## Supplement to 4/15/13 MPWMD Board Packet

Attached are copies of letters received between March 12, 2013 and April 8, 2013. These letters are also listed in the April 15, 2013 Board packet under item 14, Letters Received.

| Author | Addressee | Date | Topic |
| :--- | :--- | :--- | :--- |
| Paul Hart | MPWMD Board | $4 / 8 / 2013$ | People's Mos Landing Desalination Project <br> Negotiation of Agreement with "Plan B" Alternative |
| Carmelita Garcia | MPWMD | $4 / 4 / 2013$ | Response to Matrix, People's Moss Landing <br> Desalination Project |
| Keith Israel | David Stoldt | $4 / 2 / 2013$ | Thanks for Participation on March 18, 2013 Panel <br> Discussion |
| Jody Hansen | MPWMD Board | $4 / 1 / 2013$ | Consideration of 2013-14 One-Year and Three-Year <br> Goals |
| Kim DiBenedetto | MPWMD Board | $4 / 1 / 2013$ | Potential Initiatives for 1-Year and 3-Year Goals |
| Eric Sabolsice | David Stoldt | $3 / 22 / 2013$ | San Clemente Dam Removal Project and Carmel <br> River Reroute |
| Paul Hart | MPWMD Board | $3 / 18 / 2013$ | People's Moss Landing Desalination Project |
| Fred Meurer | MPWMD Board | $3 / 15 / 2013$ | Consider Second Reading and Adoption of Ordinance <br> No. 155 - Modifying the Definition of Redevelopment <br> Project Site and Amending Rule 25.5-D |

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JOHNSON, MONCRIEF \&HART
A PROFESSIONAL CORPORATION

SALINAS OFFICE
16 W. Gabilan Street
SAlINAS, CALIFORNIA 93901
PO BOX 1323
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PH: (831) 759-0900
FX: (831) 759-0902
wture! Jobnson.Voncriefcom
April 8, 2013

AARON P. JOHNSON
Paul W. Moncrief
L. Paul Habt Dennis J. Lewis KOREN R MCWILLIAMS J. KENNETH GORMAN DAVID W. BALCH

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MPWMD
File No. 6377.004

## VIA EMAIL AND FIRST CLASS MAIL

Mayor Dave Pendergrass, Chair
David Stoldt, General Manager
Monterey Peninsula Water Management District
5 Harris Court, Building G
Monterey, CA 93940

Re: People's Moss Landing Desalination Project
Negotiation of Agreement with "Plan B" Alternative

Dear Board Members,
At your March 18, 2013 regular board meeting, you authorized your staff to begin negotiations with Deep Water Desal, whereby MPWMD would participate with Deep Water as a contingency plan in the event that the Cal Am Desalination Plant failed or was delayed. On behalf of the People's Moss Landing Desalination Project, I hereby request that you also authorize your staff to negotiate with the People's Project. I believe your constituents will be best served by simultaneous negotiations with both projects. Accordingly, I specifically request that you add this issue to the agenda for your April 15, 2013 Board Meeting.

First, as has previously been communicated, the People's Project and Moss Landing Commercial Park, LLC (MLCP), do not desire or request the financial participation of MPWMD. MLCP has sufficient capital and financing capacity to fully complete the design, review and permitting process without relying upon public funds. By contrast, Deep Water Desal has no independent financing and would be reliant upon the $\$ 500,000+$ of ratepayer funds that MPWMD has suggested would be a component of any final agreement with Deep Water. Based upon this fact alone, I believe that your constituents will insist that you meaningfully negotiate with MLCP. Ratepayer expense is an incredibly important component of this process.

Second, as I expressed at your last meeting, the People's Project strongly believes that the "Scoring Matrix" presented to you by MPWMD staff was objectively inaccurate and
subjectively skewed. As a result, this board relied upon inaccurate information when it selected Deep Water Desal as the preferred "Plan B Alternative". I have attached a revised Matrix which identifies critical errors in the presumptions and findings incorporated into the MPWMD "Scoring Matrix". I have also revised the score to reflect these inaccuracies. The Revised Scoring illustrates that the People's Project is clearly superior to the Deep Water proposal.

