

Exhibit B

Supplemental Findings to Support Adoption of the Mitigated Negative Declaration

Pajaro/Sunny Mesa Springfield Area Regional Consolidation Project

State Clearinghouse No. 2025110647

Final Initial Study/Mitigated Negative Declaration

February 10, 2026

These Supplemental Findings are adopted by the Pajaro/Sunny Mesa Community Services District (“District”) in support of Resolution No. 02-02-26 approving the Pajaro/Sunny Mesa Springfield Area Regional Consolidation Project (“Project”) and adopting the Final Initial Study/Mitigated Negative Declaration (“Final IS/MND”) dated February 10, 2026.

The District hereby incorporates by reference the entire Final IS/MND, including all technical studies and appendices identified above, and finds that the analysis contained therein fully evaluates the potential environmental effects of the Project. The District has independently reviewed and considered the Final IS/MND and the whole of the administrative record prior to taking action on the Project.

Based upon the substantial evidence contained in the record, including technical reports, modeling, field surveys, agency consultation, and mitigation measures incorporated into the Project, the District finds that all potentially significant environmental impacts have been reduced to a less-than-significant level. The District further finds that there is no substantial evidence, in light of the whole record, supporting a fair argument that the Project, as mitigated, may have a significant effect on the environment. Accordingly, adoption of a Mitigated Negative Declaration is appropriate pursuant to CEQA Guidelines §§15070 and 15074.

Administrative Record

The administrative record for the Project includes the Draft Initial Study/Mitigated Negative Declaration (“Draft IS/MND”) circulated under State Clearinghouse No. 2025110647; the Final IS/MND dated February 10, 2026; and all documents relied upon or incorporated by reference in the environmental review process. The record includes the entire Draft IS/MND and Final IS/MND, including Chapters 1 through 5 and Figures 1 through 14; Tables 1 through 20 and the following technical appendices: Appendix A, Land Evaluation Site Assessment (November 2025), prepared by Denise Duffy & Associates; Appendix B, CalEEMod Air Quality Modeling (June 2025), prepared by Denise Duffy & Associates; Appendix C, Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project Biological Resources Report (November 2025), prepared by Denise Duffy & Associates; Appendix D, Phase I Archaeological Report, prepared by Achasta

Archaeological Services (July 2025); Appendix E, Well Impact Study/Hydrologic Report prepared by MNS Engineers, Inc. (October 2025); all public comments received during the duly noticed public review period; written responses to comments; staff reports; notices; correspondence; and all other documents and materials constituting the record of proceedings for the Project.

The location and custodian of the documents and materials constituting the administrative record of proceedings for this Project is the Pajaro/Sunny Mesa Community Services District, 136 San Juan Road, Royal Oaks, California. The District's General Manager is designated as the custodian of the administrative record for purposes of CEQA and Public Resources Code §21167.6.

Findings

The following findings are made to further articulate and supplement the evidentiary basis for the District's determination:

Agricultural Resources. (IS/MND §4.2; Figure 7; Appendix A). The Project would not result in a significant conversion of Prime Farmland, Unique Farmland, or Farmland of Statewide Importance, and would not materially impair agricultural viability. Portions of the Proposed Project are located within or adjacent to areas where agricultural activities occur. The FMMP designates the Proposed Project area and land adjacent to the Proposed Project area as *Other Land, Urban and Built-up Land, Unique Farmland, Prime Farmland, and Farmland of Statewide Importance*. The Proposed Project does not include work on any parcel are enrolled in a California Land Conservation Act of 1965 (Williamson Act) contract. The Transmission Booster Pump Station, Pajaro Tank Site, Sunny Mesa Tank Site, and the Iron and Manganese Treatment System are located within existing disturbed sites. The proposed 15-foot wide Transmission Main easement running north-south along SR 1 outside of the public roadway (APNs 412-032-011-000 and 117-022-002-000) would include work on parcels mapped as *Farmland of Statewide Importance* and *Unique Farmland* and the proposed 15-foot wide pipeline easement running east-west along an unnamed road in APNs 117-021-013-000 and 117-021-008-000 would include work mapped on parcels mapped *Farmland of Statewide Importance* and *Prime Farmland*. However, each of these pipeline easements would be located in disturbed areas away from areas under agricultural cultivation and the proposed 15-foot easement on each parcel would not result in the conversion of significant portions of *Prime Farmland, Unique Farmland, or Farmland of Statewide Importance* to non-agricultural uses. The narrow width and linear configuration of the improvements would not result in conversion of substantial acreage nor interfere with ongoing agricultural operations.

