

This meeting has been noticed according to the Brown Act rules. The Board of Directors meets regularly on the third Monday of each month, except in January, February. The meetings begin at 7:00 PM.



AGENDA

Regular Meeting

Board of Directors

Monterey Peninsula Water Management District

Thursday, February 22, 2018, 7:00 pm

Conference Room, Monterey Peninsula Water Management District
5 Harris Court, Building G, Monterey, CA

Staff notes will be available on the District web site at

<http://www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/>

by 5 PM on Friday, February 16, 2018

The 7:00 PM Meeting will be televised on Comcast Channels 25 & 28. Refer to broadcast schedule on page 3.

CALL TO ORDER/ROLL CALL

PLEDGE OF ALLEGIANCE

ADDITIONS AND CORRECTIONS TO AGENDA - The Clerk of the Board will announce agenda corrections and proposed additions, which may be acted on by the Board as provided in Sections 54954.2 of the California Government Code.

ORAL COMMUNICATIONS - Anyone wishing to address the Board on Consent Calendar, Information Items, Closed Session items, or matters not listed on the agenda may do so only during Oral Communications. Please limit your comment to three (3) minutes. The public may comment on all other items at the time they are presented to the Board.

CONSENT CALENDAR: The Consent Calendar consists of routine items for which staff has prepared a recommendation. Approval of the Consent Calendar ratifies the staff recommendation. Consent Calendar items may be pulled for separate consideration at the request of a member of the public, or a member of the Board. Following adoption of the remaining Consent Calendar items, staff will give a brief presentation on the pulled item. Members of the public are requested to limit individual comment on pulled Consent Items to three (3) minutes.

1. Consider Adoption of Minutes from the January 24, 2018 Regular Meeting of the Board of Directors
2. Consider Approval of Purchase of Internet License for Water Wise Gardening in Monterey County
3. Consider Approval of Expenditure for Increased County Recording Fees and Increased Recording Activity

Board of Directors

Andrew Clarke, Chair – Division 2
Ralph Rubio, Vice Chair - Mayoral Representative
Brenda Lewis – Division 1
Molly Evans – Division 3
Jeanne Byrne – Division 4
Robert S. Brower, Sr. – Division 5
Mary Adams, Monterey County Board of Supervisors Representative

General Manager

David J. Stoldt

This agenda was posted at the District office at 5 Harris Court, Bldg. G Monterey on Thursday, February 15, 2018. Staff reports regarding these agenda items will be available for public review on 2/16/2018, at the District office and at the Carmel, Carmel Valley, Monterey, Pacific Grove and Seaside libraries. After staff reports have been distributed, if additional documents are produced by the District and provided to a majority of the Board regarding any item on the agenda, they will be available at the District office during normal business hours, and posted on the District website at www.mpwmd.net/who-we-are/board-of-directors/bod-meeting-agendas-calendar/. Documents distributed at the meeting will be made available in the same manner. The next regular meeting of the Board of Directors is scheduled for March 19, 2018 at 7 pm.

4. Consider Adoption of Resolution No. 2018-02 in Support of Entering into an Agreement with the California State Coastal Conservancy to Upgrade the Intake for the Sleepy Hollow Steelhead Rearing Facility
5. Receive and File Second Quarter Financial Activity Report for Fiscal Year 2017-18
6. Consider Approval of Second Quarter FY 2017-18 Investment Report
7. Consider Adoption of Treasurer's Report for December 2017

GENERAL MANAGER'S REPORT

8. Status Report on California American Water Compliance with State Water Resources Control Board Order 2016-0016 and Seaside Groundwater Basin Adjudication Decision

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

9. Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations

SPECIAL PRESENTATIONS

10. Presentation by Dr. Ben Stanford, Senior Director of Water Research and Development at American Water regarding "Innovations in Desalination, Water Reuse, and Emerging Contaminants at American Water"

PUBLIC HEARINGS – Public comment will be received on each of these items. Please limit your comment to three (3) minutes per item.

- 11. Consider Application for Variance to Allow Non-Residential Group II Water Use Capacity at 458-460 Alvarado Street, Monterey (APN: 001-572-029)**

Action: The Board will consider a variance from Rules 23 and 24 to allow a Group II commercial use in a Group I space without requiring water from the Jurisdiction's Allocation.

- 12. Consider Approval of a CEQA Addendum for the Carmel River Bank Stabilization Project at Rancho San Carlos Road (CEQA: Approve Addendum to the Carmel River Management Plan Environmental Impact Report Under CEQA Guideline Sections 15162 and 15164)**

Action: The Board will consider adoption of a resolution that would approve the Carmel River Bank Stabilization Project at Rancho San Carlos Road and on Addendum to the Carmel River Management Plan PEIR.

- 13. Consider Adoption of Mid-Year Fiscal Year 2017-2018 Budget Adjustment**

Action: At mid-year, District staff routinely review the budget and propose revisions that will ensure continuance of the District's programs and facilitate changes in the District's operating needs that we unknown at the time the budget was adopted in June 2017. A proposed, amended budget is presented for Board consideration.

INFORMATIONAL ITEMS/STAFF REPORTS The public may address the Board on Information Items and Staff Reports during the Oral Communications portion of the meeting. Please limit your comments to three minutes.

14. Letters Received Supplemental Letter Packet
15. Committee Reports
16. Monthly Allocation Report
17. Water Conservation Program Report
18. Carmel River Fishery Report
19. Monthly Water Supply and California American Water Production Report
20. Semi-Annual Groundwater Quality Monitoring Report

ADJOURNMENT

Board Meeting Broadcast Schedule – Comcast Channels 25 & 28	
View Live Webcast at Ampmedia.org	
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, Sand City, Seaside
Ch. 25, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Mondays, 7 PM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside
Ch. 28, Fridays, 9 AM	Carmel, Carmel Valley, Del Rey Oaks, Monterey, Pacific Grove, Pebble Beach, Sand City, Seaside

Upcoming Board Meetings			
Monday, March 19, 2018	Regular Board Meeting	7:00 pm	District conference room
Monday, April 16, 2018	Regular Board Meeting	7:00 pm	District conference room

Upon request, MPWMD will make a reasonable effort to provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. MPWMD will also make a reasonable effort to provide translation services upon request. Please submit a written request, including your name, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service by 5:00 PM on Friday, February 16, 2018. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

ITEM: CONSENT CALENDAR**1. CONSIDER ADOPTION OF MINUTES OF THE JANUARY 24, 2018 REGULAR BOARD MEETING****Meeting Date: February 22, 2018****Budgeted: N/A****From: David J. Stoldt,
General Manager****Program/
Line Item No.: N/A****Prepared By: Arlene Tavani****Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the January 24, 2018 Regular meeting of the Board.**RECOMMENDATION:** District staff recommends approval of the minutes with adoption of the Consent Calendar.**EXHIBIT****1-A** Draft Minutes of the January 24, 2018 Regular Meeting of the Board of Directors



EXHIBIT 1-A

DRAFT MINUTES
Regular Meeting
Board of Directors
Monterey Peninsula Water Management District
January 24, 2018

The meeting was called to order at 7:00 pm in the MPWMD conference room.

CALL TO ORDER/ROLL CALL

Directors Present:

Andrew Clarke – Chair, Division 2
 Ralph Rubio – Vice Chair, Mayoral Representative
 Molly Evans – Division 3
 Jeanne Byrne – Division 4
 Robert S. Brower, Sr. –Division 5
 Mary Adams – Monterey County Board of Supervisors Rep.

Directors Absent: Brenda Lewis, Division 1

General Manager present: David J. Stoldt

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

PLEDGE OF ALLEGIANCE

No changes.

ADDITIONS AND CORRECTIONS TO AGENDA

The following comments were directed to the Board during Oral Communications. **(a) Gary Cursio**, Director of Government Affairs for the Monterey County Hospitality Association which is a member of the Coalition of Peninsula Businesses, expressed support for the Pure Water Monterey Project (PWM) but was opposed to project expansion. He expressed concern that PWM expansion would distract from pursuit of the California American Water desalination project. **(b) George Riley**, Public Water Now, requested that the organization be given the opportunity to make a ten minute presentation at the February 22, 2018 Board meeting regarding their proposal for public ownership of California American Water. **(c) Tom Rowley**, Monterey Peninsula Taxpayers Association, expressed opposition to the request by Public Water Now to make a presentation at the next Board of Directors meeting. **(d) Michael Baer**, resident of Monterey, asked that the MPWMD prepare a feasibility study by April 2018 on public ownership of the California American Water distribution system. He distributed a brochure titled "Now or Never." **(e) Peter Munteer**, Pacific Grove Chamber of Commerce, agreed with the comments made by Peter Cursio. He stated that expansion of PWM is not a feasible alternative

ORAL COMMUNICATIONS

to the desalination plant proposed by California American Water. (f) **Dan Turner**, resident of Monterey, opined that the water district has refused to prepare a feasibility study on public ownership of California American Water because a study would disprove the theory that the cost would be billions of dollars, and would instead provide evidence that the value of Cal-Am is \$100 million to \$250 million. (g) **Jody Hanson**, representing the Monterey Peninsula Chamber of Commerce which is member of the Coalition of Peninsula Businesses, expressed support for the portfolio approach to a water supply solution. She stated that any expansion of PWM should not result in a reduction in the amount of water available from the proposed desalination project.

The Consent Calendar was approved unanimously on a vote of 6 – 0 by motion of Brower and second of Byrne. Directors Adams, Brower, Byrne, Clarke, Evans and Rubio voted in favor of the motion. Director Lewis was absent.

Adopted.

Approved.

Approved not-to-exceed amount of \$70,000.

Approved not-to-exceed amount of \$45,000 for the District's share of geochemical modeling, and \$28,000 for District's share of recalibrating and updating the basin model.

Approved an expenditure of \$7,000.

Approved expenditure of up to \$50,000.

Approved.

Approved.

Approved.

CONSENT CALENDAR

1. **Consider Adoption of Minutes of the December 11, 2017 Regular Board Meeting and October 16, 2017 Special Meeting**
2. **Ratify Board Committee Assignments for Calendar Year 2018**
3. **Consider Authorizing Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**
4. **Consider Approval of Budget for Groundwater Models for Seaside Groundwater Basin**
5. **Consider Authorization of Repairs and Alterations to the DeDampierre Irrigation Well**
6. **Consider Authorization of Expenditure for Financial Consultant to Evaluate Expansion of Pure Water Monterey Project**
7. **Consider Converting the River Maintenance Worker Position to Environmental Programs Specialist**
8. **Consider Reclassification of the Associate Hydrologist Position**
9. **Consider Approval of Resolution 2018-01 in Support of an Application for Steelhead Monitoring to the California Department of Fish and**

Approved.

Received.

Adopted.

Adopted.

Chair Clarke presented Director Brower with a plaque, and thanked him for providing guidance to the Board during his term as Chair in 2017.

General Manager Stoldt presented the report which can be viewed at the MPWMD office, or on the agency website. He noted that pumping from the Carmel River Basin and Seaside Groundwater Basin was 560 acre-feet above the 2017 total for the same time period. However, the 2018 total included 305 acre-feet of pumping for ASR recovery. He pointed out that the slide titled Actual Versus Target Production contained an error, so he did not review that slide. The slide titled Production for Customer Service showed that customer demand was 243 acre-feet higher than the demand for the same period in 2017. Stoldt attributed the increase to an influx of tourists due to the Sonoma fires and the Christmas holiday season. Also, low rainfall contributed to increased outdoor irrigation. Rainfall in between October and December 2017 measured 0.5 inches, for a total of 1.02 inches or 15 percent of long-term average. This was at or below rainfall recorded in 1924, the lowest year on record. Stoldt reported that unimpaired flow was at 37% of average and usable storage was at 105% long-term average, which equates to a three-year supply.

Stoldt's presentation is on file at the District office and can be viewed on the agency website. He explained that expansion of PWM is under discussion not as an alternative to the desalination project, but as additional water that could be developed in a very short time frame if desalination could not proceed due to a lawsuit or other delay. In that case, expansion of PWM would facilitate lifting the Cease and Desist Order and moratorium on setting new water meters.

The following comments were directed to the Board during the public comment period on this item. (a) **Michael Baer** referred to the presentation under Item 14, and asked if the Big Sur fire contributed to the increase in pumping. He referenced the presentation under Item 15, and asked for

Game Fisheries Restoration Grant Program

10. **Consider Approval of Annual Update on Investment Policy**
11. **Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
12. **Consider Adoption of Treasurer's Report for October 2017**
13. **Consider Adoption of Treasurer's Report for November 2017**

PRESENTATION TO ROBERT S. BROWER SR., 2017 BOARD CHAIR

GENERAL MANAGER'S REPORT

14. **Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision**

15. **Update on Development of Water Supply Projects**

clarification of the amount of source water for PWM expansion that was represented in the graph. *General Manager Stoldt responded that water use to combat the Soberanes fire was reflected in the 2016 water consumption totals, and that most of that water was from rural water sources – not the Cal-Am system. He stated that local water use increased during the Sonoma and Southern California fires due to high hotel occupancy rates because tourists visited the Monterey Peninsula instead of the areas affected by fire. Regarding PWM, Mr. Stoldt explained that the total represents approximately 6,006 acre-feet of source water, but an agreement with Monterey County specifies that only half of the winter wastewater would be utilized so that the remaining portion would be available to eventually address seawater intrusion issues.* (b) **Tom Rowley** urged the Board to consider the impact on the rate payer for the cost of additional studies related to expansion of PWM. *Mr. Stoldt responded that the \$480,000 spent on PWM is necessary to qualify the project for review by permitting agencies. He explained that water from the proposed desalination plant would be injected underground with ASR wells 5 and 6. Similarly, the PWM water would be injected underground.* (c) **Dan Turner** referenced slide 3 of the presentation on Item 15. He stated that construction of a new desalination plant would increase the cost of water, which would affect customer demand. He referenced slide 14 and inquired about the Malpaso (Odello) water. *Mr. Stoldt stated that the 13,290 acre-feet estimate of average customer demand cited in the presentation on Item 15 was based on a 5-year average developed in 2012. There are differing views of what current demand is and how the desalination plant should be sized. Regarding Malpaso (Odello) water, he explained that 1/10th of an acre-foot or more of this water entitlement could be purchased for use on properties primarily within the Carmel River watershed and a small section of the City of Carmel-by-the-Sea.*

No reports were presented.

On a motion by Evans and second of Adams, the Quarterly Water Supply Strategy and Budget was unanimously approved on a vote of 6 – 0 by Directors Evans, Adams, Brower, Byrne, Clarke and Rubio. Director Lewis was absent.

Tom Rowley addressed the Board during the public hearing on this item. He stated that historically seven out of ten years are classified as wet years, and that some experts believe there is a 50/50 chance that sufficient rainfall will occur in February and March of 2018.

DIRECTORS' REPORTS (INCLUDING AB 1234 REPORTS ON TRIPS, CONFERENCE ATTENDANCE AND MEETINGS)

16. **Oral Reports on Activities of County, Cities, Other Agencies/Committees/Associations**

PUBLIC HEARINGS

17. **Consider Adoption of January through March 2018 Quarterly Water Supply Strategy and Budget (Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1))**

On a motion by Rubio and second of Byrne, rebate funding in the amount of \$270,000 was unanimously approved by the Board on a vote of 6 – 0 by Directors Rubio, Byrne, Adams, Brower, Clarke and Evans. Lewis was absent.

Michael Baer addressed the Board during the public comment period on this item. He urged the Board to approve funding for the rebate program.

There was no discussion of these items.

The meeting was adjourned at 8:15 pm.

ACTION ITEMS

- 18. Consider Funding Rebates in the California American Water System between January 1, 2018 and the Availability of Funding from the Cal-Am General Rate Case**

INFORMATIONAL ITEMS/STAFF REPORTS

- 19. Letters Received**
- 20. Committee Report**
- 21. Monthly Allocation Report**
- 22. Water Conservation Program Report**
- 23. Quarterly Water Use Credit Transfer Status Report**
- 24. Carmel River Fishery Report**
- 25. Monthly Water Supply and California American Water Production Report**
- 26. Quarterly Carmel River Riparian Corridor Management Program Report**

ADJOURNMENT

ITEM: CONSENT CALENDAR**2. CONSIDER APPROVAL OF PURCHASE OF INTERNET LICENSE FOR WATER WISE GARDENING IN MONTEREY COUNTY**

Meeting Date:	February 22, 2018	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Conservation Program 4-2-2 C
Prepared By:	Stephanie Locke	Cost Estimate:	\$5,000

General Counsel Approval: N/A**Committee Recommendation: The Administrative Committee considered this item on February 13, 2018 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: The District currently provides a web link for Monterey County Water Wise Landscaping to assist in landscape planning and design. Since landscape irrigation generates the largest water usage on residential properties, the information provided by the software helps property owners be “garden smart” by providing information and photographs of water efficient plants and by allowing the user to create a landscape “shopping list.” During 2017, 3,659 unique visitors used the software.

District staff is requesting authorization to renew its one-year license to continue use of the Monterey County Water Wise Landscaping software on the District’s conservation program website. The license allows unlimited links to the host website. The Water Awareness Committee (WAC) of Monterey County (the District is a founding member) links to MPWMD’s website.

RECOMMENDATION: Staff recommends approval of an expenditure of \$5,000 and authorization for the General Manager to renew the contract with GardenSoft to purchase a web license for the Monterey County Water Wise Landscaping software.

IMPACT TO STAFF/RESOURCES: Funds for this expenditure are available in items 4-2-2-J in the Fiscal Year 2017-2018 budget.

EXHIBIT

None

ITEM: CONSENT CALENDAR**3. CONSIDER APPROVAL OF EXPENDITURE FOR INCREASED COUNTY RECORDING FEES AND INCREASED RECORDING ACTIVITY**

Meeting Date:	February 22, 2018	Budgeted:	No
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Recording Fees 26-05-781900
Prepared By:	Stephanie Locke	Cost Estimate:	\$50,000 (partially reimbursed)

General Counsel Review: N/A

Committee Recommendation: The Administrative Committee reviewed this item on February 13, 2018 and recommended approval.

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: On January 1, 2018, Senate Bill 2 (SB-2) enacted the Building Homes and Jobs Act to establish permanent, ongoing sources of funding dedicated to affordable housing development. The Act imposes a fee of \$75 to be paid at the time of the recording of every real estate instrument, paper, or notice required or permitted by law to be recorded, per each single transaction per single parcel of real property, not to exceed \$225. The Act requires that a county recorder quarterly send revenues from this fee to the Controller for deposit in the Building Homes and Jobs Fund. MPWMD was not informed of the new fee until the first business day of 2018.

The District records an average of 65 documents each month. On average, the total recording fee now is approximately \$110 per recording, which includes the new \$75 fee. Corporation Service Company (CSC) electronically records the District's documents. Electronic recording costs the District and the customer less than the former method of transmitting documents via courier to the Recorder's Office. Approximately 40 percent of the recording fees are reimbursed by the applicant. Recorded documents include deed restrictions related to access to water records, limitations on use, Well Confirmation of Exemptions, Water Distribution System permits, and notices of compliance and removal.

CSC requires immediate payment at the time a document is recorded. To facilitate this, the District maintains a deposit account that is regularly refilled to cover recording costs. During preparation of the Fiscal Year 2017-2018 budget, staff estimated recordings based on past activity. However, there has been a significant increase in the number of permits issued due to the availability of Malpas Water. Add to that the new \$75 fee, and the approved budget for document recording (\$24,000 for FY 2017-18) is now significantly short.

Staff is seeking approval of an additional \$50,000 for document recording for the remainder of the fiscal year. This change will be reflected in the proposed mid-year budget.

RECOMMENDATION: Staff recommends the Administrative Committee approve an increase in funding to accommodate an increase in the number of deed restrictions being recorded and the increase in the recording fees due to AB-2.

EXHIBIT

None

ITEM: CONSENT CALENDAR**4. CONSIDER ADOPTION OF RESOLUTION NO. 2018-02 IN SUPPORT OF ENTERING INTO AN AGREEMENT WITH THE CALIFORNIA STATE COASTAL CONSERVANCY TO UPGRADE THE INTAKE FOR THE SLEEPY HOLLOW STEELHEAD REARING FACILITY**

Meeting Date:	February 22, 2018	Budgeted:	Yes
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Protect Environmental Quality 2-3-1- G
Prepared By:	Larry Hampson	Cost Estimate:	\$1,800,000 (100% Reimbursed)

General Counsel Review: N/A**Committee Recommendation: The Administrative Committee reviewed this item on February 13, 2018 and recommended approval.****CEQA Compliance: The District adopted a Mitigated Negative Declaration for this project on November 14, 2016.**

SUMMARY: The California State Coast Conservancy (SCC) is proposing to disburse up to \$1,800,000 as a grant to the District from California American Water (Cal-Am) Settlement Agreement funds to construct improvements at the Sleepy Hollow Steelhead Rearing Facility located along the Carmel River downstream of the former San Clemente Dam. The improvements are necessary to prevent catastrophic failure in the plumbing system when fine sediment moves through the river or when river flow is too low to allow once-through use at the facility. Construction of the improvements is tentatively scheduled to begin in late spring or early summer of 2018 and may not be complete until fall of 2019.

At its November 30, 2017 meeting, the SCC Board of Directors approved entering into a funding agreement with the District for the project, subject to meeting requirements for the work. **Exhibit 4-A** is a Resolution to enter into an agreement with the SCC for funds to complete the work. Project work is expected to take approximately one year to complete.

RECOMMENDATION: If this item is approved as part of the Consent Calendar, the Board will adopt Resolution 2018-02, which authorizes the General Manager to enter into an agreement with the California State Coastal Conservancy (SCC) to receive up to \$1,800,000 in grant funds to improve the Sleepy Hollow Steelhead Rearing Facility intake.

DISCUSSION:

Existing Facilities Description: One of the projects proposed in the 1990 Allocation EIR Mitigation Program was to construct a facility to raise steelhead rescued each year from the dewatered portions of the river. In 1996, the District built and began operating the Sleepy

Hollow Steelhead Rearing Facility (SHSRF) to raise juvenile steelhead rescued from the Carmel River. MPWMD rescues an average of about 16,000 fish each year, with just over 84,000 rescued in 2008 (note: high numbers of fish rescues correlate with low water conditions and vice-versa). A portion of the rescued fish are placed into the SHSRF, where approximately 50% survive the dry season and are then released to the river in the fall or early winter, normally after wet season rains begin.

The SHSRF, which is located about 0.6 miles downstream of San Clemente Dam, consists of an instream river diversion, a pump station, two large circular holding tanks, eight rearing troughs, an 800-foot long simulated natural rearing channel, and miscellaneous support systems. The facility was upgraded in 2000 with a cooling system and pump improvements to handle river water that is heated as it passes through Los Padres and San Clemente Reservoirs.

The original design of the project was based on three key assumptions: 1) clear water (i.e., free of sediment and debris) would be available during the rearing season; and 2) the facility would be operated only during the dry season when river diversions reduce the amount of rearing habitat in the main stem; and 3) a design flow-through rate of one cubic foot per second (cfs). Currently, the intake is not filtered and pumps are not designed to handle gritty material. Another weakness with the current design is that organic material (mostly leaves in the late summer and fall) can clog the drum screen in the bottom of the river channel at low flows. Even with frequent cleaning, reduced flow through the screen can cause pump cavitation and lead to failure. Subsequent to the initial construction, the flow-through rate was doubled to 2 cfs in order to improve water quality; however, when releases from storage at Los Padres Reservoir are cut back to a minimum (as happened this past year), the pump system is subject to failure from cavitation. Flow through the facility is by gravity, so an interruption in flow of more than a few hours can result in fish stress and/or mortality.