The Revised Scoring is consistent with the findings of both the JPA's initial determination and with the findings of SPI, an independent consultant for the JPA, both of which concluded that the People's Project is superior to Deep Water Desal.

However, at this time, the People's Project is not asking that you reach a final determination. Rather the People's Project is merely asking that you simultaneously negotiate potential contract terms with both MLCP and Deep Water. This method seems to make sense given the fact that substantial public funds are at stake and given the fact that MPWMD and its subcommittee initially elected to negotiate exclusively with Deep Water within less than 1 week after the Staff Scoring Matrix was presented.

To some, the board's current decision to select the higher-priced option (Deep Water), based upon less than one week's consideration, and based upon a Scoring Matrix that is inconsistent with prior scoring determinations of third-party experts could be considered imprudent. Such findings could be exacerbated by the fact that Deep Water Desal admittedly: (i) has no assets; (ii) has no income; (iii) has no desalination facilities; (iv) has no lease for any location that could support a desalination plant; (v) has no easements or tights for seawater intake or discharge and (vi) has no contract with the Moss Landing Power Plant, which Deep Water admits is essential for its entire conceptual plan. These are not subjective assertions by a competing project; these are the facts as stated by Deep Water.

Please take the time to negotiate with both applicants. Ask whether Deep Water is willing to proceed without public funding. Ask Deep Water to immediately put money in trust to fund the design, environmental review and permitting process. Take the time to correct the inaccurate factual underpinnings of MPWMD's scoring matrix.

These actions will show the public that you are, in fact, careful stewards of the public's funds.

The People's Project strongly believes that, if these steps are taken, this Board will agree that its project is not only more likely to result in water production but it is also the only "Plan B Alternative" that can bear the entire financial risk, rather than placing the financial risk upon your constituents.

For your review, I have attached the following exhibits to this letter:
EXHIBIT 1: Revised Scoring Matrix
EXHIBIT 2: PML Project Time Line with Team Organization and Roles
EXHIBIT 3: Overview Map of the Premises
EXHIBIT 4: Detailed Map of the Premises

April 8, 2013
Page 3 of 3

EXHIBIT 5: General Process Flow Diagram
EXHIBIT 6: Information on Intake
EXHIBIT 7: Sectional View
EXIIBIT 8: Information from Moss Landing Marine Laboratories
Thank you for your time and consideration of this proposal. As always, MLCP is more than willing to respond to additional questions, requests for clarification or concerns.


Attach.

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EXHIBIT 2

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EXHIBIT 3


## Peoples Mioss Landing Water Desal Project

PML Desalination Plant Site
Intake line
Discharge/Outfall Line
Transmission Line




# The Guidebook to Membrane Desalination Technology 

Reverse Osmosis, Nanofiltration and Hybrid Systems
Process, Design, Applications and Economics

## Mark Wilf

With chapters by Leon Awerbuch, Craig Bartels, Mike Mickley, Graeme Pearce, and Nikolay Voutchkov


Balaban Desalination Publications


## EXHIBIT 7


from Missimer, Wright 1997

## Moss Landing Marine Laboratories <br> Public Data Portal <br> Cencoos星

Through this site you can access oceanographic and meteorological data from Moss Landing Marine Laboratories (MLML).
To access MLML's Underway Data Aquisition System (UDAS) data archive, click bere. Click on a station name to view current and historical data.


Data Disclaimer: Mfoss Landing dtanine Laboratories (MLALL, prowides this data "as is", with no watrants, expressed or implied, of fhe data guality or consistestc:
It is prowided without support and withou obligation on the $\mu$ wr of $M L A I L$ to assist in its use, correction, modification, or enhancement.
for use in publicalion, auhors should obtain mriten permission fiom the director of aflikit, and achnonledge Mhath as the data somce in those publications. image: google


This archive displays and serves data from any one of three individual UDAS(Underway Data Acquisition) systems. For all systems, surface water is pumped through a fluorometer while the vessel's position is recorded using GPS. The time zone for all data is Pacific Standard Time.

Aboard the R/V Point Sur the following instruments are part of the UDAS system.

