July 14, 2022

Mr. Wade Crowfoot
Secretary for Natural Resources
California Natural Resources Agency
715 P Street, 20th Floor
Sacramento, CA 95814
wade.crowfoot@resources.ca.gov

Subject: Request for Ponderosa Hills Water System Consolidation Project to Be Conducted under Suspension of CEQA Pursuant to Executive Order N-7-22

Dear Secretary Crowfoot:

The Tuolumne Utilities District (TUD or District) is proposing to implement the Ponderosa Hills Water System Consolidation Project (Project) near Twain Harte in Tuolumne County (Figure 1). The Project would reduce water loss, reduce reliance on groundwater wells, improve water treatment process efficiencies, provide reliable water conveyance, and increase fire resiliency for District customers. The project is critically needed to mitigate vulnerabilities in the existing water system which have been exacerbated by the on-going drought. The project is being funded by a grant from the Department of Water Resources, Urban and Multibenefit Drought Relief Program. TUD respectfully requests that you make a determination that the Project is an activity eligible for suspension of the California Environmental Quality Act (CEQA), pursuant to Paragraph 5 of Governor Newsom’s March 28, 2022 Executive Order (EO) N-7-22.

TUD’s Ponderosa Hills Water System supplies water to the community of Ponderosa Hills and the Tuolumne Band of Me-Wuk Indians. This system currently relies on surface water from the South Fork Stanislaus River that is conveyed through an unreliable and highly inefficient earthen ditch (Figure 2) for treatment at the Ponderosa Water Treatment Plant (WTP). Approximately 30%-40% of the water conveyed through the ditch is unaccounted for due to end loss, seepage, evaporation, and evapotranspiration. This Project would eliminate the need to convey water through over 7 miles of earthen ditch and would save an estimated 25 million gallons of water annually, in addition, to another 3.0 million gallons currently wasted due to inefficiencies in the treatment processes.

The Project would interconnect the Ponderosa Hills Water System with the Upper Basin/Lakewood Water System, located at a higher elevation, via a new water main and would remove the outdated Ponderosa WTP from service. This would be accomplished by installing approximately 14,300 linear feet of new 8-inch-diameter water main and appurtenances, including pressure reducing valves, air/vacuum valves, fire hydrants, and water meters. Construction would occur within the existing road right-of-way of Confidence and Mount Provo Roads (Figure 1).
Once the project is complete, the existing ditch would no longer be needed to supply water to the Ponderosa WTP; however, the ditch will continue to be used to satisfy other downstream demands but at significantly reduced flow rates. Reductions in ditch flow correspond decreases in operational water loss associated with seepage and evapotranspiration. The net effect of the proposed improvements will be reductions in surface water diversions from the South Fork Stanislaus River.

The Project is funded under a $1.9-million Urban and Multi-benefit Drought Relief Grant from the California Department of Water Resources (DWR). Compliance with CEQA is a condition of the grant agreement. Unfortunately, the Project does not qualify for any statutory or categorical CEQA exemptions because the pipeline is over 1 mile in length and would not replace, modify, maintain, or relocate any existing facilities. Biological surveys have already been conducted to confirm that the Project would not result in any significant biological impacts. Cultural resources surveys will also be conducted this month to confirm that the project would also not have significant effects on cultural or tribal resources. No other CEQA resource topics would be significantly impacted by the project. The Project has broad community support.

In summary, the Project will result in more efficient use of water, preserve water supplies, and addresses impacts of the drought with no foreseeable significant impacts. Without suspending CEQA, it is anticipated that the standard CEQA review process will delay implementation of the project by at least 6 months or more.

This Project was discussed with your staff via teleconference on June 24th. At that time, your staff encouraged the District to confirm that no other exemptions could apply to this project before submitting a formal request. Since no other CEQA exemptions apply, TUD respectively requests a determination that the Project is eligible to be conducted under a suspension of CEQA in accordance with EO N-7-22.

For additional information or to discuss this request further, please contact me at the email address and phone number provided below.

Respectfully,

Don Perkins
General Manager

Cc (via email): Nancy Vogel, Deputy Secretary for Water
Christopher Calfee, Special Counsel to the Secretary
Stephanie Shimazu, General Counsel
Robin Hunter, Horizon Water and Environment

Enclosures: Figure 1 – Project Location
Figure 2 – Representative Photos
Figure 2. Representative Photographs

| Photo No. 1 | Description: Existing ditch supplying water to the Ponderosa Hills Water System. The earthen-lined ditch looses 30% - 40% of its water during the 7 mile transit to the Ponderosa WTP. |
| Photo No. 2 | Description: Existing flume supplying water to the Ponderosa Hills Water System. The flume is vulnerable to fire and tree falls, reducing water supply reliability. |
Figure 2. Representative Photographs

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<th>Photo No. 3</th>
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<td><strong>Description:</strong> Existing ditch supplying water to the Ponderosa Hills Water System. The earthen-lined ditch has water quality issues (bacterial contamination and high turbidity), particularly during drought conditions.</td>
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