Changed Conditions: California Department of Fish and Wildlife (CDFW) and the National Marine Fisheries Service (NMFS) have requested that MPWMD rear fish at the SHSRF later into the year, in order to allow the re-watered Carmel River to more fully recover, and provide a more restored food chain, prior to the reintroduction of the rescued native fish to their previously dewatered habitat. Doing so requires the SHSRF to operate through the fall at very low river flows and into initial winter storms of the year, which cover the existing intake screen and pump gallery, denying access for maintenance and repairs. After removal of San Clemente Dam in 2015, a significant amount of bedload sediment (sand, silt, and gravel) has flowed through the river channel that, if entrained at the intake, will cause the intake pumps to fail suddenly and catastrophically.

Need for Project: The water intake for the SHSRF must be modified to ensure an uninterrupted supply of water to the facility during future adverse Carmel River conditions that include increased sediment flow, organic loading, and both very low and very high river flows.

The SHSRF will likely stay in full operation as a mitigation for Cal-Am's Carmel River diversions until replacement water supply projects are completed and fully operational (currently scheduled for late 2021). After replacement water supplies are completed, operation of SHSRF may still be required in order to mitigate for Carmel River diversions that are likely to continue

to impact aquatic habitat in the dry season. In addition, there may be a long-term need for the facility, as it does not appear that the Carmel River steelhead population will be recovered in the foreseeable future to the self-sustaining population level proposed in the NMFS South-Central California Coast Steelhead Recovery Plan.

In 2014, MPWMD entered into a funding agreement with SCC for project design, preparation of environmental documents, and permit acquisition. Final design plans and permits are expected to be completed in the second quarter of 2018.

Project Funding: In 2009, the California Department of Fish and Game (now CDFW) entered into a Settlement Agreement with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration (NOAA), and California American Water (Cal-Am) for the purpose of disbursing funds paid by Cal-Am to mitigate for impacts to steelhead from unauthorized water diversions along the Carmel River. Cal-Am conveyed \$3.5 million to CDFG in July 2009 and annual installments of an additional \$1.1 million are paid each July 1 through 2016 for a total of \$11.2 million. Project improvements at the SHSRF will be funded by funds already paid by Cal-Am.

NMFS, the agent for NOAA, Cal-Am and SCC recently executed an amended Settlement Agreement to enable Cal-Am to continue funding additional projects with \$1.1 million per year through 2021.

Project goals:

- Prevent silt, sand, and organic material from entering the rearing channel.
- Improve the District’s ability to maintain the river water pumps.
- Reduce wear damage to pumps.
- Allow the SHSRF to operate for longer periods.
- Improve water quality and increase flows in the rearing channel.

Work Plan, Budget, and Schedule: MPWMD will work with SCC on a Work Plan that will include development and review and a budget for construction bids for the proposed improvements and proposals for professional services. A detailed schedule will be developed for inclusion in an agreement with SCC. MPWMD will provide project review and be responsible for overall grant administration.

At a future meeting, the MPWMD Board of Directors will be requested to consider construction bids and proposals for services and approve entering into agreements for construction and services. Grant funding for these services is capped at \$450,000.

IMPACT ON FISCAL AND STAFF RESOURCES: The 2017-18 mid-year budget adjustment shows \$50,000 in line item 2-3-1 G “Facility Upgrade (construction),” which would be reimbursed. The balance of the grant would be budgeted in FY2018-19 with most of the expenses for the project occurring in that fiscal year. Several District staff would be involved in managing the project and in carrying out certain mitigation measures. MPWMD is not proposing to be reimbursed for these services unless project costs are less than grant funding.

EXHIBIT

4-A MPWMD Board Resolution 2018-02

EXHIBIT 4-A
RESOLUTION 2018-02

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TO AUTHORIZE THE GENERAL MANAGER TO ENTER INTO A CONTRACT WITH THE
CALIFORNIA STATE COASTAL CONSERVANCY FOR
REIMBURSEMENT OF EXPENSES TO CARRY OUT CONSTRUCTION OF THE
SLEEPY HOLLOW STEELHEAD REARING FACILITY INTAKE UPGRADE**

Resolved by the Board of Directors of the Monterey Peninsula Water Management District to obtain reimbursement of expenses from the California State Coastal Conservancy for construction to upgrade the Sleepy Hollow Steelhead Rearing Facility intake (Project). The Project will be constructed to enhance and protect the anadromous salmonid fishery in the Carmel River. The General Manager of the Monterey Peninsula Water Management District is hereby authorized and directed to enter into an agreement to receive funds for such a Project with the California State Coastal Conservancy.

On a motion by Director _____ and second by Director _____ the foregoing resolution is duly adopted this ___ day of _____ 2018 by the following votes.

Ayes: Directors

Nays:

Absent:

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the ___ day of _____ 2018.

Witness my hand and seal of the Board of Directors this ___ day of _____ 2018.

David J. Stoldt,
Secretary to the Board of Directors

ITEM: CONSENT CALENDAR**5. RECEIVE AND FILE SECOND QUARTER FINANCIAL ACTIVITY REPORT FOR FISCAL YEAR 2017-2018****Meeting Date:** February 22, 2018 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Suresh Prasad **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** The Administrative Committee reviewed this item on February 13, 2018 and recommended approval.**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

SUMMARY: The second quarter of Fiscal Year (FY) 2017-2018 came to a conclusion on December 31, 2017. A table comparing budgeted and actual year-to-date revenues and expenditures for the period is included as **Exhibit 5-A**. The **Exhibits 5-B and 5-C** present the same information in bar graph format. The following comments summarize District staff's observations:

REVENUES

The revenue table compares amounts received through the second quarter and conclusion of FY 2017-2018 to the amounts budgeted for that same time period. Total revenues collected were \$5,876,721, or 90.1% of the budgeted amount of \$6,520,400. Variances within the individual revenue categories are described below:

- Water Supply Charge revenues were \$2,059,657, or 121.2% of the budget for the period. The first installment of this revenue was received in December 2017.
- Property tax revenues were \$1,057,937, or 120.9% of the budget for the period. The first installment of this revenue was received in December 2017.
- User fee revenues were \$2,076,168, or about 121.2% of the amount budgeted. This is the higher than budgeted as the District did not have historical figures on collection.
- Connection Charge revenues were \$252,896, or 202.3% of the budget for the period. Actual collection was higher than anticipated budgeted figure as the forecasted figures are based on estimated number of customers pulling permits. There was more connection charge received than budgeted for the first six months.
- Permit Fees revenues were \$131,230, or 113.6% of the budget for the period. Actual collection was higher than anticipated budgeted figure as the forecasted figures are based on estimated number of customers pulling permits. There was more permit fees received than budgeted for the first six months.
- Interest revenues were 13,435, or 134.4% of the budget for the period. Actual interest received was slightly higher than budgeted for the first six months.

- Reimbursements of \$244,131, or 26.9% of the budget. This is based on actual spending and collection of reimbursement project funds. This is considerably less than the budgeted amount as many projects were deferred and continued to next quarter.
- Grant revenue of 18,043, or 2.9% of the budget. This is due to grant funded projects being deferred and continued to next quarter.
- The Other revenue category totaled \$23,224 or about 101.9% of the budgeted amount. This category includes reimbursement revenues from legal and other miscellaneous services.
- The Reserves category totaled \$0 or about 0.00% of the budgeted amount. This category includes potential use of reserves and the water supply carry forward balance during the fiscal year for which adjustments will be made at the conclusion of the fiscal year.

EXPENDITURES

Expenditure activity as depicted on the expenditure table is similar to patterns seen in past fiscal years. Total expenditures of \$3,748,114 were about 57.5% of the budgeted amount of \$6,520,400 for the period. Variances within the individual expenditure categories are described below:

- Personnel costs of \$1,816,424 were about 101.1% of the budget. This was slightly higher than the anticipated budget.
- Expenditures for supplies and services were \$503,044, or about 73.8% of the budgeted amount. This was lower than the anticipated budget due to the professional fees and legal expenses coming in lower than the expected budgeted numbers.
- Fixed assets purchases of \$8,483 represented around 2.0% of the budgeted amount as most of the purchases were deferred to next quarter. The largest portion of this line item is the Water Demand Division database project which will start in February 2018.
- Funds spent for project expenditures were \$1,346,281, or approximately 41.8% of the amount budgeted for the period. This is due to most projects spending being deferred to next quarter.
- Debt Service included costs of \$67,019, or 58.3% of the budget for the period. Debt service is paid semi-annually, in December and June.
- Contingencies/Other expenditures \$0, or 0% of the budgeted amount. This was due to the contingency budget not spent during this fiscal year.
- Reserve expenditures of \$0, or 0% of the budgeted amount. This was due to the adjustments made at the conclusion of the fiscal year.

EXHIBITS

5-A Revenue and Expenditure Table

5-B Revenue Graph

5-C Expenditure Graph

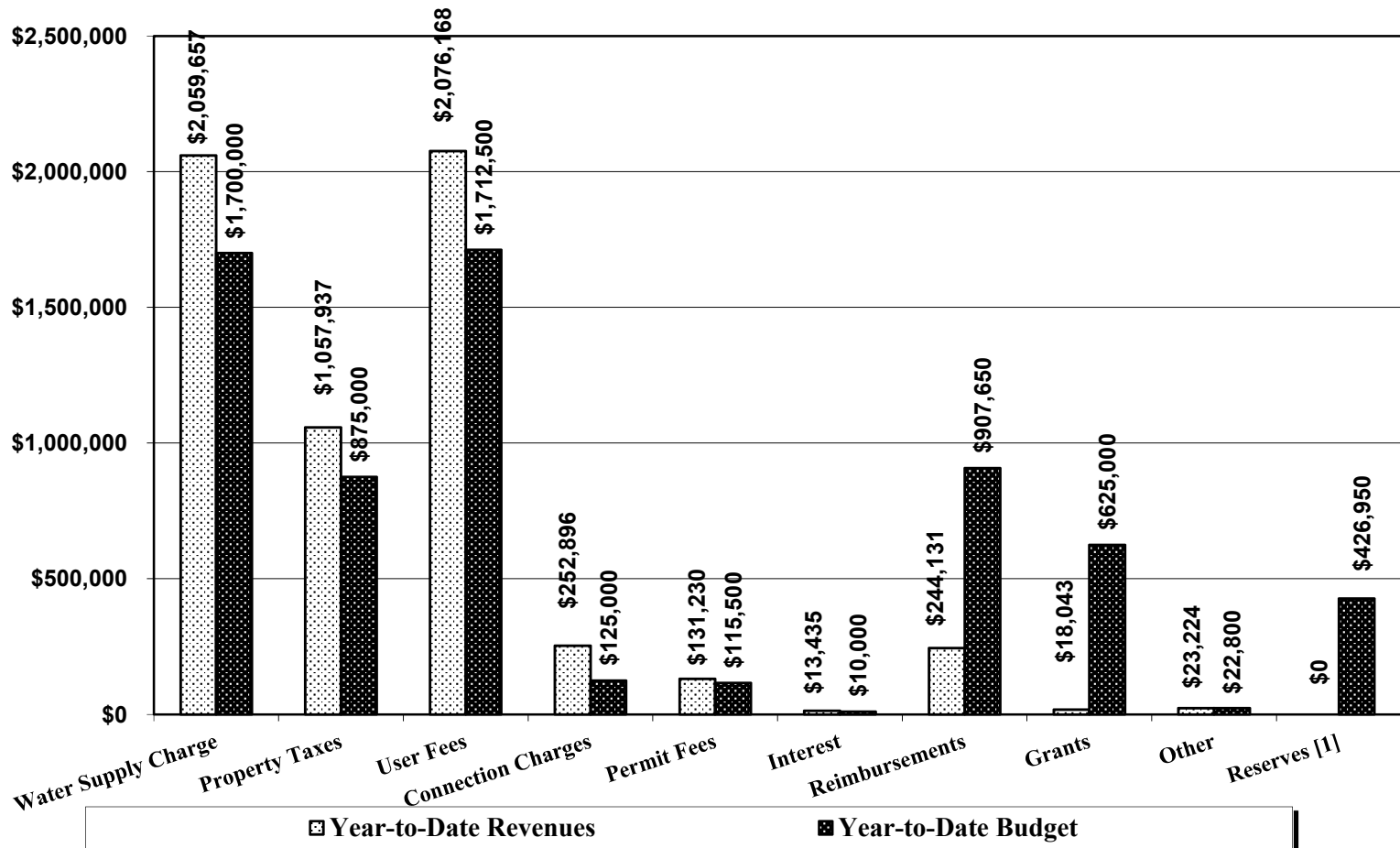
**Monterey Peninsula Water Management District
Fourth Quarter Report on Financial Activity
Fiscal Year 2017-2018**

	Year-to-Date <u>Revenues</u>	Year-to-Date <u>Budget</u>	<u>Variance</u>	Percent of <u>Budget</u>
Water Supply Charge	\$2,059,657	\$1,700,000	(\$359,657)	121.2%
Property Taxes	\$1,057,937	\$875,000	(\$182,937)	120.9%
User Fees	\$2,076,168	\$1,712,500	(\$363,668)	121.2%
Connection Charges	\$252,896	\$125,000	(\$127,896)	202.3%
Permit Fees	\$131,230	\$115,500	(\$15,730)	113.6%
Interest	\$13,435	\$10,000	(\$3,435)	134.4%
Reimbursements	\$244,131	\$907,650	\$663,519	26.9%
Grants	\$18,043	\$625,000	\$606,957	2.9%
Other	\$23,224	\$22,800	(\$424)	101.9%
Reserves [1]	\$0	\$426,950	\$426,950	0.0%
Total Revenues	\$5,876,721	\$6,520,400	\$643,679	90.1%

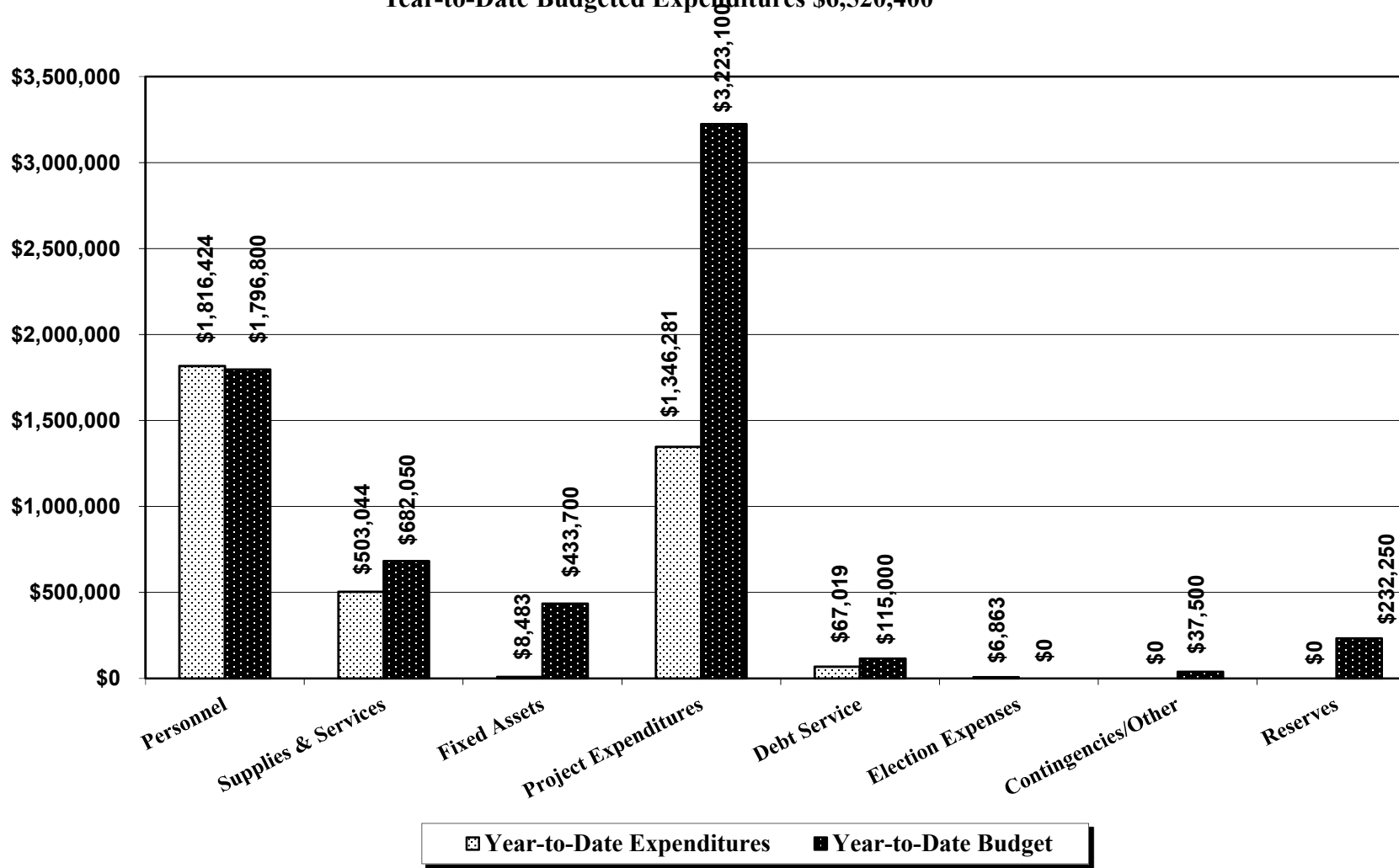
	Year-to-Date <u>Expenditures</u>	Year-to-Date <u>Budget</u>	<u>Variance</u>	Percent of <u>Budget</u>
Personnel	\$1,816,424	\$1,796,800	(\$19,624)	101.1%
Supplies & Services	\$503,044	\$682,050	\$179,006	73.8%
Fixed Assets	\$8,483	\$433,700	\$425,217	2.0%
Project Expenditures	\$1,346,281	\$3,223,100	\$1,876,819	41.8%
Debt Service	\$67,019	\$115,000	\$47,981	58.3%
Election Expenses	\$6,863	\$0	(\$6,863)	100.0%
Contingencies/Other	\$0	\$37,500	\$37,500	0.0%
Reserves	\$0	\$232,250	\$232,250	0.0%
Total Expenditures	\$3,748,114	\$6,520,400	\$2,772,286	57.5%

[1] Budget column includes fund balance, water supply carry forward, and reserve fund

REVENUES
Fiscal Year Ended December 31, 2017
 Year-to-Date Actual Revenues \$5,876,721
 Year-to-Date Budgeted Revenues \$6,520,400



EXPENDITURES
Fiscal Year Ended December 31, 2017
 Year-to-Date Actual Expenditures \$3,748,114
 Year-to-Date Budgeted Expenditures \$6,520,400



ITEM: CONSENT CALENDAR**6. CONSIDER APPROVAL OF SECOND QUARTER FISCAL YEAR 2017-2018 INVESTMENT REPORT**

Meeting Date:	February 22, 2018	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: The Administrative Committee considered this item on February 13, 2017 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378**

SUMMARY: The District's investment policy requires that each quarter the Board of Directors receive and approve a report on investments held by the District. **Exhibit 6-A** is the report for the quarter ending December 31, 2017. District staff has determined that these investments do include sufficient liquid funds to meet anticipated expenditures for the next six months and as a result this portfolio is in compliance with the current District investment policy. This portfolio is in compliance with the California Government Code, and the permitted investments of Monterey County.

RECOMMENDATION: The Administrative Committee considered this item at its February 13, 2018 meeting and voted 3 to 0 to recommend approval.

EXHIBIT**6-A** Investment Report as of December 31, 2017

EXHIBIT 6-A
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
INVESTMENT REPORT AS OF DECEMBER 31, 2017

MPWMD

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
Local Agency Investment Fund	12/31/17	01/01/18	\$1,016,786	\$1,016,786	\$1,016,786	1.200%	15.24%
Bank of America:							
Money Market	12/31/17	01/01/18	3,874,054	3,874,054	3,874,054	0.037%	
Checking	12/31/17	01/01/18	246,191	246,191	246,191	0.000%	
			\$4,120,245	\$4,120,245	\$4,120,245		61.77%
Wells Fargo Money Market	12/31/17	01/01/18	283,117	283,117	283,117	0.010%	
Wells Fargo Institutional Securities:							
Interest Bearing Certificate of Deposit	03/27/15	03/27/18	\$250,000	\$250,000	\$249,857	1.150%	
Interest Bearing Certificate of Deposit	06/17/15	06/18/18	\$250,000	\$250,000	\$249,683	1.550%	
Interest Bearing Certificate of Deposit	09/30/15	10/01/18	\$250,000	\$250,000	\$250,093	1.650%	
Interest Bearing Certificate of Deposit	11/12/17	11/13/18	\$250,000	\$250,000	\$249,641	1.500%	
Interest Bearing Certificate of Deposit	11/09/17	11/12/19	\$250,000	\$250,000	\$248,959	1.750%	
			\$1,533,117	\$1,533,117	\$1,531,350	1.520%	22.98%
TOTAL MPWMD			\$6,670,148	\$6,670,148	\$6,668,381	0.554%	

CAWD/PBCSD WASTEWATER RECLAMATION PROJECT

Issuing Institution Security Description	Purchase Date	Maturity Date	Cost Basis	Par Value	Market Value	Annual Rate of Return	Portfolio Distribution
US Bank Corp Trust Services:							0.20%
Certificate Payment Fund	12/31/17	01/01/18	791	791	791	0.000%	
Interest Fund	12/31/17	01/01/18	327	327	327	0.000%	
Rebate Fund	12/31/17	01/01/18	19	19	19	0.000%	
			\$1,136	\$1,136	\$1,136	0.000%	
Bank of America:							99.80%
Money Market Fund	12/31/17	01/01/18	580,110	580,110	\$580,110	0.037%	
TOTAL WASTEWATER RECLAMATION PROJECT			\$581,246	\$581,246	\$581,246	0.037%	

These investments do include sufficient liquid funds to meet anticipated expenditures for the next six months as reflected in the FY 2017-2018 annual budget adopted on June 19, 2017.

ITEM: CONSENT CALENDAR**7. CONSIDER ADOPTION OF TREASURER'S REPORT FOR DECEMBER 2017**

Meeting Date:	February 22, 2018	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Suresh Prasad	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: The Administrative Committee considered this item on February 13, 2018 and recommended approval.****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378**

SUMMARY: Exhibit 7-A comprises the Treasurer's Report for December 2017. **Exhibit 7-B, Exhibit 7-C** and **Exhibit 7-D** are listings of check disbursements for the period December 1-31, 2017. Check Nos. 30771 through 31040, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$725,027.17. That amount included \$40,056.29 for conservation rebates. **Exhibit 7-E** reflects the unaudited version of the financial statements for the month ending December 31, 2017.