1) SBE 3 S Oceanographic Temperature Sensor iustument iofo
2) SBE 21 Thermosalinograph instumeut info
3) Turner Designs 10AU-500 Fluorometer instument info
4) Wet Labs C-Star 25 cm Transmissometer instrument info

Aboard the R/V John H. Martin the following instruments are part of the UDAS system.

1) SBE 21 Thermosalinograph instrament info
2) Scufa Fluorometer iustrumen info

The third UDAS system represented here is portable and is used on any of the smaller vessels for near shore measurements. The portable system includes the following instruments

1) SBE 38 Digital Oceanographic Thermometer instnment info
2) SBE 45 Thermosalinograph instwaent info
3) Scufa Fluorometer instrument info
4) Wet Labs C-Star 10 cm Transmissometer instrument info
5) Satlantic V3 Nitrate Sensor instrument info

Follow this link to access the data sorted by vessel and date DATA LINK

Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 09, 2004
Ending Date:Jan. 01, 2005


Fluorescence



Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2005
Ending Date:Jan. 01, 2006


Fluorescence



Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2006
Ending Date:Jan. 01, 2007


Fluorescence



Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2007
Ending Date:Jan. 01, 2008




Pressure


Fluorescence



Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2008
Ending Date:Jan. 01, 2009


Fluorescence


Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 01, 2009
Ending Date:Dec. 23, 2009


Fluorescence


Moss Landing Marine Labs Small Boats CTD Station Historical Data Plot Starting Date:Jan. 05, 2010
Ending Date:Sep. 15, 2010


Fluorescence



Seawater System Monitoring Station
Latifude: $36.8025^{\circ} \mathrm{N}$
Longitude:121.7915 ${ }^{\circ} \mathrm{W}$

Temperature Sensor: Weed Instrument 5A00AI
Dissolved Oxygen Sensor: Oxyguard 840
Sample Date: 03-Apr-2013
Sanuple Time: 07:41:35 2'ST
Temperature: $9.7^{\circ} \mathrm{C}$
Dissolved Oxygen: $140.6 \mu \mathrm{~mole} / \mathrm{L}$,
Note: The intake for the seawater systen is at 20 meters depth


| Instrumentation Package: | Last Calibrated: |
| :--- | ---: |
| Seabird SBE19 CTD | $10 / 18 / 2012$ |
| AADI Oxygen Optode 3835 | $8 / 13 / 2012$ |
| C-Star Transmissoneter (I0 cm) | $2 / 29 / 2012$ |
| WETStar Fluorometer | $3 / 6 / 2012$ |
| Honeywell Durafet III (New) | $3 / 26 / 2013$ |

Latitude: $36.8025^{\circ} \mathrm{N}$, Longitude: $121.7915^{\circ} \mathrm{W}$ (image: googlc)

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| Sample Date (GMT): | $04 / 04 / 2013$ |
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| Sample Time (GMT): | $16: 26: 12$ |
| Sample Time (PST): | $08: 26: 12$ |
| Tcmperature: | $11.084^{\circ} \mathrm{C}$ |
| Conductivity: | $0.877 \mathrm{~S} / \mathrm{m}$ |
| Salinity: | 33.515 ppt |
| Fluorescence: | $0.85 \mu \mathrm{~g} / \mathrm{L}$ |
| Transmission: | $79.56 \%$ |
| Optode Temperature: | $11.19^{\circ} \mathrm{C}$ |
| Optode Dissolved Oxygen: | $158.55 \mu \mathrm{~mol} / \mathrm{L}$ |
| Optode Saturation: | $57.01 \%$ |
| pH probe: | 7.840 |

Note: The intake for the seawater system is at 17 meters depth.


