SECTION 9.0
GROWTH-INDUCING IMPACTS

9.1 DEFINITION OF GROWTH INDUCEMENT

CEQA requires a discussion of the ways in which a Proposed Project could be an inducement to growth. The CEQA Guidelines [Section 15126.2d)] identify a project to be growth-inducing if it fosters economic or population growth or the construction of additional housing, either directly or indirectly, in the surrounding environment. As an example, population growth resulting from proposed residential development projects, and new employees hired for proposed commercial and industrial development projects represent direct forms of growth. Examples of projects that are indirectly growth-inducing are the expansion of urban services into a previously unserved or underserved area, the creation or extension of transportation links, or the removal of major obstacles to growth. It is important to note that direct forms of growth have secondary effects of expanding the size of local markets and attracting additional economic activity to the area.

Typically, the growth-inducing potential of a project would be considered significant if it stimulates population growth or a population concentration above what is assumed in local and regional land use plans, or in projections made by regional planning authorities such as the San Diego Association of Governments (SANDAG). Significant growth impacts could also occur if the project provides infrastructure or service capacity to accommodate growth levels beyond those anticipated by local or regional plans and policies. The key issue related to growth inducement for the proposed project is whether or to what extent water supplies provided by the project would have indirect growth-inducing impacts. To understand this issue, it is first important to consider existing water supply issues within the project's service area. It is also important to consider water supply in the context of other growth-related constraints. Growth-limiting factors in San Diego County are primarily related to availability of buildable land and adequate infrastructure to support growth in new areas. Therefore, there is not a linear relationship between water availability and growth.

9.2 EXISTING WATER SUPPLIES

Current water supplies in San Diego County are comprised primarily of imported water purchased from the Metropolitan Water District of Southern California (MWD). MWD is a consortium of 27 cities and water districts that delivers an average of 1.7 billion gallons of water per day to nearly 18 million people in parts of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura counties. MWD obtains imported water from two primary sources: the Colorado River and the State Water Project.

9.0 Growth-Inducing Impacts

The San Diego County Water Authority (CWA) purchases imported water from MWD and from the Imperial Irrigation District through a water transfer agreement, and wholesales the imported water to its member agencies which in turn deliver the water to individual homes and businesses throughout the county.

In addition to imported water, local water supplies comprise a portion of water delivered by CWA member agencies. Seven major stream systems originate in the mountains of San Diego County and drain into the Pacific Ocean. Twenty-four surface reservoirs are located within the CWA service area, with a combined capacity of approximately 571,000 acre-feet to capture and store runoff from these watersheds. Groundwater is also a component of local water supplies. Total existing groundwater production within the CWA service area is approximately 31,100 acre-feet per year.

Another local water supply source consists of water recycling. Currently, approximately 13,000 acre-feet of recycled water is used within CWA's service area annually. This number is projected to increase to over 53,000 acre feet per year by 2020. While not technically a water supply "source", conservation is also an important strategy employed within the region to reduce demand for water supply. Water conservation programs are maintained by MWD, CWA and local water agencies.

MWD, CWA and local water agencies are increasingly recognizing the need to lessen the dependence on imported water in order to meet future demand generated by projected population growth. Accordingly, diversifying water supplies and reducing dependence on imported water is a primary component of CWA's recently adopted Regional Water Facilities Master Plan (RWFMP) and MWD's Integrated Resource Plan **(**IRP).

The IRP includes target quantities for recycling, groundwater recovery and seawater desalination. The IRP identifies the mix of water resources required to meet the region's water needs, the most significant being higher projected local supplies and greater conservation savings, to provide for reliability through 2025. Five major agencies within MWD are pursuing desalination projects, and the IRP includes desalinated water from these projects within its total resource target. The IRP projects seawater desalination to supply between 126,000 and 150,000 acre-feet of water per year (roughly equivalent to production of 112 to 133 million gallons per day) within the MWD service area by 2025.

Additional discussion is provided below regarding CWA's RWFMP and the Plan's policies relative to seawater desalination.