RECOMMENDATION: District staff recommends adoption of the December 2017 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

EXHIBITS

- 7-A** Treasurer's Report
- 7-B** Listing of Cash Disbursements-Regular
- 7-C** Listing of Cash Disbursements-Payroll
- 7-D** Listing of Other Bank Items
- 7-E** Financial Statements

**MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
TREASURER'S REPORT FOR DECEMBER 2017**

<u>Description</u>						PB	
	<u>Checking</u>	<u>MPWMD Money Market</u>	<u>L.A.I.F.</u>	<u>Wells Fargo Investments</u>	<u>MPWMD Total</u>	<u>Rabobank Line of Credit</u>	<u>Reclamation Money Market</u>
Beginning Balance	\$71,218.25	\$1,027,951.62	\$1,013,708.97	\$1,530,615.44	\$ 3,643,494.28	\$0.00	\$581,030.68
Fee Deposits		3,746,086.26			3,746,086.26		499,068.90
Line of Credit Draw/Payoff					0.00		
Interest		59.91	3,077.10	2,501.63	5,638.64		13.45
Transfer to/from LAIF					0.00		
Transfer-Money Market to Checking	\$900,000.00	(900,000.00)			0.00		
Transfer-Money Market to W/Fargo					0.00		
Transfer-W/Fargo to Money Market					0.00		
W/Fargo-Investment Purchase					0.00		
Transfer Ckg to MPWMD M/Mrkt					0.00		
MoCo Tax & WS Chg Installment Pymt					0.00		
Transfer to CAWD					0.00		(500,000.00)
Voided Cks					0.00		
Bank Corrections/Reversals/Errors					0.00		
Bank Charges/Rtn'd Deposits/Other	(\$333.63)	(44.10)			(377.73)		(3.00)
Payroll Tax/Benefit Deposits	(42,445.34)				(42,445.34)		
Payroll Checks/Direct Deposits	(135,839.67)				(135,839.67)		
General Checks	(501,924.31)				(501,924.31)		
Bank Draft Payments	(44,484.22)				(44,484.22)		
Ending Balance	\$246,191.08	\$3,874,053.69	\$1,016,786.07	\$1,533,117.07	\$6,670,147.91	\$0.00	\$580,110.03

Check Report

By Check Number

Date Range: 12/01/2017 - 12/31/2017



Monterey Peninsula Water Management Dist

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
00763	ACWA-JPIA	12/01/2017	Regular	0.00	436.75	30771
00767	AFLAC	12/01/2017	Regular	0.00	917.78	30772
01188	Alhambra	12/01/2017	Regular	0.00	173.07	30773
01347	ARC	12/01/2017	Regular	0.00	139.96	30774
00253	AT&T	12/01/2017	Regular	0.00	802.91	30775
00253	AT&T	12/01/2017	Regular	0.00	117.39	30776
00236	AT&T Long Distance	12/01/2017	Regular	0.00	120.26	30777
09127	Ben Meadows	12/01/2017	Regular	0.00	106.92	30778
00243	CalPers Long Term Care Program	12/01/2017	Regular	0.00	100.12	30779
01001	CDW Government	12/01/2017	Regular	0.00	130.46	30780
00230	Cisco WebEx, LLC	12/01/2017	Regular	0.00	49.00	30781
06268	Comcast	12/01/2017	Regular	0.00	257.40	30782
02660	Forestry Suppliers Inc.	12/01/2017	Regular	0.00	139.24	30783
00993	Harris Court Business Park	12/01/2017	Regular	0.00	721.26	30784
00277	Home Depot Credit Services	12/01/2017	Regular	0.00	73.65	30785
06999	KBA Docusys	12/01/2017	Regular	0.00	293.63	30786
06745	KBA Docusys - Lease Payments	12/01/2017	Regular	0.00	1,032.32	30787
00222	M.J. Murphy	12/01/2017	Regular	0.00	29.67	30788
00755	Peninsula Welding Supply, Inc.	12/01/2017	Regular	0.00	29.24	30789
00256	PERS Retirement	12/01/2017	Regular	0.00	700.00	30790
00282	PG&E	12/01/2017	Regular	0.00	1,800.01	30791
00233	Rana Creek Habitat	12/01/2017	Regular	0.00	135.77	30792
00251	Rick Dickhaut	12/01/2017	Regular	0.00	1,030.00	30793
00987	SDRMA - Prop & Liability Pkg	12/01/2017	Regular	0.00	303.65	30794
04709	Sherron Forsgren	12/01/2017	Regular	0.00	650.33	30795
01351	Staples Credit Plan	12/01/2017	Regular	0.00	98.31	30796
09989	Star Sanitation Services	12/01/2017	Regular	0.00	105.69	30797
04719	Telit IoT Platforms, LLC	12/01/2017	Regular	0.00	269.85	30798
09425	The Ferguson Group LLC	12/01/2017	Regular	0.00	2,020.30	30799
00269	U.S. Bank	12/01/2017	Regular	0.00	2,757.24	30800
	Void	12/01/2017	Regular	0.00	0.00	30801
00207	Universal Staffing Inc.	12/01/2017	Regular	0.00	1,532.16	30802
00271	UPEC, Local 792	12/01/2017	Regular	0.00	1,128.68	30803
12181	Val Strough Honda	12/01/2017	Regular	0.00	637.73	30804
00221	Verizon Wireless	12/01/2017	Regular	0.00	630.54	30805
08105	Yolanda Munoz	12/01/2017	Regular	0.00	1,080.00	30806
00249	A.G. Davi, LTD	12/08/2017	Regular	0.00	395.00	30816
14037	AECOM Technical Services, Inc.	12/08/2017	Regular	0.00	15,806.00	30817
04039	American Water Works Association	12/08/2017	Regular	0.00	269.00	30818
00253	AT&T	12/08/2017	Regular	0.00	1,607.05	30819
12188	Brown and Caldwell	12/08/2017	Regular	0.00	20,542.43	30820
00252	Cal-Am Water	12/08/2017	Regular	0.00	110.72	30821
04350	California Special Districts Assoc.	12/08/2017	Regular	0.00	6,842.00	30822
04351	Carmel Chamber of Commerce	12/08/2017	Regular	0.00	680.00	30823
04041	Cynthia Schmidlin	12/08/2017	Regular	0.00	630.67	30824
00225	Escalon Services c/o Palace Business Solutions	12/08/2017	Regular	0.00	627.95	30825
00192	Extra Space Storage	12/08/2017	Regular	0.00	779.00	30826
05825	Grainger	12/08/2017	Regular	0.00	1,565.01	30827
00986	Henrietta Stern	12/08/2017	Regular	0.00	1,183.47	30828
00277	Home Depot Credit Services	12/08/2017	Regular	0.00	212.39	30829
00768	ICMA	12/08/2017	Regular	0.00	6,385.09	30830
04717	Inder Osahan	12/08/2017	Regular	0.00	1,183.47	30831
05371	June Silva	12/08/2017	Regular	0.00	396.12	30832
05830	Larry Hampson	12/08/2017	Regular	0.00	274.90	30833

EXHIBIT 7-B

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Check Report

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00222	M.J. Murphy	12/08/2017	Regular	0.00	40.92	30834
00242	MBAS	12/08/2017	Regular	0.00	3,280.00	30835
13396	Navia Benefit Solutions, Inc.	12/08/2017	Regular	0.00	975.38	30836
04347	Oregon RFID	12/08/2017	Regular	0.00	2,201.76	30837
13292	Pacific Global Services, Inc.	12/08/2017	Regular	0.00	118.07	30838
00154	Peninsula Messenger Service	12/08/2017	Regular	0.00	582.00	30839
00755	Peninsula Welding Supply, Inc.	12/08/2017	Regular	0.00	80.69	30840
00159	Pueblo Water Resources, Inc.	12/08/2017	Regular	0.00	45,111.80	30841
07627	Purchase Power	12/08/2017	Regular	0.00	500.00	30842
00262	Pure H2O	12/08/2017	Regular	0.00	128.82	30843
00234	Rapid Printers	12/08/2017	Regular	0.00	467.63	30844
14676	Scardina Builders	12/08/2017	Regular	0.00	25,392.00	30845
04709	Sherron Forsgren	12/08/2017	Regular	0.00	650.33	30846
00258	TBC Communications & Media	12/08/2017	Regular	0.00	10,606.17	30847
00269	U.S. Bank	12/08/2017	Regular	0.00	6,672.91	30848
	Void	12/08/2017	Regular	0.00	0.00	30849
00994	Whitson Engineers	12/08/2017	Regular	0.00	5,358.50	30850
00760	Andy Bell	12/18/2017	Regular	0.00	699.00	30851
04042	Cabelas Government Outfitters	12/18/2017	Regular	0.00	328.49	30852
00252	Cal-Am Water	12/18/2017	Regular	0.00	84.51	30853
00252	Cal-Am Water	12/18/2017	Regular	0.00	217.52	30854
00243	CalPers Long Term Care Program	12/18/2017	Regular	0.00	50.06	30855
08704	Carmel Valley Trail and Saddle Club	12/18/2017	Regular	0.00	2,305.06	30856
00225	Escalon Services c/o Palace Business Solutions	12/18/2017	Regular	0.00	12.38	30857
05825	Grainger	12/18/2017	Regular	0.00	695.93	30858
08929	HDR Engineering, Inc.	12/18/2017	Regular	0.00	8,114.38	30859
00277	Home Depot Credit Services	12/18/2017	Regular	0.00	10.86	30860
00094	John Arriaga	12/18/2017	Regular	0.00	2,500.00	30861
07622	KISTERS North America, Inc.	12/18/2017	Regular	0.00	4,907.00	30862
00259	Marina Coast Water District	12/18/2017	Regular	0.00	58.57	30863
00242	MBAS	12/18/2017	Regular	0.00	1,540.00	30864
00118	Monterey Bay Carpet & Janitorial Svc	12/18/2017	Regular	0.00	2,450.00	30865
00274	MRWPCA	12/18/2017	Regular	0.00	152.71	30866
04347	Oregon RFID	12/18/2017	Regular	0.00	4,458.38	30867
00282	PG&E	12/18/2017	Regular	0.00	21.07	30868
00282	PG&E	12/18/2017	Regular	0.00	38.33	30869
00282	PG&E	12/18/2017	Regular	0.00	16.29	30870
00282	PG&E	12/18/2017	Regular	0.00	9.86	30871
00234	Rapid Printers	12/18/2017	Regular	0.00	174.00	30872
13394	Regional Government Services	12/18/2017	Regular	0.00	3,803.00	30873
01020	Sara Reyes - Petty Cash Custodian	12/18/2017	Regular	0.00	217.52	30874
00269	U.S. Bank	12/18/2017	Regular	0.00	5.00	30875
00207	Universal Staffing Inc.	12/18/2017	Regular	0.00	1,361.92	30876
00271	UPEC, Local 792	12/18/2017	Regular	0.00	1,128.68	30877
00754	Zone24x7	12/18/2017	Regular	0.00	4,717.00	30878
00249	A.G. Davi, LTD	12/22/2017	Regular	0.00	395.00	30993
03966	ACWA (Memberships/Conferences/Publications)	12/22/2017	Regular	0.00	10,290.00	30994
00263	Arlene Tavani	12/22/2017	Regular	0.00	80.00	30995
00253	AT&T	12/22/2017	Regular	0.00	802.06	30996
00253	AT&T	12/22/2017	Regular	0.00	182.54	30997
00036	Bill Parham	12/22/2017	Regular	0.00	650.00	30998
12188	Brown and Caldwell	12/22/2017	Regular	0.00	11,250.40	30999
00024	Central Coast Exterminator	12/22/2017	Regular	0.00	104.00	31000
00237	Chevron	12/22/2017	Regular	0.00	163.34	31001
06268	Comcast	12/22/2017	Regular	0.00	247.40	31002
00281	CoreLogic Information Solutions, Inc.	12/22/2017	Regular	0.00	901.93	31003
11822	CSC	12/22/2017	Regular	0.00	2,000.00	31004
00041	Denise Duffy & Assoc. Inc.	12/22/2017	Regular	0.00	1,136.05	31005
00225	Escalon Services c/o Palace Business Solutions	12/22/2017	Regular	0.00	261.89	31006
00192	Extra Space Storage	12/22/2017	Regular	0.00	779.00	31007
05825	Grainger	12/22/2017	Regular	0.00	305.90	31008

EXHIBIT 7-B

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Check Report

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
00083	Hayashi & Wayland Accountancy Corp.	12/22/2017	Regular	0.00	8,400.00	31009
00277	Home Depot Credit Services	12/22/2017	Regular	0.00	518.79	31010
00768	ICMA	12/22/2017	Regular	0.00	6,385.09	31011
03857	Joe Oliver	12/22/2017	Regular	0.00	1,183.47	31012
13431	Lynx Technologies, Inc	12/22/2017	Regular	0.00	450.00	31013
00223	Martins Irrigation Supply	12/22/2017	Regular	0.00	50.50	31014
04729	Monterey Commercial Property Owners Associati	12/22/2017	Regular	0.00	400.00	31015
04034	Monterey County Tax Collector	12/22/2017	Regular	0.00	189.44	31016
04034	Monterey County Tax Collector	12/22/2017	Regular	0.00	189.44	31017
13396	Navia Benefit Solutions, Inc.	12/22/2017	Regular	0.00	975.38	31018
04032	Normandeau Associates, Inc.	12/22/2017	Regular	0.00	7,583.25	31019
05053	Pacific Smog	12/22/2017	Regular	0.00	79.50	31020
00282	PG&E	12/22/2017	Regular	0.00	263.41	31021
00282	PG&E	12/22/2017	Regular	0.00	4,702.11	31022
00282	PG&E	12/22/2017	Regular	0.00	9,409.50	31023
00752	Professional Liability Insurance Service	12/22/2017	Regular	0.00	38.47	31024
00159	Pueblo Water Resources, Inc.	12/22/2017	Regular	0.00	11,608.60	31025
00759	RaboBank,N.A.	12/22/2017	Regular	0.00	109,568.00	31026
00251	Rick Dickhaut	12/22/2017	Regular	0.00	1,030.00	31027
00176	Sentry Alarm Systems	12/22/2017	Regular	0.00	125.50	31028
02838	Solinst Canada Ltd	12/22/2017	Regular	0.00	2,387.10	31029
00766	Standard Insurance Company	12/22/2017	Regular	0.00	1,611.27	31030
09989	Star Sanitation Services	12/22/2017	Regular	0.00	88.19	31031
15422	Stocker & Allaire, Inc.	12/22/2017	Regular	0.00	900.00	31032
00258	TBC Communications & Media	12/22/2017	Regular	0.00	5,505.00	31033
04719	Telit lo T Platforms, LLC	12/22/2017	Regular	0.00	247.95	31034
09351	Tetra Tech, Inc.	12/22/2017	Regular	0.00	25,560.15	31035
09425	The Ferguson Group LLC	12/22/2017	Regular	0.00	8,050.92	31036
00269	U.S. Bank	12/22/2017	Regular	0.00	26.68	31037
07769	University Corporation at Monterey Bay	12/22/2017	Regular	0.00	1,420.74	31038
08105	Yolanda Munoz	12/22/2017	Regular	0.00	540.00	31039
06009	yourservicesolution.com	12/22/2017	Regular	0.00	544.00	31040

Payment Type	Bank Code APBNK		Summary	
	Payable Count	Payment Count	Discount	Payment
Regular Checks	220	145	0.00	461,868.02
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	220	147	0.00	461,868.02

EXHIBIT 7-B

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Check Report

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-02-Rebates: Use Only For Rebates						
15451	Abraham Mosqueda	12/22/2017	Regular	0.00	500.00	30879
15484	AGNES FRASER GUMP	12/22/2017	Regular	0.00	300.00	30880
15437	ALEX SEDILLOS	12/22/2017	Regular	0.00	100.00	30881
15510	ALEXANDER CORNISH	12/22/2017	Regular	0.00	500.00	30882
15488	ALI GOLDOUST	12/22/2017	Regular	0.00	614.05	30883
15457	ALLEN SICKLER	12/22/2017	Regular	0.00	500.00	30884
15513	Andrw & Kelsey Barrier	12/22/2017	Regular	0.00	500.00	30885
15466	ANN B. MCLEOD	12/22/2017	Regular	0.00	3,025.00	30886
15530	ANNE LARSON	12/22/2017	Regular	0.00	600.00	30887
15472	April Canto	12/22/2017	Regular	0.00	500.00	30888
15517	ARLEN GROSSMAN	12/22/2017	Regular	0.00	500.00	30889
15456	BENJAMIN & RACHEL MURADYAN	12/22/2017	Regular	0.00	500.00	30890
15443	BERNARDINO VENINI	12/22/2017	Regular	0.00	125.00	30891
15516	Bethany Banakos	12/22/2017	Regular	0.00	500.00	30892
15521	BRITTANY ALKONIS	12/22/2017	Regular	0.00	500.00	30893
15442	CAROL MAEHR	12/22/2017	Regular	0.00	125.00	30894
15502	CATHERINE HARLAN	12/22/2017	Regular	0.00	125.00	30895
15509	CATHERINE REICHHOLD	12/22/2017	Regular	0.00	500.00	30896
15424	CATHERINE STEDMAN	12/22/2017	Regular	0.00	500.00	30897
15427	CHAD ROYAL	12/22/2017	Regular	0.00	100.00	30898
15495	CINDA ROSSI	12/22/2017	Regular	0.00	125.00	30899
15498	CLEMENTINE KLEIN	12/22/2017	Regular	0.00	125.00	30900
15506	CORINNE ROFFLER	12/22/2017	Regular	0.00	500.00	30901
15468	DALE BOUST	12/22/2017	Regular	0.00	100.00	30902
15481	David Harper	12/22/2017	Regular	0.00	598.00	30903
15465	DAVID HORINE	12/22/2017	Regular	0.00	140.00	30904
15433	DAVID MOORE	12/22/2017	Regular	0.00	200.00	30905
15496	DAVID SIMONSEN	12/22/2017	Regular	0.00	125.00	30906
15526	DAVID YAMADA	12/22/2017	Regular	0.00	1,450.00	30907
15485	DENNIS FARBER	12/22/2017	Regular	0.00	75.00	30908
15486	DIANE L WINANT	12/22/2017	Regular	0.00	150.00	30909
15444	ELIZABETH MAURUTTO	12/22/2017	Regular	0.00	125.00	30910
15441	ERNESTINE ALBRECHT	12/22/2017	Regular	0.00	125.00	30911
15449	ESTELA GEORGIU	12/22/2017	Regular	0.00	500.00	30912
15476	FELIX BACHOFNER	12/22/2017	Regular	0.00	4.81	30913
15487	FLORA P SMITH	12/22/2017	Regular	0.00	75.00	30914
15497	FRANCES E MAJORS	12/22/2017	Regular	0.00	125.00	30915
15508	GIUSEPPE SAVONA	12/22/2017	Regular	0.00	500.00	30916
15464	GREGORY MIGDALE	12/22/2017	Regular	0.00	140.00	30917
15447	JAMELLE ANGELELO	12/22/2017	Regular	0.00	500.00	30918
15491	JAMES HALPERN	12/22/2017	Regular	0.00	125.00	30919
15455	JANE DUBETS	12/22/2017	Regular	0.00	500.00	30920
15439	JANE HEIDER	12/22/2017	Regular	0.00	169.98	30921
15490	JASON BROWN	12/22/2017	Regular	0.00	499.99	30922
15425	JEAN PREMUTATI	12/22/2017	Regular	0.00	500.00	30923
15471	JEFFERSON DEMARCO	12/22/2017	Regular	0.00	125.00	30924
15434	JOANNE MARY JOSELYN	12/22/2017	Regular	0.00	100.00	30925
15528	JOANNE MAY	12/22/2017	Regular	0.00	200.00	30926
15431	JOHN D HEANEY	12/22/2017	Regular	0.00	300.00	30927
15458	JORDAN CHROMAN	12/22/2017	Regular	0.00	500.00	30928
15504	JOSEPH & CINDA ROSSI	12/22/2017	Regular	0.00	500.00	30929
15428	JUDITH SHEELER	12/22/2017	Regular	0.00	100.00	30930
15507	KATHRYN CLEARY	12/22/2017	Regular	0.00	500.00	30931
15482	KATHY HIGH	12/22/2017	Regular	0.00	100.00	30932
15524	KENNETH GOLDMAN & SUSAN VALERIOTE	12/22/2017	Regular	0.00	500.00	30933
15438	KENNETH ROSE	12/22/2017	Regular	0.00	100.00	30934
15429	KENNETH T DELUCA	12/22/2017	Regular	0.00	100.00	30935
15520	KIMBERLY MOIR	12/22/2017	Regular	0.00	500.00	30936
15461	LAURIE JOHNSON	12/22/2017	Regular	0.00	500.00	30937
15480	LESTER TUCKER	12/22/2017	Regular	0.00	100.00	30938

EXHIBIT 7-B

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Check Report

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
15515	Linda Bynoe	12/22/2017	Regular	0.00	500.00	30939
15453	Lisa Crummey	12/22/2017	Regular	0.00	497.70	30940
15492	LISA LEOPOLD	12/22/2017	Regular	0.00	125.00	30941
15474	LISA WALLING	12/22/2017	Regular	0.00	500.00	30942
15489	LIZ KLEINSORG	12/22/2017	Regular	0.00	625.00	30943
15452	LORETTA SMITH	12/22/2017	Regular	0.00	500.00	30944
15445	Lynn Sakasegawa	12/22/2017	Regular	0.00	500.00	30945
15529	Mangold Property Management	12/22/2017	Regular	0.00	600.00	30946
15478	MANOJ RAMAKRISHNAN	12/22/2017	Regular	0.00	300.00	30947
15503	MANOJ RAMAKRISHNAN	12/22/2017	Regular	0.00	500.00	30948
15462	MARGARET ROBBINS	12/22/2017	Regular	0.00	500.00	30949
15475	MARIA G MORALES	12/22/2017	Regular	0.00	84.99	30950
15467	MARILYNN DUNN GUSTAFSON	12/22/2017	Regular	0.00	100.00	30951
15494	MARISA JANG	12/22/2017	Regular	0.00	125.00	30952
15435	MARK & ROXANNE TERRELL	12/22/2017	Regular	0.00	200.00	30953
15469	MARSHALL BRICKER	12/22/2017	Regular	0.00	100.00	30954
15459	Matthew Robinson	12/22/2017	Regular	0.00	499.00	30955
15505	MELVIN J DURAO JR	12/22/2017	Regular	0.00	500.00	30956
15501	MICHAEL TAORMINA	12/22/2017	Regular	0.00	125.00	30957
15493	NEIL GLUSKIN	12/22/2017	Regular	0.00	125.00	30958
15519	NORMAN EDWARDS	12/22/2017	Regular	0.00	500.00	30959
15518	PATRICIA A SHAPLEY	12/22/2017	Regular	0.00	500.00	30960
15499	PATRICIA HUBBLE	12/22/2017	Regular	0.00	625.00	30961
15483	PATRICIA HUBBLE	12/22/2017	Regular	0.00	125.00	30962
15450	PAUL & REBECCA TAG	12/22/2017	Regular	0.00	500.00	30963
15440	PETER BRUNO	12/22/2017	Regular	0.00	100.00	30964
15525	PETER DEW	12/22/2017	Regular	0.00	500.00	30965
15500	PETER HOEGEMEIER	12/22/2017	Regular	0.00	125.00	30966
15511	RACHELLE THOMPSON	12/22/2017	Regular	0.00	500.00	30967
15446	RALPH & DIANE HUBER	12/22/2017	Regular	0.00	500.00	30968
15523	RANDY SCIANNA & KIM ANH NGUYEN	12/22/2017	Regular	0.00	500.00	30969
15436	REV FR RONALD L D KAWCZYNSKI	12/22/2017	Regular	0.00	100.00	30970
15527	ROBIN WHITE	12/22/2017	Regular	0.00	75.00	30971
15514	Ronald Cohen	12/22/2017	Regular	0.00	500.00	30972
15463	Russell Butts	12/22/2017	Regular	0.00	500.00	30973
15473	SAMARA ALLEN	12/22/2017	Regular	0.00	500.00	30974
15448	SHAHIN SHARIFZADEH	12/22/2017	Regular	0.00	482.77	30975
15430	STEPHAN LIGAS & JEAN MURPHY	12/22/2017	Regular	0.00	300.00	30976
15479	STEVE & SUZANNE ELLZEY	12/22/2017	Regular	0.00	100.00	30977
15432	SUSAN FOX	12/22/2017	Regular	0.00	200.00	30978
15477	TANYA SMITH	12/22/2017	Regular	0.00	800.00	30979
15426	THOMAS C CARR	12/22/2017	Regular	0.00	100.00	30980
15460	TINGJIAO DAI	12/22/2017	Regular	0.00	500.00	30981
15454	TODD LUEDERS	12/22/2017	Regular	0.00	500.00	30982
15470	VICTORIA PHILLIPS	12/22/2017	Regular	0.00	100.00	30983
15512	VIRGINIA KANE	12/22/2017	Regular	0.00	500.00	30984
15531	Vy Pham	12/22/2017	Regular	0.00	500.00	30985