The Bluff/Jensen Tank and Pump Station component would permanently convert approximately 0.39 acres of Farmland of Statewide Importance on a 10.6-acre parcel (APN 117-033-005-000).

The Bluff/Jensen Tank and Pump Station component would result in the permanent conversion of approximately 0.39 acres of *Farmland of Statewide Importance* on a portion of the overall 10.6 acre APN 117-033-005-000 to non-agricultural use. Appendix A, Land Evaluation Site Assessment (“LESA”) (November 2025, Denise Duffy & Associates), evaluated soil type, Storie Index score, surrounding land uses, easements, water availability, and acreage conversion for the Proposed Project to confirm that the conversion of agricultural land as part of the Proposed Project would not result in a significant environmental impact. Based on the evaluated factors and area of conversion, the Bluff/Jensen Tank and Pump Station received a LESA score of 63.7. Although projects scoring between 60 and 79 are generally considered significant, the Site Assessment score was 18 points, which is below the 20-point threshold under the State’s methodology. Based on the limited acreage, site-specific characteristics, and continued agricultural viability of the remaining parcel, and in accordance with the criteria established the impact from conversion of farmland is considered less-than-significant and no mitigation is required.

Environmentally Sensitive Habitat Area (“ESHA”), (IS/MND §4.4; Appendix C). The Project has been designed to avoid impacts to ESHA and, with mitigation, would not result in significant impacts to sensitive habitat areas. The Project is located north of the community of Moss Landing and south of the City of Watsonville in unincorporated northern Monterey County. The Project is located primarily within the existing road rights-of-way of paved and dirt roads and existing water system facilities, as well as a few areas of agricultural land. Seven habitat types were documented within the undeveloped portions of the Project area: developed, ruderal, denuded (agricultural and dirt roads), active agriculture, non-native grassland, oak woodland, and riparian. Sensitive habitat areas observed within the Project area include a small area (approximately 0.1 acre) of riparian habitat, which is identified as a sensitive vegetation type on the California Department of Fish and Wildlife (CDFW’s) California Natural Communities List and is regulated under Section 1602 of the CDFW code. The Project has been specifically designed to avoid impacts to this sensitive habitat area.

Mitigation Measure BIO-3 requires placing temporary construction fencing or flagging around sensitive habitat areas, including riparian habitat during construction activities. Water system improvements within riparian corridors are expressly allowed pursuant to Policy 2.3.3.B.2 of the North County Land Use Plan, provided environmental protections are implemented. Based upon the limited extent of riparian habitat, avoidance in Project design, and enforceable mitigation measures, particularly implementation of Mitigation Measure BIO-3, impacts to ESHA would be less than significant.

Biological Resources (IS/MND §4.4; Tables 11–12; Figures 8–10; Appendix C). With implementation of mitigation measures, impacts to special-status species and biological