## Moss Landing Marine Laboratories

Scientific Seawater Intake Monitoring Station

These NetCDF files are in NetCDF 4 HDF5 format. If you are new to this format you can use HDFview to apen them. This sofware is available for download (Windows/Mac/Linux/Solaris) on the HDF group website at: www hdfgroup.onghdfiava-hmi/hdfuiew/

If you need assistance feel free to contact the CeNCOOS Information Manager at jpatterson@mbariorg
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## Moss Landing Marine Laboratories

## Aquarium Oxygen Monitoring Station

| Instrumentation Package: | OxyGuard Attantic |
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| Last Catibrated: | $10 / 10 / 2010$ |
| Decimal Coordinates: | $36.7942^{\circ} \mathrm{N} ; 121.7874^{\circ} \mathrm{W}$ |

To access historical data for this site (since $11 / 15 / 10$ ), click fere.


| Sample Date: | $04 / 04 / 2013$ |
| :--- | :--- |
| Sample Time (PST): | $08: 26: 01$ |
| Dissolved Oxygen: | $181.1 \mu \mathrm{mol/L}$ |
| Saturation: | $66.7 \%$ |




| From: | Nader Agha [naderagha@sbcglobal.net](mailto:naderagha@sbcglobal.net) <br> Sent: <br> To: <br> Subject: |
| :--- | :--- |
|  | Arlene Tavani <br> RESPONSE TO MARTRIX |
| Dear Ms. Travani: |  |

We will be submitting our response (electronic) to the matrix tomorrow Friday, April 5 th by end of business. This response is to the matrix that was compiled by district staff and presented at the March 18, 2013 full board meeting.

At this time we are requesting our response be placed on the earliest possible agenda for presentation, discussion and board action re: reconsideration of the selected alternative.

Please contact me if you have any questions. Thank you.

Carmelita Garcia
Business Manager
O: (831) 646-9030
F: (831) 372-2021

## Monterey Office

449 Alvarado Street Monterey, CA 93940

[^0][^1] of our member agencies, while protecting the environment."

April 2, 2013
APR - 3013
Dave Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Ct. Bldg G
Monterey, CA 93940
Dear Dave:
On behalf of the WateReuse Association and Monterey Regional Water Pollution Control Agency (MRWPCA), I want to thank you for being part of the panel discussion on Monterey Water Solutions at the California WateReuse Annual Conference on March 18.

Your superb discussion on "Aquifer Storage and Recovery" resulted in a number of positive comments from the attendees.

Again, many thanks for the time you made available to our WateReuse Community. We look forward to continue working with you and MPWMD in support of a local water supply solution, especially one that includes the use of advance treated wastewater in addition to ASR.

With much appreciation,


Keth israel
General Manager

2013 BOARD OF DIRECTORS
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Otto Construction
Vice Chair of Economic Vitality
NEAL HECKMAN
palace office interiors
Vice Chair of Education
Kathi Speller
Community of Caring Monterey Peninsula

Vice Chair of Finance
Leinette limtlaco
Central Coast
Federal Credit Union
Vice Chair of Government affairs
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The Mattox Group
Vice Chair of membership
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BARRY Kilzer
Kilzer Wealth Management
MITCH MATTHEWS
community hospital of the monterey peninsula. Hospice of the Central Coast

JODY HANSEN
aPC PRESIDENT/CEO

The Honorable David Pendergrass
Mayor, City of City of Sand City
Chair of the Board
Monterey Peninsula Water Management District
5 Harris Court
Monterey, CA 93940
Re: Strategic Planning Workshop
Item 8. Consideration of 2013-14 One-Year and Three-Year Goals (\#3) Work with Community to Protect Investment in Water Credits And "Smart" Development - SUPPORT

Dear Mr. Chair and MPWMD Board Members:
The Monterey Peninsula Chamber of Commerce, a nonprofit business association with 800 members, strongly supports initiatives to protect water credits until the CDO is lifted.

We are particularly concerned that the Monterey Peninsula Water Management District makes every effort to extend water credits that are expected to expire during the CDO period. One critical example is the need to extend residential water credits for low flow fixtures when they become mandatory. Without such extension, residential remodels that involve water will be put on hold indefinitely. That would affect many construction jobs that are still in recovery mode since the Great Recession.

Thank you for your consideration and support of these measures, which support a strong local economy.