EXHIBIT 7-B

Check Report

Date Range: 12/01/2017 - 12/31/2017

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
15522	WAYNE & KRISTI CLARK	12/22/2017	Regular	0.00	500.00	30986

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	108	108	0.00	40,056.29
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	108	108	0.00	40,056.29

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	328	253	0.00	501,924.31
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	328	255	0.00	501,924.31

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	12/2017	501,924.31
			501,924.31

EXHIBIT 7-C

Payroll Bank Transaction Report - MPWMD



Monterey Peninsula Water Management Dist

By Payment Number

Date: 12/1/2017 - 12/31/2017

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
3411	12/08/2017	Regular	1024	Stoldt, David J	0.00	5,401.12	5,401.12
3412	12/08/2017	Regular	1025	Tavani, Arlene M	0.00	2,028.72	2,028.72
3413	12/08/2017	Regular	1006	Dudley, Mark A	0.00	2,732.62	2,732.62
3414	12/08/2017	Regular	1039	Flores, Elizabeth	0.00	1,992.52	1,992.52
3415	12/08/2017	Regular	1018	Prasad, Suresh	0.00	3,912.01	3,912.01
3416	12/08/2017	Regular	1002	Bekker, Mark	0.00	1,822.01	1,822.01
3417	12/08/2017	Regular	1005	Christensen, Thomas T	0.00	3,069.86	3,069.86
3418	12/08/2017	Regular	1042	Hamilton, Maureen C.	0.00	2,912.75	2,912.75
3419	12/08/2017	Regular	1008	Hampson, Larry M	0.00	2,967.57	2,967.57
3420	12/08/2017	Regular	1009	James, Gregory W	0.00	3,230.09	3,230.09
3421	12/08/2017	Regular	1012	Lindberg, Thomas L	0.00	2,298.85	2,298.85
3422	12/08/2017	Regular	1013	Lyons, Matthew J	0.00	1,699.37	1,699.37
3423	12/08/2017	Regular	1023	Stern, Henrietta L	0.00	507.35	507.35
3424	12/08/2017	Regular	6035	Besson, Jordan C.	0.00	692.14	692.14
3425	12/08/2017	Regular	1007	Hamilton, Cory R	0.00	2,139.97	2,139.97
3426	12/08/2017	Regular	1026	Urquhart, Kevan A	0.00	2,156.73	2,156.73
3427	12/08/2017	Regular	1041	Gonnerman, Maryan C	0.00	1,896.53	1,896.53
3428	12/08/2017	Regular	1010	Kister, Stephanie L	0.00	2,478.68	2,478.68
3429	12/08/2017	Regular	1014	Martin, Debra S	0.00	2,474.72	2,474.72
3430	12/08/2017	Regular	1040	Smith, Kyle	0.00	1,860.82	1,860.82
3431	12/22/2017	Regular	1024	Stoldt, David J	0.00	5,401.12	5,401.12
3432	12/22/2017	Regular	1025	Tavani, Arlene M	0.00	2,028.72	2,028.72
3433	12/22/2017	Regular	1044	Bennett, Corryn D	0.00	1,562.16	1,562.16
3434	12/22/2017	Regular	1006	Dudley, Mark A	0.00	2,732.63	2,732.63
3435	12/22/2017	Regular	1039	Flores, Elizabeth	0.00	1,992.52	1,992.52
3436	12/22/2017	Regular	1018	Prasad, Suresh	0.00	3,912.01	3,912.01
3437	12/22/2017	Regular	1019	Reyes, Sara C	0.00	1,750.05	1,750.05
3438	12/22/2017	Regular	1002	Bekker, Mark	0.00	1,822.01	1,822.01
3439	12/22/2017	Regular	1005	Christensen, Thomas T	0.00	3,069.85	3,069.85
3440	12/22/2017	Regular	1042	Hamilton, Maureen C.	0.00	2,912.75	2,912.75
3441	12/22/2017	Regular	1008	Hampson, Larry M	0.00	2,967.57	2,967.57
3442	12/22/2017	Regular	1009	James, Gregory W	0.00	3,230.09	3,230.09
3443	12/22/2017	Regular	1011	Lear, Jonathan P	0.00	3,411.14	3,411.14
3444	12/22/2017	Regular	1012	Lindberg, Thomas L	0.00	2,298.86	2,298.86
3445	12/22/2017	Regular	1013	Lyons, Matthew J	0.00	1,699.36	1,699.36
3446	12/22/2017	Regular	1023	Stern, Henrietta L	0.00	498.89	498.89
3447	12/22/2017	Regular	6028	Atkins, Daniel N	0.00	944.70	944.70
3448	12/22/2017	Regular	6035	Besson, Jordan C.	0.00	785.31	785.31
3449	12/22/2017	Regular	1004	Chaney, Beverly M	0.00	2,380.49	2,380.49
3450	12/22/2017	Regular	1007	Hamilton, Cory R	0.00	2,139.97	2,139.97
3451	12/22/2017	Regular	6041	Rachman, Alixandra P	0.00	888.17	888.17
3452	12/22/2017	Regular	1043	Suwada, Joseph	0.00	1,641.72	1,641.72
3453	12/22/2017	Regular	1026	Urquhart, Kevan A	0.00	2,156.74	2,156.74
3454	12/22/2017	Regular	1001	Ayala, Gabriela D	0.00	2,273.25	2,273.25
3455	12/22/2017	Regular	1041	Gonnerman, Maryan C	0.00	1,876.67	1,876.67
3456	12/22/2017	Regular	1010	Kister, Stephanie L	0.00	2,478.67	2,478.67
3457	12/22/2017	Regular	1017	Locke, Stephanie L	0.00	3,323.24	3,323.24
3458	12/22/2017	Regular	1014	Martin, Debra S	0.00	2,474.72	2,474.72
3459	12/22/2017	Regular	1040	Smith, Kyle	0.00	1,860.82	1,860.82
3460	12/22/2017	Regular	7015	Adams, Mary L	0.00	120.02	120.02
3461	12/22/2017	Regular	7013	Clarke, Andrew	0.00	423.77	423.77
3462	12/22/2017	Regular	7014	Evans, Molly F	0.00	249.34	249.34
3463	12/22/2017	Regular	7003	Lewis, Brenda	0.00	246.76	246.76
3464	12/22/2017	Regular	7013	Clarke, Andrew	0.00	316.79	316.79
3465	12/22/2017	Regular	7014	Evans, Molly F	0.00	124.67	124.67
3466	12/22/2017	Regular	7003	Lewis, Brenda	0.00	246.76	246.76
30807	12/08/2017	Regular	1044	Bennett, Corryn D	1,562.16	0.00	1,562.16

EXHIBIT 7-C

Payment Number	Payment Date	Payment Type	Employee Number	Employee Name	Check Amount	Direct Deposit Amount	Total Payment
30808	12/08/2017	Regular	1019	Reyes, Sara C	1,750.05	0.00	1,750.05
30809	12/08/2017	Regular	1011	Lear, Jonathan P	3,411.14	0.00	3,411.14
30810	12/08/2017	Regular	6028	Atkins, Daniel N	758.67	0.00	758.67
30811	12/08/2017	Regular	1004	Chaney, Beverly M	2,380.49	0.00	2,380.49
30812	12/08/2017	Regular	6041	Rachman, Alixandra P	476.82	0.00	476.82
30813	12/08/2017	Regular	1043	Suwada, Joseph	1,641.72	0.00	1,641.72
30814	12/08/2017	Regular	1001	Ayala, Gabriela D	2,273.25	0.00	2,273.25
30815	12/08/2017	Regular	1017	Locke, Stephanie L	3,323.24	0.00	3,323.24
30987	12/22/2017	Regular	7006	Brower, Sr., Robert S	249.34	0.00	249.34
30988	12/22/2017	Regular	7007	Byrne, Jeannie	623.36	0.00	623.36
30989	12/22/2017	Regular	7016	Rubio, Ralph S	249.34	0.00	249.34
30990	12/22/2017	Regular	7006	Brower, Sr., Robert S	124.67	0.00	124.67
30991	12/22/2017	Regular	7007	Byrne, Jeannie	249.34	0.00	249.34
30992	12/22/2017	Regular	7016	Rubio, Ralph S	249.34	0.00	249.34
Totals:					19,322.93	116,516.74	135,839.67



Monterey Peninsula Water Management Dist

Bank Transaction Report

Transaction Detail

Issued Date Range: 12/01/2017 - 12/31/2017

Cleared Date Range: -

Issued Date	Cleared Date	Number	Description	Module	Status	Type	Amount
Accounts Payable							
12/01/2017	12/31/2017	DFT0001051	PERS Retirement	Accounts Payable	Cleared	Bank Draft	-15,343.79
12/08/2017	12/31/2017	DFT0001041	I.R.S.	Accounts Payable	Cleared	Bank Draft	-13,012.02
12/08/2017	12/31/2017	DFT0001042	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,829.74
12/08/2017	12/31/2017	DFT0001043	Employment Development Dept.	Accounts Payable	Cleared	Bank Draft	-4,483.83
12/08/2017	12/31/2017	DFT0001044	I.R.S.	Accounts Payable	Cleared	Bank Draft	-379.30
12/15/2017	12/31/2017	DFT0001045	Laborers Trust Fund of Northern CA	Accounts Payable	Cleared	Bank Draft	-28,550.00
12/22/2017	12/31/2017	DFT0001047	I.R.S.	Accounts Payable	Cleared	Bank Draft	-13,138.62
12/22/2017	12/31/2017	DFT0001048	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,855.38
12/22/2017	12/31/2017	DFT0001049	Employment Development Dept.	Accounts Payable	Cleared	Bank Draft	-4,512.21
12/22/2017	12/31/2017	DFT0001050	I.R.S.	Accounts Payable	Cleared	Bank Draft	-493.20
12/22/2017	12/31/2017	DFT0001053	I.R.S.	Accounts Payable	Cleared	Bank Draft	-77.96
12/22/2017	12/31/2017	DFT0001054	I.R.S.	Accounts Payable	Cleared	Bank Draft	-70.52
12/22/2017	12/31/2017	DFT0001055	Employment Development Dept.	Accounts Payable	Cleared	Bank Draft	-4.19
12/22/2017	12/31/2017	DFT0001056	I.R.S.	Accounts Payable	Cleared	Bank Draft	-301.32
12/22/2017	12/31/2017	DFT0001058	I.R.S.	Accounts Payable	Cleared	Bank Draft	-59.81
12/22/2017	12/31/2017	DFT0001059	I.R.S.	Accounts Payable	Cleared	Bank Draft	-43.10
12/22/2017	12/31/2017	DFT0001060	I.R.S.	Accounts Payable	Cleared	Bank Draft	-184.14
12/22/2017	12/31/2017	DFT0001061	SHELL	Accounts Payable	Cleared	Bank Draft	-590.43
Accounts Payable Total: (18)							-86,929.56
General Ledger							
12/15/2017	12/31/2017	SVC0000136	To post bank service fee	General Ledger	Cleared	Service Charge	-333.63
General Ledger Total: (1)							-333.63
Report Total: (19)							-87,263.19

EXHIBIT 7-D

Bank Transaction Report

Summary

Bank Account	Count	Amount
111 Bank of America Checking - 0000 8170 8210	19	-87,263.19
Report Total:	19	-87,263.19

Cash Account	Count	Amount
99 99-10-100100 Pool Cash Account	19	-87,263.19
Report Total:	19	-87,263.19

Transaction Type	Count	Amount
Bank Draft	18	-86,929.56
Service Charge	1	-333.63
Report Total:	19	-87,263.19



Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals
Group Summary

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Revenue								
R100 - Water Supply Charge	2,059,657	283,220	1,776,437	-727.23 %	2,059,657	3,400,000	-1,340,343	-60.58 %
R120 - Property Taxes Revenues	1,057,937	145,775	912,162	-725.73 %	1,057,937	1,750,000	-692,063	-60.45 %
R130 - User Fees	467,649	285,303	182,346	-163.91 %	2,076,168	3,425,000	-1,348,832	-60.62 %
R140 - Connection Charges	26,195	20,825	5,370	-125.79 %	252,896	250,000	2,896	-101.16 %
R150 - Permit Processing Fee	17,704	14,578	3,127	-121.45 %	120,570	175,000	-54,430	-68.90 %
R160 - Well Registration Fee	125	0	125	0.00 %	1,425	0	1,425	0.00 %
R180 - River Work Permit Application	0	0	0	0.00 %	25	0	25	0.00 %
R190 - WDS Permits Rule 21	2,610	4,665	-2,055	-55.95 %	9,210	56,000	-46,790	-16.45 %
R200 - Recording Fees	642	800	-158	-80.28 %	4,884	9,600	-4,716	-50.88 %
R210 - Legal Fees	0	1,333	-1,333	0.00 %	1,578	16,000	-14,422	-9.86 %
R220 - Copy Fee	17	0	17	0.00 %	67	0	67	0.00 %
R230 - Miscellaneous - Other	1,468	1,666	-198	-88.13 %	16,695	20,000	-3,305	-83.47 %
R250 - Interest Income	5,639	1,666	3,973	-338.45 %	13,435	20,000	-6,565	-67.18 %
R260 - CAW - ASR	0	52,929	-52,929	0.00 %	0	635,400	-635,400	0.00 %
R265 - CAW - Los Padres Reimbursement	0	43,733	-43,733	0.00 %	0	525,000	-525,000	0.00 %
R270 - CAW - Rebates	61,947	41,650	20,297	-148.73 %	225,326	500,000	-274,674	-45.07 %
R290 - CAW - Miscellaneous	0	2,582	-2,582	0.00 %	0	31,000	-31,000	0.00 %
R300 - Watermaster	0	6,214	-6,214	0.00 %	18,805	74,600	-55,795	-25.21 %
R308 - Reclamation Project	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R310 - Other Reimbursements	0	2,441	-2,441	0.00 %	0	29,300	-29,300	0.00 %
R320 - Grants	18,043	104,125	-86,082	-17.33 %	18,043	1,250,000	-1,231,957	-1.44 %
R510 - Operating Reserve	0	71,130	-71,130	0.00 %	0	853,900	-853,900	0.00 %
Total Revenue:	3,719,633	1,086,299	2,633,334	-342.41 %	5,876,720	13,040,800	-7,164,080	-45.06 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	194,238	208,417	14,179	93.20 %	1,158,967	2,502,000	1,343,033	46.32 %
1110 - Manager's Auto Allowance	462	500	38	92.34 %	1,385	6,000	4,615	23.08 %
1120 - Manager's Deferred Comp	677	700	23	96.74 %	2,031	8,400	6,369	24.18 %
1130 - Unemployment Compensation	0	250	250	0.00 %	0	3,000	3,000	0.00 %
1150 - Temporary Personnel	2,829	3,915	1,086	72.27 %	27,172	47,000	19,828	57.81 %
1160 - PERS Retirement	19,031	37,443	18,412	50.83 %	354,762	449,500	94,738	78.92 %
1170 - Medical Insurance	27,250	27,531	280	98.98 %	160,789	330,500	169,711	48.65 %
1180 - Medical Insurance - Retirees	6,471	6,747	276	95.91 %	45,927	81,000	35,073	56.70 %
1190 - Workers Compensation	3,905	4,240	335	92.10 %	25,178	50,900	25,722	49.46 %
1200 - Life Insurance	378	450	72	84.03 %	1,881	5,400	3,519	34.83 %
1210 - Long Term Disability Insurance	1,155	1,200	45	96.29 %	6,841	14,400	7,559	47.50 %
1220 - Short Term Disability Insurance	229	275	46	83.40 %	1,358	3,300	1,942	41.15 %
1230 - Other Benefits	85	100	15	85.03 %	170	1,200	1,030	14.17 %
1260 - Employee Assistance Program	59	125	66	47.02 %	347	1,500	1,153	23.11 %
1270 - FICA Tax Expense	528	566	38	93.27 %	3,299	6,800	3,501	48.51 %
1280 - Medicare Tax Expense	2,783	3,107	324	89.57 %	18,003	37,300	19,297	48.26 %
1290 - Staff Development & Training	0	3,074	3,074	0.00 %	4,528	36,900	32,372	12.27 %
1300 - Conference Registration	0	283	283	0.00 %	2,411	3,400	989	70.93 %
1310 - Professional Dues	105	258	153	40.66 %	1,196	3,100	1,904	38.57 %
1320 - Personnel Recruitment	0	167	167	0.00 %	182	2,000	1,818	9.10 %
Total Level1: 100 - Personnel Costs:	260,186	299,347	39,161	86.92 %	1,816,424	3,593,600	1,777,176	50.55 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	1,485	3,782	2,297	39.27 %	12,555	45,400	32,845	27.65 %
2020 - Board Expenses	1,454	666	-788	218.24 %	3,243	8,000	4,757	40.53 %
2040 - Rent	2,219	1,933	-286	114.82 %	11,700	23,200	11,500	50.43 %
2060 - Utilities	2,520	3,232	712	77.96 %	16,632	38,800	22,168	42.87 %
2120 - Insurance Expense	0	3,749	3,749	0.00 %	304	45,000	44,696	0.67 %
2130 - Membership Dues	400	2,882	2,482	13.88 %	26,414	34,600	8,186	76.34 %
2140 - Bank Charges	382	333	-49	114.56 %	2,409	4,000	1,591	60.22 %
2150 - Office Supplies	1,057	1,716	659	61.59 %	7,397	20,600	13,203	35.91 %
2160 - Courier Expense	467	675	208	69.21 %	2,822	8,100	5,278	34.84 %
2170 - Printing/Photocopy	0	783	783	0.00 %	489	9,400	8,911	5.20 %
2180 - Postage & Shipping	500	533	33	93.79 %	3,194	6,400	3,206	49.91 %
2190 - IT Supplies/Services	1,091	8,330	7,239	13.09 %	52,532	100,000	47,468	52.53 %
2200 - Professional Fees	26,768	29,280	2,512	91.42 %	153,171	351,500	198,329	43.58 %
2220 - Equipment Repairs & Maintenance	0	625	625	0.00 %	1,988	7,500	5,512	26.50 %
2235 - Equipment Lease	1,325	1,166	-159	113.64 %	6,639	14,000	7,361	47.42 %
2240 - Telephone	3,643	3,798	155	95.91 %	21,095	45,600	24,505	46.26 %
2260 - Facility Maintenance	1,951	3,565	1,614	54.72 %	16,000	42,800	26,800	37.38 %
2270 - Travel Expenses	1,287	2,882	1,595	44.65 %	9,810	34,600	24,790	28.35 %

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	1,013	2,216	1,202	45.73 %	14,249	26,600	12,351	53.57 %
2300 - Legal Services	33,223	33,320	97	99.71 %	130,936	400,000	269,064	32.73 %
2380 - Meeting Expenses	80	533	453	15.01 %	1,410	6,400	4,990	22.02 %
2420 - Legal Notices	0	308	308	0.00 %	0	3,700	3,700	0.00 %
2460 - Public Outreach	34	3,807	3,773	0.89 %	1,427	45,700	44,273	3.12 %
2480 - Miscellaneous	0	250	250	0.00 %	379	3,000	2,621	12.63 %
2500 - Tax Administration Fee	0	1,666	1,666	0.00 %	0	20,000	20,000	0.00 %
2900 - Operating Supplies	1,096	1,599	503	68.53 %	6,252	19,200	12,948	32.56 %
Total Level1: 200 - Supplies and Services:	81,995	113,630	31,635	72.16 %	503,044	1,364,100	861,056	36.88 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	211,570	536,968	325,398	39.40 %	1,346,281	6,446,200	5,099,919	20.88 %
4000 - Fixed Asset Purchases	0	72,254	72,254	0.00 %	8,483	867,400	858,918	0.98 %
5000 - Debt Service	0	19,159	19,159	0.00 %	67,019	230,000	162,981	29.14 %
5500 - Election Expenses	0	0	0	0.00 %	6,863	0	-6,863	0.00 %
6000 - Contingencies	0	6,248	6,248	0.00 %	0	75,000	75,000	0.00 %
6500 - Reserves	0	38,693	38,693	0.00 %	0	464,500	464,500	0.00 %
Total Level1: 300 - Other Expenses:	211,570	673,322	461,752	31.42 %	1,428,645	8,083,100	6,654,455	17.67 %
Total Expense:	553,751	1,086,299	532,548	50.98 %	3,748,114	13,040,800	9,292,686	28.74 %
Report Total:	3,165,882	0	3,165,882		2,128,607	0	2,128,607	

Fund Summary**EXHIBIT 7-E****Statement of Revenue Over Expense - No Decimals**

Fund	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	516,935	0	516,935		460,309	0	460,309	
26 - CONSERVATION FUND	703,877	0	703,877		634,506	0	634,506	
35 - WATER SUPPLY FUND	1,945,070	0	1,945,070		1,033,791	0	1,033,791	
Report Total:	3,165,882	0.02	3,165,882		2,128,607	0	2,128,607	



Monterey Peninsula Water Management Dist

Statement of Revenue Over Expense - No Decimals
Group Summary

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND								
Revenue								
R120 - Property Taxes Revenues	396,575	54,645	341,930	-725.73 %	396,575	656,000	-259,425	-60.45 %
R130 - User Fees	269,348	192,215	77,133	-140.13 %	1,197,841	2,307,500	-1,109,659	-51.91 %
R160 - Well Registration Fee	125	0	125	0.00 %	1,425	0	1,425	0.00 %
R180 - River Work Permit Application	0	0	0	0.00 %	25	0	25	0.00 %
R190 - WDS Permits Rule 21	2,610	4,665	-2,055	-55.95 %	9,210	56,000	-46,790	-16.45 %
R230 - Miscellaneous - Other	0	833	-833	0.00 %	15,000	10,000	5,000	-150.00 %
R250 - Interest Income	1,462	208	1,254	-702.24 %	2,778	2,500	278	-111.12 %
R290 - CAW - Miscellaneous	0	633	-633	0.00 %	0	7,600	-7,600	0.00 %
R310 - Other Reimbursements	0	2,357	-2,357	0.00 %	0	28,300	-28,300	0.00 %
R320 - Grants	18,043	79,135	-61,092	-22.80 %	18,043	950,000	-931,957	-1.90 %
R510 - Operating Reserve	0	8,538	-8,538	0.00 %	0	102,500	-102,500	0.00 %
Total Revenue:	688,163	343,229	344,934	-200.50 %	1,640,897	4,120,400	-2,479,503	-39.82 %