resources would be reduced to a less-than-significant level. The Project area contains habitat suitable for special-status plant and wildlife species and is located in areas where special-status species are known to occur. Appendix C, Pajaro-Sunny Mesa-Springfield Area Regional Consolidation Project Biological Resources Report (November 2025, Denise Duffy & Associates), provides detailed habitat mapping and species occurrence analysis. Tables 11 and 12 of the Draft IS/MND summarize habitat acreage and special-status species potential. The Proposed Project includes mitigation measures to reduce impacts to biological resources to a less-than-significant level. Specifically, the Project includes mitigation requiring: 1) a pre-construction Employee Education Program for construction crews (Mitigation Measure BIO-1), 2) implementation of Best Management Practices to avoid and reduce impacts to special-status wildlife species and their habitats (Mitigation Measure BIO-2), 3) placing temporary construction fencing or flagging around sensitive areas (Mitigation Measure BIO-3), 4) surveys of the project site for special-status species by a qualified biologist 48 hours before and the morning of the onset of vegetation removal and/or ground-disturbing activities (Mitigation Measure BIO-4), 5) daily surveys by a qualified biologist of appropriate areas prior to the onset of work activities (Mitigation Measure BIO-5), 6) designation of a construction monitor to oversee on-site compliance with conditions and mitigation measures (Mitigation Measure BIO-6), 7) a pre-construction survey of the State Route (SR) 1 overpass for pallid bats (Mitigation Measure BIO-7), 8) pre-construction roosting bat tree surveys for work occurring outside the period of September 15 and November 1 (Mitigation Measure BIO-8), 9) pre-construction surveys for Monterey dusky footed woodrat within 25 feet of appropriate habitat (Mitigation Measure BIO-9), 10) pre-construction surveys for nesting raptors, special-status birds, and other protected avian species for work occurring during the period of February 1 through September 15 (Mitigation Measure BIO-10), 11) pre-construction surveys for western burrowing owl within 250 feet of the construction footprint (Mitigation Measure BIO-11), 12) pre-construction compliance with the federal Endangered Species Act and California Endangered Species Act and contact the agencies to solicit concurrence that the Project would not result in take or to acquire take authorization (Mitigation Measure BIO-12), 13) seasonal surveys for Crotch bumble bee and Western bumble bee individuals and active colonies (Mitigation Measure BIO-13), and 14) obtaining a tree removal permit from the County of Monterey prior to issuance of a grading permit if impacts to coast live oak trees are required for the Project (Mitigation Measure BIO-14). These measures ensure avoidance of unauthorized take and minimize habitat disturbance. Given the short-term nature of the construction, placement of pipelines within paved areas and right of ways, limited footprint of permanent facilities and the predominance of work within disturbed corridors, and with implementation of Mitigation Measures BIO-1 through BIO-14, biological impacts would be reduced to less-than-significant levels..

Cultural Resources: (IS/MND §4.5; Appendix D). Impacts to cultural resources would be less than significant with mitigation. The Project is located in a moderately to highly sensitive archaeological resource area. Pursuant to North County Coastal Implementation Plan requirements, a Phase I Inventory of Archaeological Resources was prepared for the Project. Appendix D, Phase I Archaeological Report, documents field reconnaissance surveys conducted in October 2023 with follow-up surveys in 2024 and 2025. Previously recorded resources occur within the Area of Potential Effects and within 750 feet of the Project footprint. The Proposed Project includes mitigation measures requiring: 1) pre-construction cultural sensitivity training to all construction personnel involved in ground disturbing activities (Mitigation Measure CUL-1), 2) retaining an on-call archaeologist and tribal citizen to provide monitoring in sensitive areas (Mitigation Measure CUL-2), 3) work stoppage in the event previously unidentified resources are found during construction (Mitigation Measure CUL-3), and 4) discovery of inadvertent human remains (Mitigation Measure CUL-4). Based upon these findings and with implementation of Mitigation Measures CUL-1 through CUL-4, the impacts related to Cultural Resources would be less than significant.

Growth Inducement (IS/MND §4.11, §4.14, §4.21). The Project is consistent with applicable plans and would not induce substantial population growth. The Proposed Project is a two (2)-phased Project consisting of the consolidation of the PWS, SMWS, and SWS, as well as the various water connections in the NOML area into a single water system, which the District would own and operate. The Proposed Project would serve approximately 967 total connections (Chapter 1; Table 4). The system is designed to address public health and water quality deficiencies and is not sized to accommodate future growth beyond existing demand. In accordance with CEQA Guidelines §15126.2(d), this action would not be considered “growth-inducing” because it is intended to address public health and water quality deficiencies rather than to stimulate or allow new development. Furthermore, the District has designed and sized the Proposed Project to accommodate existing potable water connections only; the Proposed Project would not facilitate future residential or commercial development. The Project does not alter land use designations, remove regulatory constraints to development, or entitle development or growth. Additionally, any future development or new service connections outside the currently developed areas would be subject to subsequent permitting actions under the jurisdiction of Monterey County and as appropriate, the Coastal Commission, in addition to project-level CEQA review. Based upon these findings the Proposed Project would have a less-than-impact related to directly or indirectly resulting in growth inducement.