Sincerely,


Jody Hansen
President and CEO

## ITEM 8

# MPWMD April 1, 2013 Strategic Planning Workshop <br> Potential Initiatives for 1-Year and 3-Year Goals 

On behalf of the Monterey County Association of REALTORS ${ }^{\oplus}$, I would like to thank the District Board for providing this opportunity to weigh in on this important Strategic Planning Workshop. With our current water availability challenges, continued focus on viable solutions is more than necessary.

Of great interest to our membership is Initiative \# 3. It is critical to our industry and the local economy that the extension of retrofit credits for residential be in place until such time that our long term water solution is realized.

As you probably know, many of the housing units on the market today require some level of remodeling. Many buyers purchase properties today with the understanding that a remodel is part of that home purchase investment. Bathroom and kitchen remodels are often the targets of such renovations. Municipal coffers receive permitting revenue, local contractors, their subs and numerous other associated businesses benefit. Our iccäi economy is sustained and ultimately, greater water efficiencies are realized with the completed project.

The elimination of these credits will have tangible negative impacts on the real estate market and the local economy.

We respectfully request that you support this important initiative. Thank you for your consideration.


March 22, 2013

David Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court, Bldg G
Monterey, CA 93942-0085
RE: San Clemente Dam Removal Project and Carmel River Reroute
Dear Mr. Stoldt,
As you are aware, California American Water and its partners are moving ever closer to mobilizing and commencing work on this long awaited historic dam removal project. While important tasks remain that precede construction, we are confident these items will be addressed within the anticipated schedule.

During construction, proper communication between our organizations will be critical to ensuring the safety of our employees, contractors, and the general public. To that end, I would suggest we meet within the next couple of weeks to discuss how to best facilitate this communication, designate key points of contact, and develop a plan that allows all necessary activities up and down stream to continue in a safe and efficient manner. I offer this invitation to you and those on your team who will require access to the project site.

Please contact me at (831) 646-3291 should you have any questions and to select a date that works best.

Sincerely,


Eric Sabolsice
Director of Operations, Coastal Division

## cc: Catherine Bowie, Manager External Affairs <br> Roger Hulbert, Operations Manager

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Koren R. McWilliams

1. KENNETH GORMAN David W. BaLCH

# RECEIVED 

MAR 182013
MPWMD
March 18, 2013

File No. 6377.004
VIA EMAIL \& U. S. MAIL

Mr. David J. Stoldt
General Manager MPWMD
5 Harris Court, Building G
Post Office Box 85
Monterey, CA 93942-0085
dstoldt@mpwmd.dst.ca.us

Board Members of MPWMD
5 Harris Court, Building G
Post Office Box 85
Monterey, CA 93942-0085
arlene@mpwmd.net

## RE: Peoples Moss Landing Desalination Project

Dear Mr. Stoldt \& Members of the Board:
I am legal counsel for the Peoples Moss Landing Desalination Project. In that capacity, I write to request, and insist, that the Board refrain from taking action on item \#17 of tonight's agenda:

## Consider Negotiating a Cost Sharing Relationship with Deep Water Desal to Advance a Desalination Alternative to the Cal-Am Proposal

Action: The Board will decide if staff should negotiate with DeepWrater Desal to establish a cost sharing relationship for the environmental and permitting work necessary to advance a desalination alternative to CalAm's Monterey Peninsula Water Supply Project

## Requested Action:

Rather, PML requests that the Board refer this matter back to the Water Supply Planning Committee with the following instructions:

1) Provide PML and DWD a reasonable opportunity (of at least 3 weeks) to provide factual response and comment on the Evaluation Matrices and proposed recommendation;
2) Provide the Public a reasonable opportunity to provide factual response and comment upon the Evaluation Matrices and proposed recommendation;
3) Recalculate the Evaluation Matrices based upon proper factual information as well as Objective and Lawful Criteria. Strive to eliminate subjective considerations and presumptions from consideration in the scoring process;
4) Exclude from participation in the scoring, information gathering and decision-making process any persons with actual or perceived bias and conflicts of interests as to any applicant; and
5) Properly agendize consideration of the matter as an action item on the Water Supply Planning Committee before making any recommendation to the Board.