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	77,852	82,034	4,181	94.90 %	469,169	984,800	515,631	47.64 %
1110 - Manager's Auto Allowance	92	100	8	92.34 %	277	1,200	923	23.08 %
1120 - Manager's Deferred Comp	135	142	6	95.60 %	406	1,700	1,294	23.89 %
1130 - Unemployment Compensation	0	100	100	0.00 %	0	1,200	1,200	0.00 %
1150 - Temporary Personnel	42	67	24	63.39 %	2,970	800	-2,170	371.20 %
1160 - PERS Retirement	7,806	15,627	7,821	49.95 %	149,341	187,600	38,259	79.61 %
1170 - Medical Insurance	11,161	11,204	43	99.61 %	66,079	134,500	68,421	49.13 %
1180 - Medical Insurance - Retirees	2,588	2,699	111	95.91 %	18,450	32,400	13,950	56.94 %
1190 - Workers Compensation	2,426	2,499	73	97.07 %	15,721	30,000	14,279	52.40 %
1200 - Life Insurance	172	200	28	86.02 %	860	2,400	1,540	35.83 %
1210 - Long Term Disability Insurance	472	483	12	97.61 %	2,819	5,800	2,981	48.60 %
1220 - Short Term Disability Insurance	94	108	15	86.46 %	560	1,300	740	43.05 %
1230 - Other Benefits	34	42	8	81.63 %	68	500	432	13.60 %
1260 - Employee Assistance Program	24	50	26	48.44 %	143	600	457	23.83 %
1270 - FICA Tax Expense	450	242	-208	186.26 %	2,700	2,900	200	93.10 %
1280 - Medicare Tax Expense	1,191	1,216	25	97.97 %	7,715	14,600	6,885	52.84 %
1290 - Staff Development & Training	0	991	991	0.00 %	1,960	11,900	9,940	16.47 %
1300 - Conference Registration	0	117	117	0.00 %	713	1,400	687	50.90 %
1310 - Professional Dues	105	67	-38	157.56 %	394	800	406	49.29 %
1320 - Personnel Recruitment	0	67	67	0.00 %	73	800	727	9.10 %
Total Level1: 100 - Personnel Costs:	104,645	118,053	13,408	88.64 %	740,418	1,417,200	676,782	52.25 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	594	1,516	922	39.18 %	5,022	18,200	13,178	27.59 %
2020 - Board Expenses	582	267	-315	218.24 %	1,297	3,200	1,903	40.53 %
2040 - Rent	1,032	883	-149	116.83 %	5,346	10,600	5,254	50.44 %
2060 - Utilities	1,014	1,299	286	78.01 %	6,693	15,600	8,907	42.90 %
2120 - Insurance Expense	0	1,499	1,499	0.00 %	121	18,000	17,879	0.67 %
2130 - Membership Dues	160	908	748	17.62 %	9,377	10,900	1,523	86.02 %
2140 - Bank Charges	153	133	-19	114.56 %	1,074	1,600	526	67.15 %
2150 - Office Supplies	371	675	304	55.01 %	2,900	8,100	5,200	35.80 %
2160 - Courier Expense	187	267	80	70.08 %	1,129	3,200	2,071	35.28 %
2170 - Printing/Photocopy	0	150	150	0.00 %	56	1,800	1,744	3.11 %
2180 - Postage & Shipping	200	217	17	92.34 %	1,355	2,600	1,245	52.11 %
2190 - IT Supplies/Services	439	3,332	2,893	13.17 %	20,351	40,000	19,649	50.88 %
2200 - Professional Fees	10,716	11,712	996	91.49 %	60,133	140,600	80,467	42.77 %
2220 - Equipment Repairs & Maintenance	0	250	250	0.00 %	795	3,000	2,205	26.50 %
2235 - Equipment Lease	570	466	-103	122.16 %	2,855	5,600	2,745	50.98 %
2240 - Telephone	1,538	1,516	-22	101.44 %	9,000	18,200	9,200	49.45 %
2260 - Facility Maintenance	780	1,449	669	53.84 %	6,449	17,400	10,951	37.06 %
2270 - Travel Expenses	515	791	277	65.05 %	1,555	9,500	7,945	16.37 %

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	919	858	-61	107.09 %	13,204	10,300	-2,904	128.20 %
2300 - Legal Services	3,167	10,662	7,495	29.70 %	9,863	128,000	118,137	7.71 %
2380 - Meeting Expenses	26	200	174	13.01 %	513	2,400	1,887	21.39 %
2420 - Legal Notices	0	133	133	0.00 %	0	1,600	1,600	0.00 %
2460 - Public Outreach	13	1,524	1,511	0.88 %	443	18,300	17,857	2.42 %
2480 - Miscellaneous	0	100	100	0.00 %	152	1,200	1,048	12.63 %
2500 - Tax Administration Fee	0	483	483	0.00 %	0	5,800	5,800	0.00 %
2900 - Operating Supplies	25	183	158	13.85 %	109	2,200	2,091	4.96 %
Total Level1: 200 - Supplies and Services:	23,000	41,475	18,475	55.45 %	159,792	497,900	338,108	32.09 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	43,584	149,199	105,615	29.21 %	274,240	1,791,100	1,516,860	15.31 %
4000 - Fixed Asset Purchases	0	16,443	16,443	0.00 %	3,393	197,400	194,007	1.72 %
5500 - Election Expenses	0	0	0	0.00 %	2,745	0	-2,745	0.00 %
6000 - Contingencies	0	2,499	2,499	0.00 %	0	30,000	30,000	0.00 %
6500 - Reserves	0	15,560	15,560	0.00 %	0	186,800	186,800	0.00 %
Total Level1: 300 - Other Expenses:	43,584	183,701	140,118	23.73 %	280,378	2,205,300	1,924,922	12.71 %
Total Expense:	171,229	343,229	172,001	49.89 %	1,180,588	4,120,400	2,939,812	28.65 %
Total Revenues	688,163	343,229	344,934	-200.50 %	1,640,897	4,120,400	-2,479,503	-39.82 %
Total Fund: 24 - MITIGATION FUND:	516,935	0	516,935		460,309	0	460,309	

EXHIBIT 7-E**Statement of Revenue Over Expense - No Decimals**

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 26 - CONSERVATION FUND								
Revenue								
R120 - Property Taxes Revenues	641,533	88,398	553,135	-725.73 %	641,533	1,061,200	-419,667	-60.45 %
R130 - User Fees	131,487	93,088	38,399	-141.25 %	511,198	1,117,500	-606,302	-45.74 %
R150 - Permit Processing Fee	17,704	14,578	3,127	-121.45 %	120,570	175,000	-54,430	-68.90 %
R200 - Recording Fees	642	800	-158	-80.28 %	4,884	9,600	-4,716	-50.88 %
R210 - Legal Fees	0	1,333	-1,333	0.00 %	1,578	16,000	-14,422	-9.86 %
R250 - Interest Income	1,798	292	1,507	-616.72 %	5,226	3,500	1,726	-149.32 %
R270 - CAW - Rebates	61,947	41,650	20,297	-148.73 %	225,326	500,000	-274,674	-45.07 %
R320 - Grants	0	18,326	-18,326	0.00 %	0	220,000	-220,000	0.00 %
R510 - Operating Reserve	0	200	-200	0.00 %	0	2,400	-2,400	0.00 %
Total Revenue:	855,111	258,663	596,448	-330.59 %	1,510,315	3,105,200	-1,594,885	-48.64 %

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	45,766	53,662	7,896	85.29 %	275,728	644,200	368,472	42.80 %
1110 - Manager's Auto Allowance	92	100	8	92.34 %	277	1,200	923	23.08 %
1120 - Manager's Deferred Comp	135	142	6	95.60 %	406	1,700	1,294	23.89 %
1130 - Unemployment Compensation	0	67	67	0.00 %	0	800	800	0.00 %
1150 - Temporary Personnel	2,753	3,798	1,045	72.49 %	21,827	45,600	23,773	47.87 %
1160 - PERS Retirement	4,272	8,747	4,474	48.85 %	78,651	105,000	26,349	74.91 %
1170 - Medical Insurance	6,977	7,597	620	91.83 %	40,964	91,200	50,236	44.92 %
1180 - Medical Insurance - Retirees	1,812	1,891	79	95.82 %	12,820	22,700	9,880	56.48 %
1190 - Workers Compensation	175	225	50	77.86 %	1,126	2,700	1,574	41.72 %
1200 - Life Insurance	85	100	15	85.42 %	424	1,200	776	35.33 %
1210 - Long Term Disability Insurance	285	325	40	87.69 %	1,678	3,900	2,222	43.03 %
1220 - Short Term Disability Insurance	57	75	18	75.52 %	334	900	566	37.06 %
1230 - Other Benefits	24	25	1	95.24 %	48	300	252	15.87 %
1260 - Employee Assistance Program	15	33	18	45.41 %	89	400	311	22.15 %
1270 - FICA Tax Expense	26	83	58	30.95 %	218	1,000	782	21.80 %
1280 - Medicare Tax Expense	659	800	141	82.42 %	4,261	9,600	5,339	44.38 %
1290 - Staff Development & Training	0	1,191	1,191	0.01 %	2,360	14,300	11,940	16.51 %
1300 - Conference Registration	0	67	67	0.00 %	1,129	800	-329	141.10 %
1310 - Professional Dues	0	125	125	0.00 %	744	1,500	756	49.61 %
1320 - Personnel Recruitment	0	50	50	0.00 %	51	600	549	8.49 %
Total Level1: 100 - Personnel Costs:	63,134	79,102	15,968	79.81 %	443,133	949,600	506,467	46.67 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	416	1,058	642	39.30 %	3,515	12,700	9,185	27.68 %
2020 - Board Expenses	407	183	-224	222.21 %	908	2,200	1,292	41.27 %
2040 - Rent	218	233	15	93.52 %	1,410	2,800	1,390	50.35 %
2060 - Utilities	689	883	194	78.01 %	4,548	10,600	6,052	42.91 %
2120 - Insurance Expense	0	1,050	1,050	0.00 %	85	12,600	12,515	0.67 %
2130 - Membership Dues	112	1,250	1,138	8.96 %	9,540	15,000	5,460	63.60 %
2140 - Bank Charges	107	92	-15	116.64 %	573	1,100	527	52.07 %
2150 - Office Supplies	389	491	103	79.09 %	2,159	5,900	3,741	36.59 %
2160 - Courier Expense	131	192	61	68.25 %	790	2,300	1,510	34.35 %
2170 - Printing/Photocopy	0	508	508	0.00 %	39	6,100	6,061	0.64 %
2180 - Postage & Shipping	140	142	2	98.86 %	858	1,700	842	50.49 %
2190 - IT Supplies/Services	304	2,332	2,028	13.04 %	14,227	28,000	13,773	50.81 %
2200 - Professional Fees	7,491	8,197	706	91.39 %	42,016	98,400	56,384	42.70 %
2220 - Equipment Repairs & Maintenance	0	175	175	0.00 %	557	2,100	1,543	26.50 %
2235 - Equipment Lease	329	325	-5	101.39 %	1,617	3,900	2,283	41.46 %
2240 - Telephone	973	1,016	43	95.79 %	5,604	12,200	6,596	45.93 %
2260 - Facility Maintenance	546	933	387	58.54 %	4,456	11,200	6,744	39.78 %
2270 - Travel Expenses	360	1,416	1,056	25.45 %	2,150	17,000	14,850	12.65 %

EXHIBIT 7-E

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Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	63	500	437	12.61 %	531	6,000	5,469	8.85 %
2300 - Legal Services	2,969	5,998	3,029	49.50 %	15,160	72,000	56,840	21.06 %
2380 - Meeting Expenses	27	175	148	15.43 %	438	2,100	1,662	20.84 %
2420 - Legal Notices	0	58	58	0.00 %	0	700	700	0.00 %
2460 - Public Outreach	9	1,066	1,057	0.89 %	482	12,800	12,318	3.76 %
2480 - Miscellaneous	0	67	67	0.00 %	106	800	694	13.26 %
2500 - Tax Administration Fee	0	475	475	0.00 %	0	5,700	5,700	0.00 %
2900 - Operating Supplies	993	1,266	274	78.40 %	6,051	15,200	9,149	39.81 %
Total Level1: 200 - Supplies and Services:	16,674	30,080	13,406	55.43 %	117,817	361,100	243,283	32.63 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	71,427	96,886	25,459	73.72 %	310,562	1,163,100	852,538	26.70 %
4000 - Fixed Asset Purchases	0	42,150	42,150	0.00 %	2,375	506,000	503,625	0.47 %
5500 - Election Expenses	0	0	0	0.00 %	1,922	0	-1,922	0.00 %
6000 - Contingencies	0	1,749	1,749	0.00 %	0	21,000	21,000	0.00 %
6500 - Reserves	0	8,697	8,697	0.00 %	0	104,400	104,400	0.00 %
Total Level1: 300 - Other Expenses:	71,427	149,482	78,054	47.78 %	314,858	1,794,500	1,479,642	17.55 %
Total Expense:	151,235	258,663	107,428	58.47 %	875,809	3,105,200	2,229,391	28.20 %
Total Revenues	855,111	258,663	596,448	-330.59 %	1,510,315	3,105,200	-1,594,885	-48.64 %
Total Fund: 26 - CONSERVATION FUND:	703,877	0	703,877		634,506	0	634,506	

EXHIBIT 7-E

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Statement of Revenue Over Expense - No Decimals**For Fiscal: 2017-2018 Period Ending: 12/31/2017**

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 35 - WATER SUPPLY FUND								
Revenue								
R100 - Water Supply Charge	2,059,657	283,220	1,776,437	-727.23 %	2,059,657	3,400,000	-1,340,343	-60.58 %
R120 - Property Taxes Revenues	19,829	2,732	17,097	-725.73 %	19,829	32,800	-12,971	-60.45 %
R130 - User Fees	66,814	0	66,814	0.00 %	367,129	0	367,129	0.00 %
R140 - Connection Charges	26,195	20,825	5,370	-125.79 %	252,896	250,000	2,896	-101.16 %
R220 - Copy Fee	17	0	17	0.00 %	67	0	67	0.00 %
R230 - Miscellaneous - Other	1,468	833	635	-176.27 %	1,695	10,000	-8,305	-16.95 %
R250 - Interest Income	2,378	1,166	1,212	-203.93 %	5,431	14,000	-8,569	-38.79 %
R260 - CAW - ASR	0	52,929	-52,929	0.00 %	0	635,400	-635,400	0.00 %
R265 - CAW - Los Padres Reimbursement	0	43,733	-43,733	0.00 %	0	525,000	-525,000	0.00 %
R290 - CAW - Miscellaneous	0	1,949	-1,949	0.00 %	0	23,400	-23,400	0.00 %
R300 - Watermaster	0	6,214	-6,214	0.00 %	18,805	74,600	-55,795	-25.21 %
R308 - Reclamation Project	0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R310 - Other Reimbursements	0	83	-83	0.00 %	0	1,000	-1,000	0.00 %
R320 - Grants	0	6,664	-6,664	0.00 %	0	80,000	-80,000	0.00 %
R510 - Operating Reserve	0	62,392	-62,392	0.00 %	0	749,000	-749,000	0.00 %
Total Revenue:	2,176,358	484,406	1,691,952	-449.28 %	2,725,508	5,815,200	-3,089,692	-46.87 %

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	70,620	72,721	2,101	97.11 %	414,069	873,000	458,931	47.43 %
1110 - Manager's Auto Allowance	277	300	23	92.34 %	831	3,600	2,769	23.08 %
1120 - Manager's Deferred Comp	406	417	10	97.52 %	1,218	5,000	3,782	24.37 %
1130 - Unemployment Compensation	0	83	83	0.00 %	0	1,000	1,000	0.00 %
1150 - Temporary Personnel	34	50	16	67.63 %	2,376	600	-1,776	395.94 %
1160 - PERS Retirement	6,953	13,070	6,117	53.20 %	126,770	156,900	30,130	80.80 %
1170 - Medical Insurance	9,113	8,730	-383	104.39 %	53,745	104,800	51,055	51.28 %
1180 - Medical Insurance - Retirees	2,071	2,157	87	95.98 %	14,657	25,900	11,243	56.59 %
1190 - Workers Compensation	1,304	1,516	212	86.03 %	8,330	18,200	9,870	45.77 %
1200 - Life Insurance	121	150	29	80.46 %	597	1,800	1,203	33.18 %
1210 - Long Term Disability Insurance	399	392	-7	101.79 %	2,344	4,700	2,356	49.86 %
1220 - Short Term Disability Insurance	79	92	13	86.22 %	465	1,100	635	42.24 %
1230 - Other Benefits	27	33	6	81.63 %	54	400	346	13.60 %
1260 - Employee Assistance Program	19	42	22	46.60 %	115	500	385	23.01 %
1270 - FICA Tax Expense	53	242	189	21.77 %	381	2,900	2,519	13.14 %
1280 - Medicare Tax Expense	933	1,091	159	85.45 %	6,027	13,100	7,073	46.01 %
1290 - Staff Development & Training	0	891	891	0.00 %	208	10,700	10,492	1.94 %
1300 - Conference Registration	0	100	100	0.00 %	570	1,200	630	47.51 %
1310 - Professional Dues	0	67	67	0.00 %	57	800	743	7.16 %
1320 - Personnel Recruitment	0	50	50	0.00 %	58	600	542	9.71 %
Total Level1: 100 - Personnel Costs:	92,407	102,192	9,785	90.42 %	632,873	1,226,800	593,927	51.59 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	475	1,208	733	39.34 %	4,018	14,500	10,482	27.71 %
2020 - Board Expenses	465	217	-249	214.88 %	1,038	2,600	1,562	39.91 %
2040 - Rent	969	816	-153	118.73 %	4,944	9,800	4,856	50.45 %
2060 - Utilities	817	1,050	233	77.84 %	5,391	12,600	7,209	42.79 %
2120 - Insurance Expense	0	1,200	1,200	0.00 %	97	14,400	14,303	0.67 %
2130 - Membership Dues	128	725	597	17.66 %	7,497	8,700	1,203	86.18 %
2140 - Bank Charges	122	108	-14	112.78 %	761	1,300	539	58.57 %
2150 - Office Supplies	297	550	253	54.01 %	2,339	6,600	4,261	35.43 %
2160 - Courier Expense	149	217	67	69.00 %	903	2,600	1,697	34.73 %
2170 - Printing/Photocopy	0	125	125	0.00 %	394	1,500	1,106	26.24 %
2180 - Postage & Shipping	160	175	15	91.47 %	981	2,100	1,119	46.71 %
2190 - IT Supplies/Services	348	2,666	2,318	13.05 %	17,954	32,000	14,046	56.11 %
2200 - Professional Fees	8,562	9,371	810	91.36 %	51,022	112,500	61,478	45.35 %
2220 - Equipment Repairs & Maintenance	0	200	200	0.00 %	636	2,400	1,764	26.50 %
2235 - Equipment Lease	426	375	-51	113.64 %	2,167	4,500	2,333	48.16 %
2240 - Telephone	1,132	1,266	134	89.39 %	6,492	15,200	8,708	42.71 %
2260 - Facility Maintenance	624	1,183	559	52.77 %	5,096	14,200	9,104	35.88 %
2270 - Travel Expenses	412	675	263	61.04 %	6,105	8,100	1,995	75.37 %

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Level...	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	32	858	826	3.67 %	514	10,300	9,786	4.99 %
2300 - Legal Services	27,087	16,660	-10,427	162.59 %	105,913	200,000	94,087	52.96 %
2380 - Meeting Expenses	27	158	131	17.06 %	459	1,900	1,441	24.14 %
2420 - Legal Notices	0	117	117	0.00 %	0	1,400	1,400	0.00 %
2460 - Public Outreach	11	1,216	1,205	0.89 %	502	14,600	14,098	3.44 %
2480 - Miscellaneous	0	83	83	0.00 %	121	1,000	879	12.12 %
2500 - Tax Administration Fee	0	708	708	0.00 %	0	8,500	8,500	0.00 %
2900 - Operating Supplies	78	150	72	52.02 %	92	1,800	1,708	5.12 %
Total Level1: 200 - Supplies and Services:	42,321	42,075	-246	100.59 %	225,436	505,100	279,664	44.63 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	96,559	290,884	194,325	33.20 %	761,479	3,492,000	2,730,521	21.81 %
4000 - Fixed Asset Purchases	0	13,661	13,661	0.00 %	2,714	164,000	161,286	1.66 %
5000 - Debt Service	0	19,159	19,159	0.00 %	67,019	230,000	162,981	29.14 %
5500 - Election Expenses	0	0	0	0.00 %	2,196	0	-2,196	0.00 %
6000 - Contingencies	0	1,999	1,999	0.00 %	0	24,000	24,000	0.00 %
6500 - Reserves	0	14,436	14,436	0.00 %	0	173,300	173,300	0.00 %
Total Level1: 300 - Other Expenses:	96,559	340,139	243,580	28.39 %	833,408	4,083,300	3,249,892	20.41 %
Total Expense:	231,287	484,406	253,119	47.75 %	1,691,716	5,815,200	4,123,484	29.09 %
Total Revenues	2,176,358	484,406	1,691,952	-449.28 %	2,725,508	5,815,200	-3,089,692	-46.87 %
Total Fund: 35 - WATER SUPPLY FUND:	1,945,070	0	1,945,070		1,033,791	0	1,033,791	
Report Total:	3,165,882	0	3,165,882		2,128,607	0	2,128,607	

EXHIBIT 7-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2017-2018 Period Ending: 12/31/2017

Fund Summary

Fund	December Activity	December Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	516,935	0	516,935		460,309	0	460,309	
26 - CONSERVATION FUND	703,877	0	703,877		634,506	0	634,506	
35 - WATER SUPPLY FUND	1,945,070	0	1,945,070		1,033,791	0	1,033,791	
Report Total:	3,165,882	0.02	3,165,882		2,128,607	0	2,128,607	

8. GENERAL MANAGER'S REPORT

Meeting Date:	February 22, 2018	Budgeted:	N/A
From:	David J. Stoldt General Manager	Program/ Line Item No.:	N/A
Prepared By:	David J. Stoldt	Cost Estimate:	N/A

General Counsel Approval: N/A

Committee Recommendation:

CEQA Compliance: Action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.

SUMMARY: On February 9, 2017 the California Public Utilities Commission issued a ruling in A.12-04-019, the application for the Monterey Peninsula Water Supply project. The ruling ponders the issue of adding a "Phase 3" to the existing process to examine the potential for Pure Water Monterey expansion and interim water sales by Marina Coast Water District, in the event the desalination facility is delayed. A status conference has been set for February 27, 2018. The ruling is included here as **Exhibit 8-A** for the Board's information. This item was discussed at the Water Supply Planning committee on February 21, 2018.

EXHIBIT

8-A Administrative Law Judges' Ruling Setting Status Conference and Requesting Parties to Submit Additional Information in Support of Motion for Additional Evidentiary Hearings



GW2/RWH/DH7/ek4 2/8/2018

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
09:23 AM

Application of California-American Water Company (U210W) for Approval of the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates.