Hazards and Hazardous Materials (IS/MND §4.9): Impacts from hazards and hazardous materials would be less than significant with mitigation. The Project includes the use of hazardous materials associated with construction. The Proposed Project includes a mitigation measure to reduce impacts from the use of hazardous materials to a less-than-significant level. Specifically,

the Proposed Project includes a mitigation measure requiring that, prior to issuance of a grading permit, the District's contractor is required to prepare a Hazardous Materials Spill Prevention and Control Plan ("SPCP") that addresses potential impacts associated with hazardous material usage during construction and operation (Mitigation Measure HAZ-1). Based upon these findings and with implementation of Mitigation Measure HAZ-1, the Project would have a less-than-significant impact related to Hazards and Hazardous Materials.

Noise (IS/MND §4.13; Tables 18–20). Construction-related noise impacts would be less than significant with mitigation. Section 4.13 quantifies construction equipment noise levels and vibration velocities (Tables 19 and 20). The Project includes the use of construction equipment that could result in noise impacts at sensitive receptors in the Project area. The Proposed Project includes mitigation measures to reduce impacts from construction noise to a less-than-significant level. Specifically, the Proposed Project includes mitigation measures for: 1) requiring contractors to use noise reducing engine housing and/or other noise reducing technology for all construction equipment, installing portable acoustic barriers and/or shields prior to construction, and preparing a Construction Noise Control Plan for review and approval by the County of Monterey (Mitigation Measure NOS-1), and 2) pre-construction notification of all sensitive receptors within 250 feet of a construction area at least two (2) weeks prior to the commencement of construction activities associated with each phase of construction (Mitigation Measure NOS-2). Based upon these findings and with implementation of Mitigation Measures NOS-1 and NOS-2, the Project would have a less-than-significant impact related to construction noise.

Tribal Cultural Resources: (IS/MND §4.18). Impacts to Tribal Cultural Resources would be less than significant with mitigation. The District conducted and participated in tribal consultation pursuant to Assembly Bill ("AB") 52. Recommendations from tribal representatives were adapted as mitigation measures for the Proposed Project. The District conducted tribal consultation pursuant to AB 52. Specifically, the Proposed Project includes mitigation measures for: 1) retaining tribal cultural monitors during ground disturbing activities for each active construction crew (Mitigation Measure TCR-1), and 2) facilitating preparation of an Accidental Discovery Plan (Mitigation Measure TCR-2). Based upon these findings and with implementation of Mitigation Measures TCR-1 and TCR-2, as well as Mitigation Measures CUL-1 through CUL-4, the Project would have a less-than-significant impact related to Tribal Cultural Resources.

Hydrology and Water Quality: (IS/MND §4.10; Appendix E). The Project would not substantially decrease groundwater supplies, impair sustainable groundwater management, or degrade water quality. The Project would consolidate existing water systems and replace reliance on individual private and small system wells that have documented water quality deficiencies, including exceedances of primary and secondary drinking water standards. By providing treated

potable water from a consolidated District-operated system, the Project would reduce reliance on wells with known contamination concerns and improve overall drinking water quality within the service area. This action addresses existing environmental and public health conditions and does not create new water quality impacts. Rather, the Project results in an overall improvement in potable water quality conditions. The Project extends and consolidates water service to new connections; property owners may choose to maintain their on-site wells solely for continued irrigation purposes. The hookup of District water service to parcels still utilizing their existing well for irrigation could result in water quality impacts due to potential cross-contamination of water sources. The Proposed Project includes a mitigation measure Mitigation Measure HYD-1) to reduce impacts to water quality to a less-than-significant level. Specifically, the Proposed Project includes a mitigation measure requiring that, prior to initiating District water service at any parcel that is utilizing locally pumped irrigation water from an on-site well, the parcel owner and/or occupant shall provide the District with documentation demonstrating that equipment has been installed to separate the non-potable irrigation use from District provided potable water pursuant to Section 7584 of Title 17 of the California Code of Regulations. In addition, this mitigation measure requires the District to perform regular water monitoring at service connections where wells have been retained for irrigation to ensure that equipment for separating potable and non-potable water is functioning correctly. These requirements ensure that potable and non-potable systems remain isolated and that the integrity of the public water supply is maintained. With implementation of Mitigation Measure HYD-1, the potential for cross-contamination would be avoided. Based upon these findings, the Project would have a less-than-significant impact related to Water Quality.