9.3 REGIONAL PLANNING – GROWTH FORECASTS AND WATER DEMAND PROJECTIONS

San Diego County's population and employment base have grown and are expected to continue to grow at moderate rates. Between 1990 and 2000, the County's population grew by approximately 11 percent (322,000 people) thus reaching in excess of 2.8 million people (U.S. Census, 2000). At the same time, regional civilian employment grew from 1.15 million to approximately 1.24 million, matching the increase in population growth. The County's population is projected to grow to 3.8 million by 2030, an additional increase of approximately 35.7 percent. The water demand projected by SANDAG and the San Diego County Water Authority (CWA) is expected to increase as a direct function of the anticipated growth in population, as well as related housing and employment markets.

At the same time that water demand within the region increases as a result of increasing regional growth, imported water supplies are becoming more constrained. This is because growth in other regions that draw water from the same import sources (the Colorado River and the State Water Project) are placing increased pressures on imported water supplies, causing regional and local water agencies to develop strategies to increase non-imported water sources to meet demand and provide a more reliable long-term water supply.

In July 2004, SANDAG adopted its Regional Comprehensive Plan (RCP), and certified the accompanying Final Program EIR. The RCP was developed as the long-term planning framework for the San Diego region. It provides a broad context in which local and regional decisions affecting regional growth can be made. The RCP integrates local land use and transportation decisions, and focuses attention on where and how growth should occur. The RCP includes a discussion of public facilities, and specifically addresses future water supply. Part of the vision stated in the RCP for Public Facilities is to "have a diversified water supply with a broad range of water resources including seawater desalination". The RCP's long range plans call for the region to diversify its water supply portfolio to become less reliant on a single supply source. In meeting future water needs, the RCP anticipates that the 2020 normal year projection for water supplies will include between 6% and 15% seawater desalination. The proposed project represents approximately 6% of projected 2020 demands. The RCP states its water supply policy objective as: "Ensure a safe, sufficient, reliable, and cost-effective water supply for the San Diego Region", and further states as one of the recommended actions pursuant to this objective: "Maximize water resources through diversification strategies such as transfer agreements, water recycling and reclamation, seawater desalination, and sustainable groundwater development."

9.0 Growth-Inducing Impacts

CWA and SANDAG have entered into a Memorandum of Agreement (MOA) to maintain ongoing communication and coordination to ensure that the future water supply needs of the San Diego region can be accomplished. SANDAG prepares long-range forecasts of population, housing and employment through periodic updates to their Regional Growth Forecast (RGF). The CWA uses the most current RGF to develop demand projections to be used in its water supply planning. The MOA ensures that the water demand projections for the San Diego region are linked with SANDAG's RGF and that water supply is a component of the overall growth management strategy and regional comprehensive planning efforts. In this way, regional water demand is made consistent with regional population growth projections.

As a part of the CWA's planning efforts to meet future demands resulting from projected growth, the CWA Board recently adopted the Regional Water Facilities Master Plan (RWFMP), which is a long-term plan to meet San Diego County's future water demands. The RWFMP encompasses a region-wide planning effort, incorporating three interrelated components: water demands, water supplies and facilities. Planning began with estimating future water demands, identifying water supplies and defining facilities needed to distribute the supplies to the points of demand. With respect to water supply, the plan discusses diversifying the region's water supply and identifies new water supply sources, such as seawater desalination, that will be required to meet the region's water needs through 2030. The RWFMP was adopted and its Final Program EIR was certified in November 2003.

Regional water demand forecasts based on RGF population growth projections were part of the water supply planning effort included in the RWFMP. As a result of the analysis performed for the RWFMP, three main water supply alternatives were identified:

1. Delivering water from the north – this involves construction of a new pipeline to convey water from the Metropolitan Water District of Southern California
2. Delivering water from the east – this involves a new pipeline extending to the Imperial Valley to convey water transferred from other water agencies
3. Delivering water from the west – this involves development of seawater desalination.

The seawater desalination development alternative was identified as the preferred alternative in the RWFMP, because it was found to provide safe, high-quality water through a locally controlled process from a drought proof source.

Section 18.2 of the Program EIR for the RWFMP discusses the growth-inducing potential for the master plan, which includes consideration of a seawater desalination water supply component. The following is brief summary of the discussion contained in that Program EIR relative to

growth-inducement, which as noted in *Section 2.4* of this EIR, has been incorporated by reference into this EIR.

