Dedicated to Satisfying
our Community's
Water Needs*

November 2, 2011

Mr. Patrick J. Alford, Planning Manager
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Subject: Summarized Response Letter for the Draft Environmental Impact Report (EIR)
(State Clearinghouse No. 2009031061) for the proposed Newport Banning
Ranch Project

Dear Mr. Alford:

Mesa Consolidated Water District (Mesa Water) has reviewed the Draft Environmental Impact Report for the proposed Newport Banning Ranch project (SCH# 2009031061). We thank you for the opportunity to review the Draft EIR and appreciate your consideration of our comments as they relate to the proposed water supply for the project. We offer the following comments at this time and look forward to your response:

Project Description:

We understand that the proposed project site consists of approximately 401 acres of land. Approximately 40 acres of the project site are located within the incorporated boundary of the City of Newport Beach, and approximately 361 acres are in unincorporated Orange County within the City's Sphere of Influence. The entire site is within the Coastal Zone, as established by the California Coastal Act.

As proposed, the project would involve the development of the approximately 401-acre site with 1,375 residential dwelling units (du); 75,000 square feet (sf) of commercial uses, a 75-room resort inn with ancillary resort uses, and approximately 51.4 gross acres for active and passive park uses including a 26.8-gross-acre public Community Park. Approximately 252.3 gross acres (approximately 63 percent) would be retained in permanent open space. The project site's existing surface oil production activities located throughout the site would be consolidated into approximately 16.5 acres. The remaining surface oil production facilities would be abandoned/re-abandoned, remediated for development, and/or remediated and restored as natural open space.

As stated in the Draft EIR (see page 4.15-9), water service in the City of Newport Beach (City) is provided by three purveyors: the City, the Irvine Ranch Water District, and Mesa Water. The project site historically received water service from Mesa Water. The project site is located near the water service areas of the City and Mesa Water. Water supply and service for the Newport Banning Ranch project is proposed to be provided by the City (i.e., a LAFCO service reorganization will be required), which relies greatly on imported water.

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General Comments:

The following comments are provided based on our review of the information provided in the Draft EIR regarding the proposed water supply for the project and the associated environmental impacts with the use of imported water as currently proposed. The Draft EIR's analysis is currently inadequate as it does not consider a feasible alternative or mitigation measure (in fact completely ignores) in the form of the provision of water to the project through Mesa Water, which can provide the water supply to the project through 100% local water sources. The provision of local water to the proposed project via Mesa Water, as opposed to through imported water sources via the City as is proposed under the project, would reduce significant environmental impacts associated with the proposed project. Substantial revisions and recirculation of the Draft EIR is required to correct these deficiencies.

Use of imported water by the proposed project would create an unnecessary consumption of energy (see CEQA Guidelines Appendix F), which exacerbates the state and region's air quality emissions and production of greenhouse gas emissions, which in turn exacerbates global warming and associated environmental impacts. Additionally, provision of imported water would also continue to contribute to the general degradation of the Bay Delta area, in which southern California relies on imported water through the State Water Project.

Conclusion:

In conclusion, the Draft EIR is deficient in that it does not include in its analysis, the potential reduction of energy and other corresponding impact reductions associated with annexation into the Mesa Water for water service, which can serve the project with 100% groundwater resources. Use of local water supplies would: 1) reduce energy demand/consumption of the project (reference CEQA Guidelines Appendix F); 2) the reduced energy consumption would reduce state and region-wide air quality and greenhouse gas emissions; 3) reduction in GHG would reduce potential impacts associated with global warming; and, 4) local water supplies would reduce impacts to the Bay Delta associated with the use of imported water through the State Water Project. Recirculation of the Draft EIR is required in order to provide a thorough analysis of these issues as it relates to the provision of water to the project. This is clearly stated in CEQA Guideline 15088.5(a) which states:

"A lead agency is required to recirculate an EIR when significant new information is added to the EIR after public notice is given of the availability of the draft EIR for public review under Section 15087 but before certification."

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Pursuant to CEQA Guideline 15088.5(a)(3), significant new information includes:

"A feasible project alternative or mitigation measure considerably different from others previously analyzed would clearly lessen the significant environmental impacts of the project, but the project proponents decline to adopt it."

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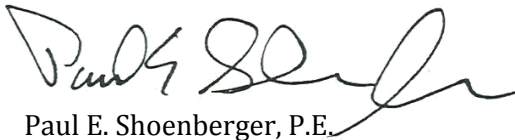
In order to reduce the Project's cumulatively considerable contribution to the global GHG inventory, and its significant and unavoidable GHG emissions impact, the following feasible mitigation should be included in the EIR (Section 4.11.8 Mitigation Program):

MM 4.11.6 To reduce energy consumption and related greenhouse emissions, the City shall assure that domestic water service to the Project is provided to the greatest extent feasible from locally-produced groundwater sources rather than imported water supplies.

Mesa Water encourages you to consider inclusion in the EIR analysis Costa Mesa Sanitary District's annexation to the project area. Costa Mesa Sanitary District promotes zero waste strategies to comply with SB 1016 and innovative wastewater technologies and solutions to protect the environment.

We thank you for the consideration of our comments and look forward to review of the Recirculated Draft EIR addressing these issues.

Sincerely,



Paul E. Shoenberger, P.E.
General Manager