Application 12-04-019

**ADMINISTRATIVE LAW JUDGES' RULING SETTING
STATUS CONFERENCE AND REQUESTING PARTIES TO
SUBMIT ADDITIONAL INFORMATION IN SUPPORT OF MOTION FOR
ADDITIONAL EVIDENTIARY HEARINGS**

Summary

A status conference will be held on:

**February 27, 2018 at 1:30 p.m.
Commission Courtroom
505 Van Ness Avenue
San Francisco, California**

The purpose is to discuss the potential of opening a Phase 3 for this proceeding. The parties have raised issues where we believe there may be value to examining potential additional, alternative, supplemental and/or temporary water supply options to the Monterey Peninsula Water Supply Project (MPWSP).¹ However, we do not believe the parties have provided sufficient

¹ See Motion of Planning and Conservation League Foundation, Monterey Regional Water Pollution Control Agency, Monterey Peninsula Water Management District, Marina Coast Water District, Landwatch Monterey County, Sierra Trust Alliance, California Unions for Reliable Energy, Public Water Now, and Water Plus For Additional Evidentiary Hearings (Joint Motion), filed on January 9, 2018; and Response of California-American Water Company (Cal-Am) to the Joint Motion, filed January 16, 2018.

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information for us to pursue a Phase 3 at this time. Therefore, we direct the parties to provide additional information as set forth below.

Background

Additional evidentiary hearings were held October 30, 2017 through November 3, 2017. One of the issues addressed in evidentiary hearings included whether expansion of the existing Pure Water Monterey (PWM) Project could provide additional water supply as an alternative to the proposed project or support a down-sized project. The parties presented evidence that there may be additional water available from other sources.

The Joint Motion was filed on January 9, 2018 requesting that additional evidentiary hearings be held in April (as part of Phase 1) to address expansion of the PWM Project, Marina Coast Water District (MCWD) proposed sale of additional water, and consideration of settlement efforts currently under way. Cal-Am filed a response to the Joint Motion arguing that the additional hearings proposed in the Joint Motion “would serve no use”² and that the Commission must first issue a CPCN for the MPWSP. Cal-Am also stated that it could be helpful to assess “additional temporary or supplemental water supply options”³ to the extent that such hearings do not interfere with issuance of the Phase 1 decision. Marina Coast Water District (MCWD) also filed a response to the Joint Motion on January 12, 2018. The Water Authority filed its response on January 18, 2017 requesting a status conference in February to further discuss the parties’ views on addressing the competing interests of ensuring the Commission has additional information on water supply options, and meeting the Cease and

² See Response at 3.

³ See Response at 4.

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Desist Order (CDO) Milestone deadline of reaching a decision in Phase 1 by September 30, 2018.

Discussion

The parties raise important issues as to whether additional water supply will be needed, and to what extent, at what cost and quantity, timing, and from where such water may be available. However, we are not sufficiently convinced that additional hearings are needed at this time. As the parties note, the record in this proceeding is already quite extensive. More than 25 days of evidentiary hearings were held for Phases 1 and 2. Many exhibits have been identified and received as evidence, and motions requesting approval of one or more Settlement Agreements are pending. The parties were provided an opportunity during the last set of hearings to present evidence as to whether additional water supply is available from PWM Project, or other sources.

The parties to the Joint Motion have now specifically requested that the Commission set hearings for April 2018 that would address: 1) further evaluation of and expansion of the PWM Project; 2) MCWD's water sale proposals; and 3) ongoing settlement discussion between the parties. Cal-Am does not oppose a Phase 3 or examination of these issues as temporary or supplemental water supplies so long as a Phase 3 of the proceeding does not impact the issuance of the decision for Phase 1 in this proceeding.

We are concerned that scheduling evidentiary hearings in April 2018 would disrupt the current schedule given that all parties "recognize that there is an urgent need for an alternative water supply to the current diversion from the

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Carmel River.”⁴ However, we do believe that there may be a need to assess alternative, additional, or supplemental water supply to the proposed MPWSP in the event a Certificate of Public Convenience and Necessity (CPCN) is not issued, or if the second or third milestones are not met.

We believe the Water Authority proposal for a status conference has merit because it will allow for consideration of whether additional updated evidence regarding water supply should be considered, while still allowing the Commission to issue a decision that meets the CDO deadline of September 30, 2018 and consider settlement efforts currently underway. We have serious concerns that if evidentiary hearings are held in April 2018 there realistically will not be time to allow for the CPCN decision by the CDO deadline of September 30, 2018.⁵ We therefore set the above status conference and direct the parties to file a Joint Case Management Statement⁶ no later than 5:00 p.m. on February 22, 2018 that addresses the following:

- Specific issues to be addressed within the scope of a Phase 3 to the proceeding;
- A proposed schedule with exact dates;
- A schedule that provides the specific timing for approvals by lead and responsible agencies that would need to occur for any expansion of PWM or authorize water sales

⁴ Joint Motion at 1; and also see SWRCB Order WR 2016-0016.

⁵ However, to the extent a party would like to present additional information to support such hearings they may include such information when preparing their position in the Joint Case Management Statement.

⁶ The Joint Case Management Statement is to include the positions of all parties, parties do not need to be in agreement or present one position. To the extent a party or sub-set of parties hold a specific view on the issues to be addressed, the Joint Case Management Statement shall be organized in a manner that identifies each party or sub-set of parties and their position on the areas identified in this Ruling.

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- agreements from PWM, water sales from MCWD, or other sources;
- A schedule that provides the specific timing for approvals by lead and responsible agencies that would need to occur for the MPWSP to meet the CDO Milestones;
 - Risks and benefits to initiating a Phase 3 of the proceeding prior to issuance of a decision in Phase 1 as opposed to authorizing a Phase 3 in the Phase 1 decision;
 - Demonstrate that a proposed Phase 3 in the proceeding will not jeopardize issuance of a decision by the Commission on the MPWSP application prior to the CDO deadline;
 - Status update on progress of settlement discussion among the parties (expected timing for concluding discussions and presenting outcome to Commission);
 - Provide specific proposed language that could be included in the CPCN decision if it were to also authorize a Phase 3 decision; and
 - Anything else parties believe is necessary for the Commission to make an informed, reasonable, and timely decision regarding the remainder of the schedule for this proceeding that allows for both (a) meeting the CDO deadline and (b) providing the Commission with the best available evidence (subject to cross-examination) and legal argument for reaching its decision consistent with due process for all parties.

IT IS RULED that:

1. A status conference shall be held at 1:30 p.m. on February 27, 2018 in the Commission Courtroom, 505 Van Ness Avenue, San Francisco, California for the purpose of hearing proposals from parties on the remaining schedule for the proceeding and whether a Phase 3 with additional evidentiary hearings should commence.

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2. Parties shall file and serve a Joint Case Management Statement by 5:00 p.m. on February 22, 2018.

Dated February 8, 2018, at San Francisco, California.

/s/ JEANNE M. MCKINNEY for
Gary Weatherford
Administrative Law Judge

/s/ ROBERT HAGA
Robert Haga
Administrative Law Judge

/s/ DARCIE L. HOUCK
Darcie L. Houck
Administrative Law Judge

ITEM: PUBLIC HEARING**11. CONSIDER APPLICATION FOR VARIANCE TO ALLOW NON-RESIDENTIAL GROUP II WATER USE CAPACITY AT 458-460 ALVARADO STREET, MONTEREY (APN: 001-572-029)****Meeting Date: February 22, 2018 Budgeted: N/A****From: Dave Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: Stephanie Locke Cost Estimate: N/A****General Counsel Approval: N/A****Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines section 15378.**

SUMMARY: Anthony G. Davi, Sr. is requesting Board approval of a variance from Rule 24-B to allow commercial Group II water use in a Group I space at 458-460 Alvarado Street (Site) in Monterey without requiring water from the City of Monterey's Allocation (**Exhibit 11-A**). The Site currently consists of two retail spaces. Non-Residential Group I uses include retail, office, warehouse, gym, bank, etc. Mr. Davi states that he has been unable to rent either of his spaces in the last 14 months to a business that qualifies for the District's Group I Water Use Factor and now faces potential loss of insurance. All inquiries have been food-related Group II businesses. Mr. Davi is requesting that the Board allow him to rent both spaces as Group II, because Group II is more desirable for the downtown Alvarado Street location. District research shows that Group II businesses use more water than Group I and includes uses such as coffee shops, bakeries, ice cream shops, delis and pizzerias. Presently, no additional water is available on Site or approved from the City of Monterey to allow this Intensification in Use.

District Rule 90 allows for consideration of a variance from the Rules and Regulations when there are Special Circumstances¹ or Undue Hardship². The Board may, after holding a public hearing, in specific cases, grant a variance from any provision of the standards incorporated into the Rules and Regulations whenever it finds: (a) that Special Circumstances exist in a particular case, and (b) that practical difficulties or Undue Hardship would result from the strict interpretation and enforcement of any such standard, and (c) that the granting of such a variance would not tend to defeat the purposes of these Rules and Regulations. The Board may place conditions upon such variances.

RECOMMENDATION: Staff recommends the Board deny the variance and adopt the Findings of Denial (**Exhibit 11-B**). District Rule 20, Permits Required (**Exhibit 11-C**), requires a Water

1 "Special Circumstances" are defined as unusual, uncommon, peculiar, unique or rare situations that require Board consideration.

2 "Undue Hardship" is a condition that exists when compliance with a rule, regulation or condition poses significant difficulty when considered in light of unique circumstances related to the application.

Permit for any Change of Use or any expansion of a Non-Residential use to a more intensive use as determined by Rule 24, Table 2, Non-Residential Water Use Factors (**Exhibit 11-D**). Rule 23-A-1-g (**Exhibit 11-E**) states that when an application involves an Intensification of Use, the increase in Capacity shall deducted from a Jurisdiction's Allocation or a Water Entitlement as indicated on the Water Release Form. The City of Monterey has not authorized additional water to the Site. When the Jurisdiction is opposed to assigning water to a property, the business cannot obtain a Water Permit. Further, the ongoing lack of available water is a hardship experienced by many property owners and prospective businesses within the District. Finally, staff believes granting a variance would create an unfair precedent and would be in violation of District Rules 20, 23, and 24.

DISCUSSION: Mr. Davi approached the District in December 2016 regarding a proposed tenant "Tea Zone & Fruit Bar" for his Group I space. The business was described as a juice bar with smoothies and tea. After reviewing information about other Tea Zone locations, including a visit to a Tea Zone & Fruit Bar location in the San Jose area, staff determined use was Group II and would require water from the City of Monterey's Allocation before a Water Permit could be issued.

The difficulty in finding tenants for Group I commercial space is not unique to 458-460 Alvarado Street. It's a problem pervasive due to the area's lack of water, the Cease and Desist Order against California-American Water Company, and store-based retailers versus e-commerce, etc. This situation is commonplace among property owners and potential tenants, especially in the Cities of Monterey and Pacific Grove where there is no water available from Water Entitlements or Allocations. The problem is so significant that the Monterey County Weekly published an article on January 11, 2018, highlighting the lack of available Group II spaces, with as many as 17 businesses applying for one vacant Group II location (**Exhibit 11-F**).

The ongoing water supply shortage on the Peninsula has severely limited the ability of both property owners and potential tenants to find a location with enough available onsite water to conduct business. In adopting Option V of the Water Allocation Program EIR in 1991, the Board made a finding to allocate only water that presently exists. Most Jurisdictions have previously allocated their water, leaving little for potential development. A small quantity of water remains in the City of Monterey's Allocation and is distributed periodically at its discretion.

EXHIBITS

- 11-A** Application for Variance
- 11-B** Draft Findings of Denial
- 11-C** District Rule 20, Permits Required
- 11-D** District Rule 23, Action on an Application for a Water Permit
- 11-E** District Rule 24, Table 2, Non-Residential Water Use Factors
- 11-F** Monterey County Weekly January 11, 2018 article "*Cachagua General Store, Pig Wizard and Katie's Cold Press Fight to Find a Place to Serve People*"

RECEIVED
EXHIBIT 11-A 71
JAN 22 2018
MPWMD



APPLICATION FOR VARIANCE REGARDING WATER CONNECTION PERMITS

Rule 24 of the District Rules and Regulations states that upon request an applicant may apply for a variance from standards incorporated in the District's rules and Regulations. Variances may be approved when: a) special circumstances exist, as defined in the Rules and Regulations; b) when strict interpretation and enforcement of any standard would cause undue hardship; and c) when the granting of such a variance will not tend to defeat the purpose of the Rules and Regulations. In order to be considered for a variance hearing, all applicants must submit a completed application with payment of a non-refundable processing fee \$900.00, (plus \$90.00 an hour for more than 10 hours of staff time), and any other information necessary to evaluate the case.

Applications must be received 5 weeks in advance of the next scheduled Board meeting in order to be considered for placement on the agenda. All applicants are required to provide the information requested on this form. This information will be used as the basis for finding on which the Board will support or deny your variance request. Submission of an incomplete application may constitute grounds for denial of your request.

APPLICANT INFORMATION

Applicant's Full Name: Anthony G. Davi, Sr
Mailing Address: P.O. Box 2350
City: Monterey State: CA Zip: 93942
Phone Number(s): Work (831) 594-3284 Home (831) 625-0552
E-Mail: agsr@agdavi.com
Name of Agent(s) to Represent Applicant: Anthony G. Davi, Sr
Mailing Address: same as above
City: Monterey State: CA Zip: 93942
Phone Number(s): Work () Home ()
E-Mail:

PROPERTY INFORMATION

Full Name of Property Owner: Davi Family Trust UTD 6/8/88
Mailing Address: P.O. Box 2350
City: Monterey State: CA Zip: 93942
Phone Number(s): Work (831) 594-3284 Home (831) 625-0552
E-Mail: agsr@agdavi.com
Property Address: 458-460 Alvarado St.
City: Monterey State: CA Zip: 93940
Assessor's Parcel Number: 001 - 572 - 029
Property Area: Acres: n/a Square Feet: 5,300 Other:
Past Land Use: Improved parcel
Present Land Use: Improved parcel commercial building vacant building
Proposed Land Use: Existing commercial building no change
Existing buildings? Yes No
Types of uses and square footage: commercial, 2 spaces totaling 5,300 SF
vacant since December 2016

1-6 page

STATEMENT OF VARIANCE REQUEST

*If additional space is needed for response to any question, please continue on a separate piece of paper and attach to the back of this application.

From which rule(s) are you requesting a variance?

24-B

Please state the special circumstances which distinguish your application from all others which are subject to enforcement of this process.

Unable to rent building due to the water Group I restriction of use. Building has been vacant since December 2016. This is a downtown Monterey building on Alvarado ST. and allowable uses under Group I forbid food serving business, which is what the use demand is for downtown. All inquiries have been for food related

What difficulties or hardships would result if your variance request was denied?

Continued vacancies, potential loss of property insurance coverage due to limitation for vacant buildings. Continued operating expense and taxes. No revenue from investment.

What specific action are you requesting that the Board take?

Change water use from Group I to Group II, which permits food related business, which are consistent with existing uses on Alvarado ST.

Please indicate if you intend to make a statement at the variance hearing, and list the names of any other individuals who may speak on your behalf.

Yes, plus 2 others

ANTHONY C. DAVIS
JESS HOWNS
THU ANH

VARIANCE APPLICATION

EXHIBIT 2

PROJECT INFORMATION

*If additional space is needed for response to any questions, please continue on a separate piece of paper and attach it to the back of this application.

Type of Project: N?A New Construction N?A Remodel/Addition

Proposed New Use: (Please refer to the District's current Fixture Unit/Use Category sheet for assistance with this question.)

 Residential No. Dwellings Total No. Fixture Units

 Commercial/Industrial/Governmental

Type of Use: Square Footage:

 X Other (Specify): Existing commercial building

Current Zoning Classification: Commercial C-2

Name of water company which services the property: California American Water

Do you feel this project will use less water than that calculated by the District? If so, please explain how much you believe the project will use, and the basis on which you make this assumption. Requesting water Grouping change in order to rent space.

Has this project been approved by the local jurisdiction? If so, please list or attach a copy of all conditions which have been imposed on the project. (Attach a copy of these conditions and approvals received.)

Not applicable, existing building

Does the applicant intend to obtain a municipal or county building permit for the project within ninety (90) days following the granting of a water connection permit? If not, when will water be needed at the site?

Not applicable existing building

I declare under penalty of perjury that the information in the application and on accompanying attachments is correct to the best of my knowledge and belief.

X 
Signature of Applicant

1/22/2018
Date/Location

NOTE TO APPLICANT: You may attach written findings for the Board to review and consider in support of the action you have requested.

Fee Paid 900.00 Receipt No.

Staff Initials DA

U:\demand\Work\Forms\Applications\Application for Variance_Revised_201700701.docx



Anthony Davi Sr

Subject: FW: Juice Bar Alvarado ST. Monterey, CA AGDavi
Attachments: 458 Alvarado Exterior new paint.jpg

Board of Directors of :
Monterey Peninsula Water Management District.

Addendum to Variance Request for:
Water Grouping Change for Juice Bar
Property 458-460 Alvarado ST.
Monterey, CA 93940
Ladies and Gentlemen:

My name is Anthony G. Davi, Sr. I'm a lifelong member of the Monterey Peninsula, business owner and property owner.

I have attached a photo of a property that I own on Alvarado Street, main street downtown Monterey, which is the subject of this letter. The property consist of 2 spaces each 2,650 square feet. The property is updated with ADA rest rooms, fire sprinkler system, finished interior spaces, and earthquake retrofitted. Another words rent ready.

Unfortunately this property has been vacant since December of 2016, , as of February 1, 2018 I'm approaching 14 months of vacancy, all primarily due to the restrictive water Grouping I The numerous inquiries that I had for the spaces were for restaurants/ food related, uses, which seems to the preferred business for Alvarado Street. Now, in addition to the loss of revenue, payment of property taxes, insurance premiums, routinely cleaning the front windows and clean up the trash left behind by homeless, I'm now facing the potential loss of property insurance coverage. Insurance carriers do not insure building with long term vacancies. My property is zoned for numerous uses, which include but not limited to all the uses permitted , in the districts grouping categories , 1, 2 & 3. By restricting my property to Group I, The use of my property has been restricted while numerous properties along Alvarado Street do not have the restriction. Alvarado Street is primary food related street.
The allowable uses in Group I are attached for your review. Effectively my property has been devalued.

I'm sharing this so that you all can understand the sever impact of water restrictions on my, properties in a prime commercial district, a restriction that is inconsistent with the other permitted uses on Alvarado Street . Alvarado Street is an entertainment district, primary food related business, so almost all the Group uses (1,2 & 3) are appropriate or desired for Alvarado Street. This is evident by the fact that the newly established business on Alvarado St., are all food related. There is no appetite for the businesses that are allowed in Group I category.
I understand we are under pumping the Carmel River Aquaphor by 3,000 Acre Feet, so there is water available. Why cant we have some of it. With my existing water credits all that is needed is an additional .35 acre feet per space to meet your requirements, which would be ideal.

The recent request to allow a Juice Bar in one of the above spaces , 2,650 square feet was denied because staff determined is was a Group II use and my space only allows Group I uses, even though Wine Tasting , Dental and Veterinary Clinic, Supermarket, Family grocery, a Gym along with others, are permissible in Group I. We believe the Juice Bar is comparable to Wine Tasting use and that staff had the option to make that determination.

Submitted by Applicant

4-6

EXHIBIT 11-A

A juice bar would be desirable and complementary use on Alvarado Street. Justification for allowing the Juice Bar in one of the 2,650 Square feet spaces , is that they serve all their beverages in disposal containers, that the Juices are pre-mixed, so minimal water use, no dishwasher, no pots, pans, china, silverware, glass to clean, and etc. A very low group II water user. Staff denial letter stated concerns with tea and ice cream. Both of these are incidental (less than 20%) to the primary business. Regarding Ice Cream, which is not a requirement and the Juice Bar on Alvarado Street, if approved, will not include ice cream. By the way there already is an Ice Cream store directly across the street from the subject space.

The Juice Bar will be a low group II water user, because they do not utilizing, pots, pans, china plates, silverware, drinking glasses, providing drinking water to patrons and so there is no, washings of pots, pans, china plates, silverware drinking and etc.

Submitted by Applicant



EXHIBIT 11A

4-26-20

REINHARDT INSURANCE

January 31, 2018

Anthony G. Davi
A. G. Davi LTD
P.O. Box 2350
Monterey, CA 93940

Re: Davi Family Trust Dated 6/8/88
458/460 Alvarado Street
Monterey, CA 93940
Ohio Casualty Insurance Company
Policy #: BK0 (18) 56278184

Dear Anthony;

I want to call your attention to the Vacancy Provisions section of the above policy specifically as respects the above location.

Vacancy Provisions

If the building where loss or damage occurs has been vacant for more than 60 consecutive days before that loss or damage occurs:

- (1) We will not pay for any loss or damage caused by any of the following even if they are covered Causes of Loss:
 - (a) Vandalism;
 - (b) Sprinkler leakage, unless you have protected the system against freezing;
 - (c) Building glass breakage;
 - (d) Water damage;
 - (e) Theft; or
 - (f) Attempted theft
- (2) With respect to Covered Causes of Loss other than those listed in b. (1) (a) through b. (1) (f) above, we will reduce the amount we would otherwise pay for the loss or damage by 15%.

The building located at 458/460 Alvarado Street, Monterey, CA 93940 is currently subject to the restrictions and penalties stated in the above provisions of your insurance policy listed above. If you have any questions about this issue please feel free to call me:

Best Regards,


Patrick W. Bradley

499 W. SHAW
STE. 130
FRESNO
CALIFORNIA
93704-2516
PH. (559) 226-4700
FAX (559) 226-2345
CA LIC #0570767

Submitted by Applicant

EXHIBIT 11-B**DRAFT**

**FINDINGS OF DENIAL
CONSIDER APPLICATION FOR VARIANCE TO ALLOW NON-RESIDENTIAL
GROUP II WATER USE CAPACITY AT 458-460 ALVARADO STREET, MONTEREY
(APN: 001-572-029)**

FEBRUARY 22, 2018

- 1. FINDING:** Anthony G. Davi, Sr., a Non-Residential property owner in the City of Monterey, is requesting Board approval of a variance to allow Non-Residential Group II use without a water allocation from the City of Monterey in two lease spaces at 458-460 Alvarado Street, Monterey (Site). The Site currently has a Group I Water Use Factor.

EVIDENCE: Application for Variance attached as **Exhibit 11-A**.
- 2. FINDING:** District Rule 20, *Permits Required*, requires a Water Permit for any Change of Use or expansion of a Non-Residential use to a more intensive use as determined by Rule 24. Rule 23-A-1-g provides that when an application involves an Intensification of Use, the increase in Capacity shall deducted from a Jurisdiction's Allocation or a Water Entitlement as indicated on the Water Release Form.

EVIDENCE: Rules 20, 23, and 24 attached as **Exhibits 11-C, 11-D, and 11-E**.
- 3. FINDING:** Group II businesses includes uses such as coffee shops, bakeries, ice cream shops, delis and pizzerias use more water than Group I businesses.

EVIDENCE: Rule 24, Table 2, *Non-Residential Water Use Factors* (**Exhibit 11-D**).
- 4. FINDING:** Converting 5,300 square-feet of Group I to Group II (the entire building) would require 0.689 Acre-Feet (AF) of water. Conversion of one lease space (2,650 square-feet) from Group I to Group II would require 0.345 AF.

EVIDENCE: Rule 24, Table 2, *Non-Residential Water Use Factors* (**Exhibit 11-D**).
- 5. FINDING:** The City of Monterey has not authorized water from its Allocation for an Intensification of Use from Group I to Group II for either 458 or 460 Alvarado Street.