## Reasons To Send Back to The Water Supply Planning Committee:

## 1) The currently proposed process creates a perception of intent to quell participation, response and comment of PML and the Public

Last Monday, March 11, 2013, the Water Supply Planning Committee met. The Committee's Agenda for March 11, 2013 listed as an item for discussion only, receipt of a "Progress Report on Investigation into Desalination Contingency Plan". On that date, the General Manager and the District Engineer presented the initial public disclosure of an "Evaluation Matrices" comparing and ranking the relative strengths and weaknesses of the PML project and the DWD project. These matrices were also presented to the Water Supply Planning Committee.

Unfortunately, rather than "discussing" the Matrices and providing the opportunity for response, clarification and input from the applicants and the public, the Committee purported to convert the item to an "action" item. The Committee immediately held a vote and recommended that this Board select DWD as the preferred Contingency Plan Alternative. The Committee further recommended that MPWMD exclusively negotiate with DWD for the purpose of providing DWD with up to $\$ 500 ; 000$ of public funds to fund an EIR.

The matter is now scheduled as an "action" item on tonight's Board agenda.
In combination, 1) voting on a scoring matrix the same day it was presented; 2) providing no opportunity for applicants or the public to address inaccuracies or unsubstantiated subjective conclusions in the matrix; 3) conversion of a discussion item to an action item; and 4) scheduling the matter for a vote of the full Board one week later; could well be seen as an effort to frustrate the collection of accurate factual information and to frustrate input from the public and the applicants. Even if this is not the MPWMD's intent, this perception could present severdl problems for the District. It could also significantly erode any public confidence in the selection process.

## 2) Numerous facts relied upon in preparing the Matrix report by the GM \& Engineer are inaccurate and Numerous subjective presumptions are unfaily incorporated into the scoring process.

Given a reasonable opportunity, PML intends to provide a full list of its specific objections to the facts and conclusions reached in the District's scoring Matrix. The factual errors and subjective inaccuracies are substantial. PML asserts that correction of the errors will result in PML receiving a substantially higher score than DWD on the Matrix.

As one example, within the first category of the Matrix, entitled "Organizational Information and Financial Strength", Mr. Stoldt gave DWD 8 points and PML 4 points. Mr, Larry Hampson gave DWD 8 points and PML 5 points.

In reaching this conclusion, Mr. Stoldt acknowledges that DWD provided no financial statements, that it has a short history, that it does not have a significant revenue capability. Mr. Stoldt does not identify any assets of DWD. Nor does Stoldt provide any factual support for his conclusion that DWD has greater access to capital. In other words, there is simply no basis for concluding that DWD has any assets or available borrowing capability. Stoldt then presumes that DWD is committing to provide $\$ 4,000,000$ in cost sharing with the District. This presumption is not based upon any binding promise by DWD, rather it is merely based upon the fact that DWD listed that amount as its cost estimate for environmental planning, legal, technical studies and preliminary design.

By contrast, PML did provide financial statements. PML shows a much longer history of existence. PML shows tens of millions of dollars in equity. PML shows a substantial and lengthy stream of annual income. PML holds title to substantial assets.

Frankly, any unbiased observer would conclude that PML is more well capitalized, has greater income, is longer established and is stronger financially than DWD. Any conclusion to the contrary is not based upon the facts presented.

Numerous other components of the Matrix are equally flawed. Equity and responsible decision-making with regard to public funds require that such inaccuracies be remedied prior to the Board reaching a final determination.
3) The factors contained in the Matrix report submitted to the subcommittee are improper and, in some instances, unlawful.

It is also worrisome that the Matrix considers and scores factors that are statutorily and Constitutionally impermissible, including the topic "Litigation History".

In evaluating this factor, Mr. Hamspon gives DWD 5 points and PML 0 points. The rationale for this disparity is that an internet search of Mr. Nader Agha purportedly disclosed 15 civil lawsuits between 1998 and 2010.

Consideration of this matter is legally impermissible for an array of reasons.
The U.S. Const. amend. I. provides in part: Congress shall make no law abridging the right of the people peaceably to assemble, and to petition the government for a redress of grievances. Despite the explicit reference to Congress, the First Amendment, including specifically the right to petition, is "incorporated" against the states by virtue of the Fourteenth Amendment. Cases construing the California analog frequently rely on federal court interpretations of the First Amendment. The right to petition encompasses the right to file a private lawsuit, by which one litigant prays for the exercise of judicial power against another. These rights, to assemble peaceably and to petition for a redress of grievances, are among the most precious of the liberties safeguarded by the Bill of Rights.