The EIR states that while the choice of a preferred alternative consisting of seawater desalination provides reliability benefits, it does not guarantee a "shortage free" condition for the population forecast by SANDAG. As such, the analysis concludes that seawater desalination neither supports nor encourages growth to a greater degree than presently estimated by SANDAG, and is therefore not inherently directly growth-inducing. In addition, the EIR states that consideration of indirect growth inducing effects of water supply in general needs to include consideration of other traditional barriers to growth, including lack of transportation facilities, lack of educational facilities, limits to employment opportunities, availability of housing at various income levels, wastewater treatment capacity, availability of electricity, and availability of emergency services. Finally, the EIR concludes that while the RWFMP may foster additional growth indirectly by removing barriers to growth, it is too speculative to reasonably assess what physical effects on the environment may result from the RWFMP's contribution to growth, and therefore, pursuant to CEQA Guidelines Section 15145, the conclusions are noted and the discussion terminated.

While the proposed project is being implemented on a local level and does not involve participation by the CWA, it represents local implementation of a planned regional water supply component. The CWA wholesales imported water to its member agencies, which in turn deliver the water to individual homes and businesses throughout the county. The Carlsbad Municipal Water District, the City of Oceanside, Vista Irrigation District and Vallecitos Water District, all of which are anticipated to be potential purchasers of desalinated seawater from the proposed project, are member agencies of the CWA. As such, implementation of the proposed project at a local level would have the same potential for growth inducement as the RWFMP, and no additional discussion of potential growth effects are required or necessary.

9.4 URBAN WATER MANAGEMENT PLANS

Notwithstanding the foregoing discussion, concern has been raised relative to whether the project represents a new water supply or a replacement water supply within the region. As previously discussed, the proposed project contributes to the new supplies identified in the RWFMP, and as such, constitutes a portion of the new water supplies that have been considered and analyzed on a regional level. The proposed project is not anticipated to represent additional supplies over and above what is already contemplated for the San Diego region. Therefore, it is not anticipated that delivery of water from a different supplier would have any effect on planned growth within the service area of the proposed project.

Each of the water agencies that are anticipated to purchase water produced from the proposed project maintain Urban Water Management Plans (UWMPs), as required under state law. These plans are required to identify and quantify existing and future water supplies. The Carlsbad Municipal Water District UWMP specifically identifies seawater desalination as a future water supply component, because at the time that the plan was prepared, a seawater desalination project within the City of Carlsbad was contemplated. The other potential purchasers, the City of Oceanside, Vista Irrigation District, and the Vallecitos Water District more generally refer to imported water purchased from CWA as their primary water supply source. The CWA identifies seawater desalination as a component of future supplies in their UWMP. It can therefore be reasonably assumed that desalinated seawater that is purchased directly from the operators of the proposed project would replace a reciprocal component of the supplies anticipated to be purchased from CWA by each of the affected districts. Further, it is anticipated that future updates to the respective UWMPs for the affected districts will deduct water purchased from the proposed project from future import projections (purchases from CWA).

Further, it is not anticipated that the purchase of water from a different supplier by any of the affected water agencies would result in any changes to existing land use plans, growth projections or growth management policies of the local land use authorities within the respective service areas of the districts. Local water agencies purchase and deliver water to retail customers, and do not have direct authority over land use, and cannot approve or disapprove any changes in land use that would directly affect population projections. The agencies with local land use authority within the project's service area are the Cities of Carlsbad, Oceanside, Vista, or San Marcos. It would require speculation beyond the scope of this EIR to attempt to predict whether these cities would changes any of their current land use, housing or population projections, or any of their existing growth management controls based on a change in the mix of water supply sources. In addition, these communities are nearing or are largely built out, and the availability of developable land is the primary factor in future growth potential. As previously noted, desalinated seawater is already considered in regional growth analyses conducted by SANDAG, and the proposed project would not represent water supply in excess of what is already anticipated to meet future projected needs.

The Carlsbad Municipal Water District and Poseidon have entered into a Water Purchase Agreement in which the Water District would purchase up to 25 mgd of desalinated water. The City of Carlsbad's Growth Management Plan (GMP), approved by Carlsbad voters in November 1986, includes specific unit count limitations on new housing development and provides a mechanism to aggressively manage and control growth in the City of Carlsbad that cannot be eliminated without a subsequent vote. The future maximum size of the city is established by limiting the total number of residential units that can be built for the city as a whole and for four

sub-areas (called "quadrants"). Existing and future development cannot exceed 54,600 dwelling units. Consequently, the availability of water from the proposed project is not anticipated to have a substantial effect on growth within the City of Carlsbad.