EVIDENCE: February 7, 2018 telephone conversation between Stephanie Kister Campbell (MPWMD) and Kimberly Cole (City of Monterey, Interim Chief of Planning, Engineering & Environmental Compliance).

6. FINDING: The difficulty in finding tenants for Group I commercial space is not unique to 458 and 460 Alvarado Street. This situation is common among property owners and potential tenants, especially in the Cities of Monterey and Pacific Grove where there is no water available from Water Entitlements or Allocations.

EVIDENCE: Monterey County Weekly article of January 11, 2018, highlighting the lack of available Group II spaces (**Exhibit 11-F**).

7. FINDING: There have been no circumstances where variances were granted to allow an Intensification of Use without water deducted from an Allocation.

EVIDENCE: District records.


8. FINDING: Granting a variance would create an unfair precedent and would tend to defeat the purposes of these Rules and Regulations.

EVIDENCE: MPWMD Rules & Regulations and Ordinances on file at the MPWMD.

B PERMITS TO CONNECT TO OR MODIFY A CONNECTION TO A WATER DISTRIBUTION SYSTEM

Before any Person connects to or modifies a water use Connection to a Water Distribution System regulated by the District or to any Mobile Water Distribution System regulated by the District or to any Mobile Water Distribution System, such Person shall obtain a written Permit from the District or the District's delegated agent, as described in District Rules 21, 23 and 24. The addition of any Connection and/or modification of an existing water Connection to any Water Distribution System permitted and regulated by the District shall require a Water Permit.

The following actions require a Water Permit:

- 1 Any change in use, size, location, or relocation of a Connection or Water Measuring Device which may allow an Intensification of Use or increased water consumption.
2. Each use of an On-Site credit or Water Use Credit.
3. Any modification to the number or type of Residential water fixtures shown in Rule 24, Table 1, Residential Fixture Unit Count Values, with three exceptions: (1) replacement of a Standard Bathtub with a Shower Stall and vice versa; (2) removal of a lawful water fixture, and (3) replacement of a Large Bathtub previously documented by the District with a Standard Bathtub or a Shower Stall.
- 4 Any landscaping changes (added Landscape Area or changes in Hydrozones to higher water use plants than submitted on landscape plans reviewed and approved by the District) that will result in an Intensification of Use when a landscape plan has been reviewed and approved as a component of a Water Permit.
5. Rehabilitation of existing Landscape Area over 2,500 square-feet that is associated with a Jurisdiction's building or landscape permit, plan check, or design review.
-  6. Any Change of Use or any expansion of a Non-Residential use to a more intensive use as determined by Rule 24, with the exception of Temporary Structures and Temporary Exterior Restaurant Seats that are not occupied or in use for longer than thirty (30) consecutive days.
- 7 Installation of new water fixtures (Rule 24, Table 1) in a Residential use, other than replacement of existing water fixtures.
8. Use of water from a Mobile Water Distribution System.

C. EXEMPTIONS FOR WATER DISTRIBUTION SYSTEM PERMIT

Exemptions for a Water Distribution System Permit for a Well shall only be considered following receipt of a complete Request for Confirmation of Exemption package as

RULE 23 - ACTION ON APPLICATION FOR A WATER PERMIT TO CONNECT TO OR MODIFY A CONNECTION TO AN EXISTING WATER DISTRIBUTION SYSTEM

A. PROCESS

1. New and Amended Water Permit
 - a. The General Manager shall review the application and determine whether the Applicant has met the criteria for a Water Permit. If additional information is required to complete the application, the Applicant shall be notified in writing within thirty (30) days of the initial application.
 - b. The General Manager shall determine if the District has temporarily delayed the issuance of new Water Permits pursuant to Regulation XV. If a temporary delay is in place that affects the application, no Water Permit shall be processed and the application shall be returned to the Applicant. Exceptions to this rule shall be made for Permit applications for a new water meter for a fire suppression system or to individually meter uses previously metered by one water meter (i.e. Meter Split) unless otherwise determined by action of the Board of Directors.
 - c. The General Manager shall not process a Water Permit when any portion of the Site lies outside of the affected Water Distribution System Service Area.
 - d. The General Manager shall not process a Water Permit when there is a previously issued Permit for a completed Project on the application Site and a final inspection by the District has not been conducted, or where the property is not in compliance with District Rules and Regulations or conditions attached to previous District Permits.
 - e. The General Manager shall calculate the appropriate Capacity Fee for the Project using Rule 24, Calculation of Water Use Capacity and Capacity Fees.
 - f. When the application involves an Intensification of Use, the General Manager shall ensure that the total quantity of water permitted for all projects, including the current application, within a Jurisdiction shall not exceed that Jurisdiction's total Allocation. Similarly, for Projects not subject to a Jurisdiction's Allocation, the General Manager shall ensure that the total quantity of water permitted for all Projects, including the current application, does not exceed the production limit and/or Connection limit of the Water Distribution System serving the Project Site.
 - g. When the Adjusted Water Use Capacity as determined in Rule 24 is a positive number, that amount of water shall be deducted from the

Jurisdiction's Allocation or Water Entitlement as authorized on the Water Release Form. If additional water is required to meet the Adjusted Water Use Capacity of the Project and the Applicant is unable to reduce the Adjusted Water Use Capacity, the application shall be denied and returned to the Applicant to secure additional water resources.

- h. Intensification of Use allowed by a Water Permit shall result in a deduction from a Jurisdiction's Allocation (for Projects served by the Main California American Water System), from a Water Entitlement available to the property, or from the total available production limit for that Water Distribution System. Each Project which allows new, modified, or Intensified Water Use, shall require a Water Permit.
- i. Water Meters maintained by the Water Distribution System Operator shall be installed for each Residential and Non-Residential water User except as allowed in 23-A-1-i-(3), (4), (5), and (6).
 - (1) A Non-Residential User may extend water use to another Non-Residential User within an existing structure unless the Remodel or Addition requires a Water Permit for a Change of Use (as defined in Rule 11).
 - (2) A Change of Use as defined in Rule 11 shall trigger the requirement for a separate Water Meter.
 - (3) Users of multiple structures on a Site occupied by one Non-Residential User may apply for a variance of this Rule.
 - (4) The General Manager shall allow sub-metering for each Multi-Family Dwelling, Mixed Use, or Non-Residential User when the installation of separate Water Meters is not feasible and the User is utilizing Water Credits on a Site that has a Connection. Applications for sub-metering of Single Family Dwellings will be considered by the General Manager when the Jurisdiction confirms there is no potential that the sub-metered User could be located on a separate Site through subdivision or transfer of ownership of a portion of the Site. Approval of a Water Permit allowing sub-metering under this provision shall require recordation of a deed restriction on the title of the property that shall encumber current and future Site owners to comply with the following conditions:
 - a. Site's owner shall have Water Meters installed for each sub-metered User by the Water Distribution System Operator within ninety (90) days of the conclusion of a Connection moratorium. Once Water Meters maintained by the Water Distribution System Operator

TABLE 2: NON-RESIDENTIAL WATER USE FACTORS

Group I 0.00007 AF/SF

Auto Uses	Retail	Warehouse	Dental Clinic	Office	Bank	Supermarket
Church	Nail Salon	Family Grocery	Medical Clinic	Tasting Room	Fast Photo	Convenience Store
Dry Cleaner (No on Site Laundry)			Veterinary Clinic	School	Gym	

Group II 0.0002 AF/SF

Users in this category prepare and sell food/beverages that are primarily provided to customers on disposable tableware. Food with high moisture content and liquid food may be served on reusable tableware. Pizza must be served on reusable platters or on disposable plates. Glassware may be used to serve beverages.

Bakery	Pizza	Coffee House	Ice Cream Shop	Dry Cleaner (with on Site Laundry)
Catering	Deli	Bar ¹	Sandwich Shop	

Group III

Assisted Living (more than 6 beds) ²	0.085 AF/Bed
Beauty Shop/Dog Grooming	0.0567 AF/Station
Child/Dependent Adult Day Care	0.0072 AF/Person
Dormitory ³	0.040 AF/Room
Laundromat	0.2 AF/Machine
Meeting Hall/Banquet Room	0.00053 AF/SF
Motel/Hotel/Bed & Breakfast	0.1 AF/Room
w/Large Bathtub (Add to room factor)	0.03 AF/Tub
w/Each additional Showerhead beyond one (Add to room factor)	0.02 AF/Showerhead
Irrigated Areas beyond ten feet of any building	ETWU
Plant Nursery	0.00009 AF/SF Land Area
Public Toilet	0.058 AF/Toilet
Public Urinal	0.036 AF/Urinal
Zero Water Consumption Urinal	No Value
Restaurant (including associated Bar/Brewpub Seats)	0.02 AF/Interior Restaurant Seat
Exterior Restaurant Seats above the “Standard Exterior Seat Allowance” ⁴	0.01 AF/Exterior Restaurant Seat
Exterior Restaurant Seats within the “Standard Exterior Seat Allowance”	No Value
Restaurant (24-Hour and Fast Food)	0.038 AF/Interior Restaurant Seat
Self-Storage	0.0008 AF/Storage Unit
Skilled Nursing/Alzheimer’s Care	0.12 AF/Bed
Spa	0.05 AF/Spa
Swimming Pool	0.02 AF/100 SF of Surface Area
Theater	0.0012 AF/Seat

Group IV - MODIFIED NON-RESIDENTIAL USES

Users listed in this category have reduced water Capacity from the types of uses listed in Groups I-III and have received a Water Use Credit for modifications. Please inquire for specific property information.

All New Connections: Refer to Rule 24-B, Exterior Non-Residential Water Demand Calculations

Notes: Any Non-Residential water use which cannot be characterized by one of the use categories set forth in Table 2 shall be designated as “other” and assigned a factor which has a positive correlation to the anticipated Water use Capacity for that Site.

¹ ABC Licensed Premises Diagram area shall be used for calculation of square-footage.

² Assisted living Dwelling Units shall be permitted as Residential uses per Table 1, Residential Fixture Unit Count Values.

³ Dormitory water use at educational facilities is a Residential use, although the factor is shown on Table 2

⁴ See Rule 24-B-1 and Rule 25.5 for information about the “Standard Exterior Seat Allowance”.

Table amended by Ordinance No. 125 (9/29/2006); Resolution 2008-01 (1/24/2008); Resolution 2010-15 (12/13/2010); Resolution 2013-16 (9/16/13); Resolution 2014-04 (3/17/2014); Resolution 2014-12 (7/21/2014); Ordinance No. 164 (4/20/2015); Resolution 2016-06 (3/21/2016); Ordinance No. 176 (1/25/2017); Resolution 2017-14 (7/21/2017); Resolution 2017-16 (12/11/2017)

http://www.montereycountyweekly.com/food_wine/edible-cachagua-general-store-pigwizard-and-katie-s-coldpress-fight/article_652bdc56-f652-11e7-885f-a7f79a196369.html

EDIBLE: Cachagua General Store, PigWizard and Katie's Coldpress fight to find a place to serve people.

Mark Anderson Jan 11, 2018



Cachagua General Store, PigWizard and Katie's Coldpress considered all sharing the spot at 398 Franklin St. in Monterey. Happy Girl Kitchen is one of the few local kitchens that rents space.

Mark C. Anderson

An average of 3,000 people – almost as much as the population of Carmel (3,891) – walk into Monterey Sports Center every single day. Across the street sits a coffee-roastery-to-be where the previous tenants salivated at the passersby, struggled to read the clientele's healthy leanings, and folded after featuring cupcakes and sausages as the titular treats.

When Nuernberg's German Sausages left town and that vacancy hit the market, some atypical excitement ensued. Popular companies with tribal followings campaigned for placement, two publicly, inspiring me to have some fun via a piece titled "Juice v.

Bacon: **Katie's Coldpress, PigWizard** petition for key Monterey spot" that opened with: "It's a showdown scripted for the **Food Channel**, part **MTV Celebrity Deathmatch**, part hipster battle for the soul of local foodies. Artisan pork belly versus cold-pressed juice."

PigWizard (**Jonathan Roberts**) promptly grinded me up on Facebook: "Way to make people trying to take care of their families and follow their dreams into a partisan issue! I wish we could share the space, and I wish there were more spaces for fledgling food business, but the lack of available commercial water, coupled with high rent, make it a tough place to get started. As for us sharing, we have regulatory issues that would make it impossible for us to grow the way we both want using the same space."

Katie Raquel squeezed in a comment: "Yeah, for anyone looking for drama, none here. Food business is tough and we all want each other to succeed."

They spoke to some less-public plot underpinnings: One, it wasn't just about the high-profile players in the game: There were as many as 17 applicants, according to landlord **Frank Flores**, who owns the Carpet Caravan that just moved into the redone batting cage space next door. That included another cult favorite, the **Cachagua General Store/A Moveable Feast** team, who was part of the team attempt to share the space.

Two, the primary reason so many applicants lined up wasn't the formidable foot traffic, but the fact the space has a kitchen and water credits – albeit not enough for a full restaurant, which disqualified about half the suitors.

To quote the Peninsula's leading water-use guru, Monterey Peninsula Water Management District General Manager **Dave Stoldt**, the 398 Franklin scenario "just scratches the surface of a big issue." The state's cease-and-desist order on pumping Carmel River frowns harshly on any new growth until

a new water supply is online and flowing. Monterey is out of water credits. Pacific Grove is hoping for a few extra from a golf course/cemetery recycled water project, but MPWMD is still evaluating that. Carmel has a few on sale from **Clint Eastwood's** conversion of credits from his Odello property off Highway 1. Seaside has some, but they're committed to upcoming projects. Only Sand City, which has its own desalination plant, really has any surplus.

"The marketplace is perverse," Stoldt says. "I look at rents in Carmel, [and wonder], 'How can that restaurant survive?' If there's water available, landlords can jack up the rent and you see more competition because you can't locate without it. We're stuck in that mode for the next few years."

That leaves PigWizard, Katie's Coldpress and Cachagua General Store on the hunt. Together they've found a spectrum of success searching out new spots ranging from Nearly Reborn to Ready to Give Up Completely.

After waging a tasting campaign, selling more than 100 bottles in two days from the sidewalk outside the building to prove her concept on Franklin – the first viable property she saw in four years of searching – Katie's Coldpress keeps looking. The good news is she says she's zeroing in on an investor that will allow her to open a central Peninsula location. She'll still produce her California Certified Organic Farmers-approved juice at **El Pajaro Community Development Center Commercial Kitchen Incubator** in Watsonville (763-3695), whose \$10-an-hour rates make her soluble.

"It's a nonprofit, and affordable, and it's still challenging," she says. "With licensing and the huge learning curve, it's really expensive to start a food business. Monterey doesn't have a lot of options for people who want to get into it and don't have a huge investment."

"I wish for my sake and for a lot of other local food businesses that Monterey County had more available commercial kitchen spaces for lease and for rent."

Cachagua General's famous/infamous **Mike Jones**, meanwhile, says he's *this close* to signing a lease, though he's not telling till the ink is on the papyrus.

"We're ready to reopen," he says. "We have the perfect fit for us."

The potential new headquarters includes a commercial kitchen, event space and would allow for now-legendary CGS Monday Night Dinners (and lower-key Sunday brunches).

Meanwhile, PigWizard is ready to throw in the pork chop. "There is no update," Roberts says. "I'm considering selling all this equipment and finding another career. The bottom line is there's no place to go, and when there is, there's too much competition."

EXHIBIT 11-F

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“It’s not going to get cheaper, we’re not going to get any more water,” he continues. “How do you long go on banging your head against something before you learn to stop?”

QUICKBITES

- **Big Sur Foragers Festival** is here this weekend at Ventana Big Sur (Jan. 12-14), p. 21, bigsurforagersfest.org.
- **Toribashi** has taken over for Alvarado Ramen, doing slow-cooked ramen by **Sam Cook**, who started his chef career prepping grub for the **U.S. Army** (and now does discounts for members of the military), and ran his own sushi shop in the Bay Area for decades. Grand opening Feb. 8, with unannounced soft opening peeks in the meantime.
- Chef **Terry Teplizky** reports **Boardwalk Sub Shop** will open its second location in the former Red's Burger Joint on Main Street in Salinas on Monday, Jan. 22.
- Popular progressive Pacific Grove cafe **Happy Girl Kitchen** (373-4475) joined the effort against harassment Jan. 8 in response to news from *San Francisco Chronicle* that popular coffee wholesaler Four Barrel is wrestling with alleged sexual assault and harassment by founder **Jeremy Tooker**: "In solidarity with the woman who were threatened and abused, we are finding another roaster."
- **American Culinary Federation Monterey Bay Chapter** (chefischef@gmail.com) is holding its State of the Chef brunch 10am-noon Saturday, Jan. 20, at Lafayette Kitchen & Cafe (238-6010) to highlight 2017 accomplishments and look at the future (free/members, \$25, montereybaychefs.org).
- Speaking of, ACF chapter president and Basil alum **Soerke Peters** and local restaurateur **Ken Spilfogel** (Flaherty's) took over Lafayette Bakery's second location, on Dolores in Carmel, on Jan. 1.
- The eighth annual **John "Spud" Spadaro** Hospitality Award is now in judging stages. Another worthy crop of finalists includes **Anna Vindiola**, **Gaspere Aliotti** and **Jeano Brucia-Abraham**, with the presentation party happening Friday, Jan. 19, at Elks Lodge in Monterey (\$30 for Sicilian steak and more, 521-1884).
- **The Food Bank for Monterey County** is about to break ground on their new \$10 million 50,000-square-foot facility in Salinas, its first permanent base, which is solar-powered with cold-storage capacity at 20,000 square feet. The Rossi Street location is slated to open in June (758-1523, foodbankformontereycounty.org).
- **Herman Melville**: *"It is better to fail in originality than to succeed in imitation."*

Mark Anderson

ITEM: PUBLIC HEARING

12. CONSIDER APPROVAL OF A CEQA ADDENDUM FOR THE CARMEL RIVER BANK STABILIZATION PROJECT AT RANCHO SAN CARLOS ROAD (CEQA: *Approve Addendum to the Carmel River Management Plan Environmental Impact Report Under CEQA Guideline Sections 15162 and 15164*)

Meeting Date:	February 22, 2018	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item:	N/A N/A
Prepared By:	Larry Hampson and Thomas Christensen	Cost Estimate:	N/A

General Counsel Review: Yes
Committee Recommendation: N/A
CEQA Compliance: Addendum to EIR

SUMMARY: A series of high flows since 2011 have steadily destabilized a portion of the Carmel River channel downstream of the Rancho San Carlos Road Bridge. In the winter of 2017, the area experienced significant erosion along about 300 feet of the south streambank and damaged Santa Barbara sedge, which is used by local Rumsen Ohlone Native Americans in the ancient art of basket weaving. Further destabilization of the streambank would result in additional loss of Santa Barbara sedge and the instability could translate downstream into the reach of the river where Hacienda Carmel is protected from high flows by a ring levee. Staff proposes to carry out the Carmel River Bank Stabilization Project at Rancho San Carlos Road (RSC Project) as described in the attached project description and work plan (**Exhibit 12-A**).

Because physical modification within the river channel is considered a project under the California Environmental Quality Act (CEQA), the Board of Directors must review the proposed project for potential impacts to the environment. On October 29, 1984, the Board of Directors certified a program Environmental Impact Report (PEIR) for the Carmel River Management Plan (CRMP) and adopted mitigation measures for river restoration projects within the channel of the Carmel River. The Board subsequently adopted an Addendum to the PEIR on August 18, 1997 to add mitigation measures for potential effects to California red-legged frogs. The Board should review the RSC Project in light of this CEQA record, which was provided to the Board under separate cover, and determine whether to approve the RSC Project as an Addendum to the Carmel River Management Plan PEIR. Attached as **Exhibit 12-B** is Resolution 2018-03, which contains findings of environmental review.

RECOMMENDATION: Staff recommends:

- a) the Board adopt Resolution No. 2018-03 approving the RSC Project and Addendum to the Carmel River Management Plan Program Environmental Impact Report; and
- c) authorize staff to file a Notice of Determination with the Monterey County Clerk.

DISCUSSION: In 1984, the District developed and adopted the Carmel River Management Plan and associated program Environmental Impact Report (PEIR). These actions occurred after many citizens along the Carmel River requested such a plan in the wake of high flows between 1978 and 1983 that degraded the river. The goals of this plan are to restore streambank stability and to enhance the natural resources of the river. The proposed RSC Project is a continuation of the comprehensive restoration of the Carmel River. Specific goals of the project are:

1. Prevent further erosion of the stream bank on both sides of the river in order to protect land, infrastructure, mature riparian habitat on the floodplain, and the Santa Barbara Sedge area.
2. To restore riparian vegetation on the banks and active floodplains.
3. To enhance habitat for California red-legged frogs and juvenile steelhead.

The RSC Project area has had a long history of instability associated with groundwater pumping (loss of protective riparian trees) and down cutting of the channel bed over many years due to sediment being trapped behind Los Padres Dam and the former San Clemente Dam. Recent small scale changes related to erosion on the right bank (facing downstream) were first observed in 2011. Temporary measures to stabilize the right bank included installation of jute netting and willow cuttings. However, on February 21, 2017 during a high flow event, when the Carmel River peaked at approximately 9,570 cubic feet per second at the U.S.G.S Near Carmel gage (about a mile downstream of the RSC Project), approximately 10 to 15 feet of bank eroded along 300 lineal feet of the southern river bank (left bank). With this new significant erosion of the left bank and the foreseeable loss of additional land, including a portion of the only remaining mature riparian forest along the lower 15 miles of the river, the District would like to restore and stabilize these two streambanks to prevent a large scale erosion event in future winters. Staff is currently collecting information on permit requirements and hopes to carry out the project in the summer and fall of 2018.

The current project description for the RSC Project entails stabilization of the left bank with a log cribwall (combination of logs, boulders, cobble, gravel, and native riparian trees) of approximately 160 linear feet and the stabilization of a small portion of the right bank (approximately 60 linear feet) with structural components of logs with rootwads, boulders, cobble, gravel, and native riparian plantings. Additional planting will occur at the upstream and downstream ends of the project.

Most construction activities would be confined to the active channel, which is approximately the area of the 10-year runoff event. These projects are part of the District's Riparian Corridor Management Program to provide erosion protection and restore natural resources along the river. The projects are funded through the District's Mitigation Program.

A draft set of plans was provided to owners of properties that would be directly affected by construction activities. As a result, the District was made aware of the presence of Santa Barbara sedge on the terrace above the left streambank downstream of Ranch San Carlos Road Bridge. The CRMP EIR has this to say about cultural resources:

“4.3.4.7 Heritage Impacts

The flood plain and banks of the Carmel River have a high potential for archaeological sites. Despite extensive river and human activity, some sites may have escaped destruction through chance or sediment deposition.

Mitigation

An archival check of known sites should be carried out for all reaches of the preferred solution, and both banks of the river walked by an archaeologist prior to initiation of project activity. If any sites are discovered, project plans should be identified to incorporate appropriate mitigations. If unsuspected sites are unearthed during construction, all activities should halt until an archaeological inspection is carried out and mitigations devised.”

At their November 13, 2017 meeting, the Board of Directors authorized staff to retain a cultural resources consultant (LSA) to carry out a study of the site as described in **Exhibit 12-C**. At that meeting the District received several letters from Native America stakeholders describing the importance of the sedge as a source of material for use in the ancient art of basket weaving. See this link to the letters

<http://www.mpwmd.net/documents-submitted-at-the-november-13-2017-board-meeting/>

In January 2018, staff met with the consultant (LSA), property representatives and stakeholders to discuss the RSC Project. District staff agreed to revise the project plans to avoid damage to the Santa Barbara sedge on site.