Any attempt to disadvantage an applicant based upon its exercise of its past exercise of its constitutionally protected rights is highly likely to be deemed unlawful.

Moreover, even if it were not unlawful, the factor is not helpful. By analogy, if a government entity were selecting a software supplier and considering between Microsoft and Bob's Software Wholesale (fictitious name for recently formed unproven software company), it would probably not be appropriate to select Bob in based upon a finding that Microsoft had simply been involved in too many litigation cases.

Simply stated, this criteria should be eliminated from the Matrix.

## 4) The exists an actual, or perceived, bias and conflict of interest among the decision makers

PML has additional concerns regarding perceived bias and conflict of some of the MPWMD representatives.

Two members of the board have previously been involved in litigation with Nader Agha, where Mr. Agha prevailed. Mr. Agha fears that these legal conflicts may perpetuate a bias against PML. This perception is perpetuated by the scoring of the "Litigation History" item stated above.

PML is also concemed that Mr. Laredo is serving as legal counsel for MPWMD with regard to this matter, and presumably providing input on this decision. Simultaneously, Mr. Laredo is serving as legal counsel for the City of Pacific Grove in conjunction with negotiating and performing the terms of the agreement between PG and Mr. Agha to develop and build the PML project. Although Mr. Laredo originally recused himself from representation due to a conflict of interest, Mr . Laredo has resumed joint representation of both public entities over Mr. Agha's express objection. This dual capacity representation presents a clear and present conflict of interest. It also presents a situation where confidential and secret information of the PML project may be subject to improper disclosure. As such, PML must insist that Mr. Laredo no longer participate in any MPWMD discussions or action with regard to this issue.

## Conclusion:

It is extremely important that this MPWMD decision be based upon accurate factual information, that the decision be an open process, that the applicants and the public have a full opportunity to provide information and comment. The applicants and the public need to feel as though the process has been thorough, accurate and free of bias.

This can only be accomplished by allowing input, reviewing and modifying the Evaluation Matrix.

For this reason, PML respectfully requests that this matter be sent back to the Water Supply Planning Committee, with all necessary instructions.

Sincerely,
JOHNSON, MONCRIEF \& HART, PC


Paul Hart

PH/sld

March 15, 2013



MAR 152013
MPWMD

Mayor:
CHUCK DELLA SALA
Councilmembers:
HEBY DOWNEY

- MN HIAFIEA

NANCY SELFEIDGE PRANK SOLLECITO

Ciry Mânag̣er: ITRED MHIIRER

Monterey Peninsula Water Management District
5 Harris Court, Bldg G. Monterey, CA
Monterey, CA 93940

RE: Monterey Peninsula Water Management District Meeting March 18, 2013
Consider Second Reading and Adoption of Ordinance No. 155 - Modifying the Definition of Redevelopment Project Site and Amending Rule 25.5-D.

## Dear Chair Pendergrass and Directors,

The City of Monterey encourages the Monterey Peninsula Water Management District to approve the proposed Ordinance 155. As you know, the proposed ordinance amends the District's definition of Redevelopment Project to recognize the effect of Assembly Bill $x 126$ (AB 26) to abolish redevelopment agencies. The ordinance also amends MPWMD Rule 25.5-D to allow two extensions of Water Use Credit at former Redevelopment Projects when the credit was documented prior to February 1, 2012 (i.e., prior to AB 26).

Cities have been dramatically impacted by the abolishment of redevelopment agencies. As communities struggle to recover from this change in law, the proposed ordinance provides a legislative framework to move forward. First, the proposed change recognizes the change in State law. Second, the proposal continues to extend water credits on sites that have been hit particularly hard during the economic downturn which was further exacerbated by the dissolution of redevelopment.

In Monterey, we are encouraged by the opportunity to move forward on these parcels.

Sincerely,


City Manager


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