Water Use: (IS/MND §4.10; Appendix E). The Project would not substantially decrease groundwater supplies, impair sustainable groundwater management, or degrade basin water quality. The Proposed Project would shift the location of groundwater pumping to an inland area in the vicinity of the community of the Pajaro area. The daily inland pumping under the Proposed Project would be approximately 1.1 acre feet per day, drawn alternately each day from Pajaro Well No. 1 and Pajaro Well No. 2. The inland shift of pumping reduces extraction pressure in coastal areas vulnerable to seawater intrusion and is consistent with the Pajaro Valley Water Management Agency Basin Management Plan and Groundwater Sustainability Plan objectives. Existing coastal and private wells would be decommissioned or offset by the consolidated system. As a result, the Project would not substantially decrease area groundwater supplies in the Pajaro Subbasin.

Appendix E, Well Impact Study/Hydrologic Report prepared by MNS Engineers, Inc., evaluates projected static water-level drawdown over a 10-year period using site-specific aquifer coefficients. The Pajaro Valley Water Management Agency (“PVWMA”) requested the analysis to assess potential impacts from increased intensity of groundwater pumping at the

interconnected cone of depression between Pajaro Wells No. 1 and No. 2. One (1) private domestic well is located about 600 feet southeast of Pajaro Well No. 2. Modeling demonstrates that long-term projected drawdown remains limited and comparable to existing operational conditions. In addition, modeling shows that after 10 years of pumping under the Project, the drawdown of the static water level in this domestic well is projected to be less than five (5) feet in this inland area.

The Proposed Project would not substantially decrease groundwater supplies such that the Project would impede sustainable groundwater management of the basin. The Project relocates groundwater pumping inland to the Pajaro area at approximately 1.1 acre-feet per day, alternating between Pajaro Well No. 1 and Pajaro Well No. 2 (§4.10). This relocates groundwater extraction inland—away from coastal areas most affected by seawater intrusion.

PVWMA has an established Basin Management Plan (“BMP”) and supplemental programs aimed at reducing long-term overdraft, halting seawater intrusion, improving managed recharge and implementing supplemental supply sources. The inland redistribution of pumping reduces extraction pressure in coastal areas subject to seawater intrusion and supports the objectives of the BMP and Groundwater Sustainability Plan. Thus, the shift in pumping under the Proposed Project away from coastal areas subject to seawater intrusion is considered consistent with the basin’s overall management regime and would not substantially decrease groundwater supplies based upon an increase in consumptive overall groundwater demand, nor does it substantially reduce groundwater recharge or impede sustainable groundwater management. The consolidation and redistribution of pumping supports PVWMA’s BMP (2014) and AGSP goals to halt seawater intrusion, reduce overdraft, and manage groundwater levels through inland redistribution and managed recharge. Based upon these findings the Proposed Project would have a less-than-impact related to water use.

Land Use, Population, and Consistency with Applicable Policies: (IS/MND §§4.11, 4.14, 4.21)

The Project is consistent with applicable plans and would not induce substantial population growth. The Project consolidates water systems serving approximately 967 existing connections (Chapter 1; Table 4) and is designed to address public health and water quality deficiencies. During the course of the environmental review, the Proposed Project was reviewed for consistency with the text, policies, and regulations of the following documents:

- 1982 Monterey County General Plan (for components within the Coastal Zone)
- 2010 Monterey County General Plan (for components outside of the Coastal Zone)
- North County Land Use Plan (for components within the Coastal Zone)
- North County Area Plan (for components outside of the Coastal Zone)
- Monterey County Zoning Ordinance – Title 20 (for components within the Coastal Zone)

- Monterey County Zoning Ordinance – Title 21 (for components outside of the Coastal Zone)
- Monterey County Coastal Implementation Plan Part 2 (for components within the Coastal Zone)

Section 4.11 of the Draft IS/MND evaluated the Project’s consistency with the applicable County plans and zoning regulations. The Project was found to be consistent with the policies of these documents. No conflicts with these documents were found to exist as a result of the Proposed Project. Based upon these findings the Proposed Project would be consistent with applicable policies.