CEQA Action Required

CEQA section 15162 “Subsequent EIRs and Negative Declarations” describes several possible conditions that could require a subsequent EIR. Two parts of this section apply to the proposed project. The key question in Section 15162 (a) (1) is whether substantial changes are proposed in the project. The key question in Section 15162 (a) (3) (A) is whether the project will have one or more significant effects not discussed in the previous PEIR and any subsequent CEQA approvals.

The proposed project techniques and potential impacts are within the scope of that program EIR and no substantial change to the PEIR is required to approve the RSC Project. The locations and technique of using boulders, logs, and revegetation for bank stabilization are similar to those analyzed in the EIR. The proposed project and mitigation measures constitute a technical change that under CEQA Section 15164 “Addendum to an EIR or Negative Declaration,” requires the Board to adopt an addendum to the existing program EIR. The addendum for RSC Project consists of the Project Description and Cultural Resources Study Agreement referred hence forth as the RSC Project Addendum.

EXHIBITS

12-A RSC Project Description and Work Plan

12-B Draft Resolution 2018-03

12-C LSA Cultural Resources Study Agreement

EXHIBIT 12-A

Carmel River Bank Stabilization at Rancho San Carlos Road Project Description and Work Plan

EXISTING CONDITION

The proposed Carmel River Bank Stabilization at Rancho San Carlos Road Project (RSC Project) is located at River Mile 3.8 (measured from the Pacific Ocean) just downstream of the Rancho San Carlos Road Bridge (**Figure 1**). The project area contains two eroding stream banks almost opposite from each other. Concern for the stability of the right bank (Moratz Property) started in 2011 and interim measures such as jute netting, willow planting, and irrigation were carried out to try and stabilize the bank. Then in February of 2017, during a high flow event (9,570 cubic feet per second at the U.S.G.S Near Carmel gage) the left bank on Quail Lodge Property experienced significant erosion and approximately 10 to 15 feet of bank eroded along 300 lineal feet (**Figure 2**). During the high flows, numerous large cottonwood trees toppled out of the river bank and culturally significant Santa Barbara Sedge beds were lost. Currently the left bank is very vulnerable to erosion from high flows because it has lost its protective vegetative cover and is on the outside of a meander bend in an area that can erode during high flows. Because these vulnerable streambanks are so close together, work on one bank can impact the other. Therefore, a comprehensive project addressing both banks is being proposed (**Figure 3**).

PROJECT DESCRIPTION

On June 21, 2017, the District contracted with Balance Hydrologics to provide a design for the RSC Project. Based on investigations of the site, a log cribwall (approximately 160 feet in length) was recommended for stabilizing the left bank with a smaller boulder log structure (approximately 60 feet long) for the right bank. Balance Hydrologics chose this design based on the fact that:

- The riparian corridor is a source of large wood debris to the channel; a log-based structure would be appropriate for the project site.
- Long-term stability of the site will be enhanced by successful vegetation growth and the development of root networks through the structure by woody vegetation.
- Banks should be reassembled with a mix of sand, gravel, and cobble for the lower bank; finer material would only be appropriate on the upper bank.
- Regulatory agencies prefer projects that incorporate large wood and revegetation versus banks covered in rip rap only.

A log cribwall will protect the most severely damaged portion of the left bank. Other options for treating the left bank were considered—for instance, boulder barbs and log/boulder toe protection—but the cribwall was chosen for a number of reasons. The 2D hydraulic model indicated that shear stress is relatively low at the 10-year design event (at most 1.0 lb/ft² on the left bank) and velocity is at most 8.1 ft/sec. According to stability thresholds for stream restoration materials summarized by Fischenich (2001), a number of treatments would be capable of withstanding these conditions. A purely vegetation based treatment was not selected because the long-term stability of the treatment depends on the successful establishment of vegetation. Moreover, there is high risk for failure of vegetative treatments during the establishment period, which could be as much as four to five years. For example, the probability of a 10-year event—which would be expected to cause a vegetative treatment to fail—during a 5-year establishment period is approximately 41 percent. On the opposite end of the spectrum from a purely vegetative treatment are hard surfacing options such as rip rap. A hard-surfacing option was not selected because large clasts are not geomorphically appropriate for the project reach. Furthermore, hard surfacing options are predisposed to offsetting a bank erosion problem to downstream reaches. Rip rap and similar hard surfacing schemes are not favored by regulatory agencies for similar reasons. Lastly, these types of treatments tend to detract from the aesthetic quality of a system.

The log cribwall will provide immediate protection up to the design event, and the plantings within the cribwall will provide long-term protection after the logs have decomposed (anticipated to occur over several decades). Visually, the cribwall have wood, rock and vegetation elements immediately after construction, with vegetation becoming more dominant as it grows in. The bank roughness introduced by the cribwall will control velocities around the bend and not deflect flow to the next downstream bend, as would a hard-surfacing option. The log structure resembles a wood debris jam, which is geomorphically appropriate for the reach given abundant sources of large woody material along the riparian corridor and in the upper watershed. Large boulders have been used in the past with bank stabilization projects and providing a non-biodegradable means of scour protection was necessary to support the cribwall. The boulders are designed in a staggered pattern to maintain roughness around the bend should the channel continue to incise. The design attempts to maintain the channel width so as to not oppose the prevailing process of meander belt widening, nor adversely affect flood hydraulics. The ballast of the log structure is sufficient for stability, and it does not require extensive keying into the bank that would result in a larger construction footprint. The rootwads in the lower portion of the cribwall will provide benefits to aquatic habitat, as will vegetation in the cribwall once it matures.

The cribwall begins at the end of the concrete debris on the left bank, and extends for approximately 160 feet downstream. The cribwall was designed to be this length not only to protect the most vulnerable portion of the bank, but also to reshape the bank in a way that will eliminate the “scalloped” shape that formed after the major failure during winter 2017. The 2D hydraulic

model indicated flow eddying within the scalloped area and flow accelerating as it leaves the scalloped area, which suggests that the bank irregularity is susceptible to ongoing erosion. The modest narrowing of the channel mentioned earlier is related to addressing the scalloped bank in order to avoid hydraulic patterns that would increase the risk of further bank erosion.

Construction of the left bank cribwall involves excavating below the river bed approximately 6 feet to place 1.5 ton boulders. Then logs are then placed on top of these boulders and are back filled with half ton rock and then smaller channel material such as cobbles and gravels as you go up in elevation. A final set of boulders are placed at the back of the cribwall structure to anchor the logs. These boulders are eventually buried after the project is complete with a slope of 2:1. The final slope is covered with an erosion control blanket and the whole structure and finished slope is heavily planted with willows, black cottonwoods (**Figure 4**).

The right bank stabilization structure also incorporates boulders, logs with rootwads, and river bed material such as gravel and cobble. The basic design uses 1.5 boulders as footers to help support the logs and well as one footer log. Log anchors will also be incorporated to secure them to the site. The area will also be revegetated with willows and black cottonwoods (**Figure 5**).

Once vegetation starts to mature at both the cribwall and the right bank structure many of the elements of the design will start to blend in with the surrounding environment. A picture of a previously constructed cribwall with vegetation was provided by Balance Hydrologics (**Figure 6**).

Vicinity Map

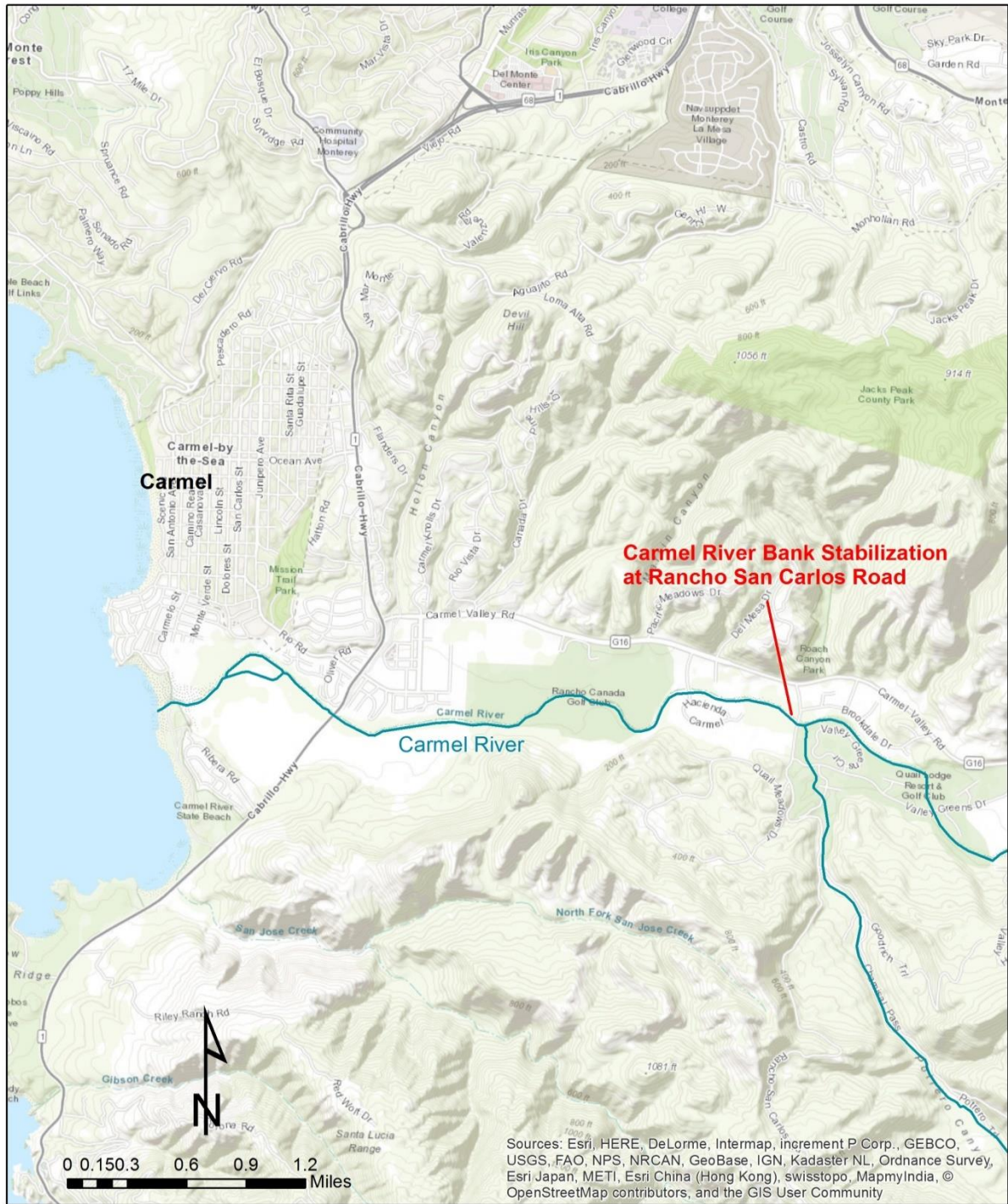


Figure 1. Project located just downstream of Rancho San Carlos Road Bridge



Figure 2. Left streambank after winter of 2017 erosion event (note lack of protective vegetation)



Figure 3. Aerial image showing locations of erosion just downstream of Rancho San Carlos Road Bridge

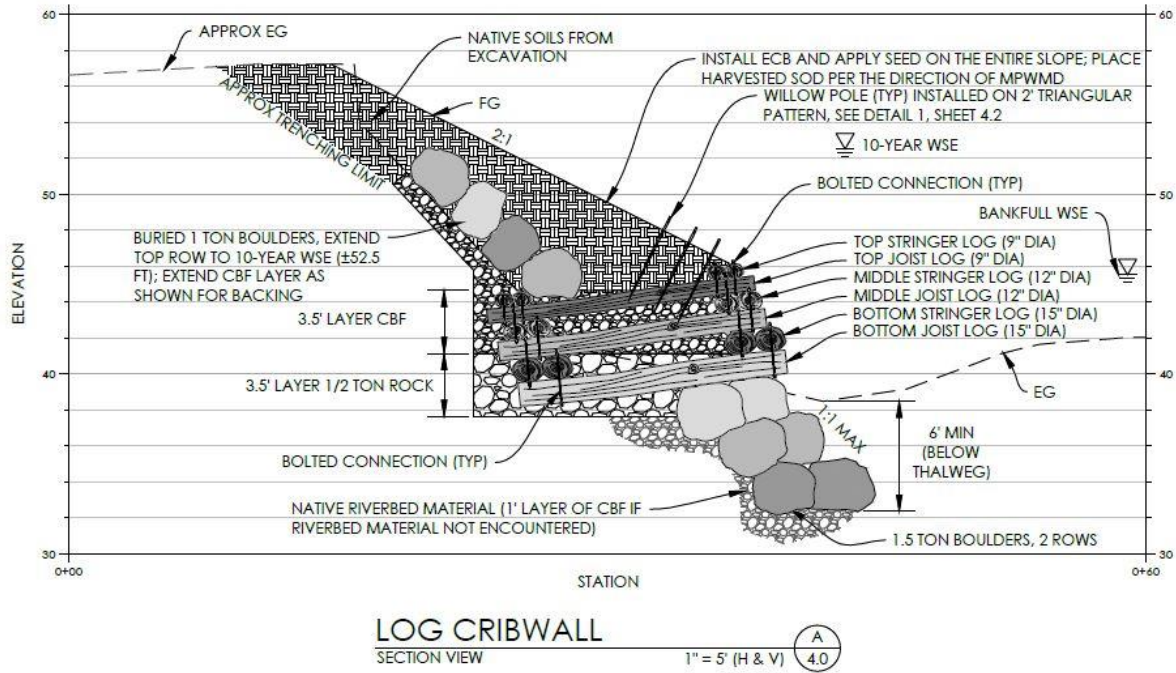


Figure 4. Example section view of log cribwall

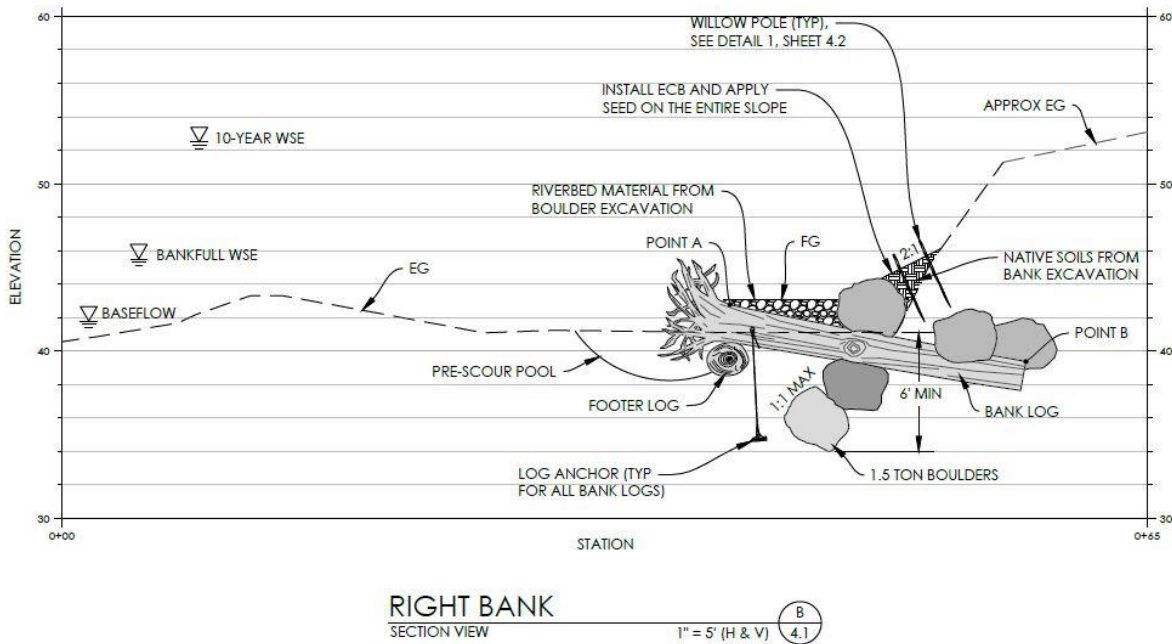


Figure 5. Example section view of right bank stabilization structure



Figure 6. Example of completed log cribwall

EXHIBIT 12-B**RESOLUTION 2018-03****A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
CERTIFYING FINDINGS OF ENVIRONMENTAL REVIEW
ADOPTING AN ADDENDUM TO THE
CARMEL RIVER MANAGEMENT PROGRAM
ENVIRONMENTAL IMPACT REPORT AND APPROVING THE
CARMEL RIVER BANK STABILIZATION PROJECT
AT RANCHO SAN CARLOS ROAD**

WHEREAS, The Monterey Peninsula Water Management District (MPWMD) is committed to mitigating the environmental impact of diversions from the Carmel River Basin; and

WHEREAS, The MPWMD certified a Programmatic Environmental Impact Report (PEIR) for the Carmel River Management Plan on October 29th, 1984; and

WHEREAS, The MPWMD certified an Addendum on August 18, 1997 to add mitigation measures for potential effects to California red-legged frogs; and

WHEREAS, The above actions constitute the California Environmental Quality Act record for considering approval of projects in the channel of the Carmel River; and

WHEREAS, High Carmel River flows between 2011 and 2017 destabilized streambanks downstream of the Rancho San Carlos Road Bridge along approximately 400 feet of the river (the project site); and

WHEREAS, The MPWMD desires to construct a restoration project at the site in conformance with the adopted PEIR and subsequent Addendum; and

WHEREAS, The MPWMD has become aware that project activities could affect Santa Barbara sedge (*Carex barbarae*) on Assessor Parcel Numbers 157-121-027 and 157-121-028, which has been cultivated at the project site by Native American members of the Rumsen tribe for use in the traditional art of basket weaving; and

WHEREAS, The MPWMD has entered into an agreement with a qualified cultural resources consultant to perform a cultural resources study at the site and to provide assistance with compliance with Section 106 of the National Historic Preservation Act, which agreement is incorporated by reference into the Addendum; and

WHEREAS, The MPWMD staff and its cultural resources consultant met on site in January 2018 with interested stakeholders and representatives of Assessor Parcel Numbers 157-121-027 and 157-121-028, and

WHEREAS, the MPWMD will cooperate with stakeholders and the Property Owner to design and construct the project so as to avoid damage to existing Santa Barbara sedge on the site and to salvage portions of the Santa Barbara sedge that may wash away during future high river flows; and

WHEREAS, the MPWMD has completed a preliminary design for the project, which design is incorporated by reference into the Addendum; and

WHEREAS, The District has determined that none of the conditions that would require a subsequent Environmental Impact Report or Negative Declaration exist for the project site;

NOW THEREFORE, BE IT RESOLVED:

We, the Board of Directors of the Monterey Peninsula Water Management District, certify the Findings of Environmental Review as a true and accurate statement and adopt an Addendum for the project based on the facts stated above;

Approve the project, direct staff file a Notice of Determination for the Project.

AYES:

NAYS:

ABSENT:

I, David J. Stoldt, Secretary to the Board of Directors on the Monterey Peninsula Water Management District, hereby certify that the foregoing is a resolution duly adopted on the 22nd day of February, 2018.

Witness my hand and seal of the Board of Directors this _____ day of _____, 2018.

David J. Stoldt, Secretary to the Board

**AGREEMENT BETWEEN THE
MONTEREY PENINSULA WATER MANAGEMENT DISTRICT AND**

LSA

**FOR SECTION 106 CONSULTING SERVICES
FOR THE RANCHO SAN CARLOS ROAD BANK STABILIZATION PROJECT**

THIS AGREEMENT is entered into this 5th day of December 2017, by and between LSA, hereinafter called "Consultant," and the Monterey Peninsula Water Management District, hereinafter called "MPWMD".

**SECTION I
SCOPE OF SERVICES**

MPWMD hereby engages Consultant for services as set forth in **Exhibit A**, Scope of Work.

**SECTION II
COMPENSATION**

A. FEE SCHEDULE

Fees payable to Consultant for services specified herein shall be in accordance with the Fee Schedule in **Exhibit B**.

B. METHOD OF PAYMENT

Payment of fees shall be based on work completed, as documented in monthly billings submitted by Consultant. Work reports shall be rendered in accordance with the schedule shown in **Exhibit C**, Work Schedule. Payments are due and payable within thirty (30) days after receipt of each invoice subject to a finding by MPWMD that work performed has been satisfactory and that payment is for the work specified in **Exhibit A**, Scope of Work. Where MPWMD finds the work to be unsatisfactory, MPWMD shall describe deficiencies in writing to Consultant within ten (10) days. The final invoice for work performed shall be submitted not later than sixty (60) days following completion of such work.

C. MAXIMUM PAYMENT

Payments to Consultant for services rendered and expenses incurred under this Agreement **shall not exceed \$ 23,175 without prior written approval from MPWMD.**

D. LATE PERFORMANCE PENALTY

Time is of the essence to this Agreement. Except for typical Force Majeure circumstances and any delay attributable to MPWMD, in the event Consultant is unable to perform satisfactory work within thirty (30) days of the date such work is due pursuant to **Exhibit C**, Work Schedule, MPWMD may, in its discretion, withhold an additional ten percent (10%) of the fees which would otherwise be payable pursuant to the fee schedule set forth in **Exhibit B**.

Except for typical Force Majeure circumstances and any delay attributable to MPWMD, in the event Consultant is unable to perform satisfactory work within sixty (60) days of the date such work is due pursuant to **Exhibit C**, Work Schedule, MPWMD **SHALL** withhold twenty percent (20%) of the fees which would otherwise be payable pursuant to the Fee Schedule set forth in **Exhibit B**, and **SHALL** reduce the maximum payment stated in Section II, Paragraph C of this Agreement by twenty percent (20%). Said reductions shall be deemed liquidated damages for the untimely performance of work required by this Agreement, and the Consultant shall be deemed to have waived any claim for such fees by reason of his/her failure to perform in a timely fashion.

SECTION III
INSPECTION OF WORK

The books, papers, records and accounts of Consultant or any subconsultants retained by Consultant insofar as they relate to charges for services, or are in any way connected with the work herein contemplated, shall be open at all reasonable times to inspection and audit by the agents and authorized representatives of MPWMD at Consultants Headquarters. Said records shall be retained for a minimum of five (5) years after completion of services.

SECTION IV
OWNERSHIP OF PROJECT REPORT AND EQUIPMENT PURCHASED

All original documents, explanations of methods, maps, tables, computer programs, reports and other documents prepared under this Agreement and equipment purchased specifically for the project shall become the exclusive property of MPWMD. Digital data used to generate tables, figures, diagrams, images, Geographical Information System (GIS) or Computer Aided Design (CAD) layers shall be considered separate deliverables and shall be provided to MPWMD after acceptance by MPWMD of the final work product(s).

Global Positioning System (GPS) data deliverables shall include the following:

- Original rover files, unless otherwise specified by MPWMD
- Base station correction files, unless otherwise specified by MPWMD
- Differentially corrected GPS files, if requested by MPWMD
- Copies of field data collection notes
- Completed documentation sheet for each collection event
- Almanac files are optional

GIS deliverables shall include the following:

- Geospatial dataset [generated from GPS data] in Environmental Systems Research Institute, Inc.'s (ESRI) shapefile format, including a projection file. In this regard, point features shall be generated as point shapefiles, linear features shall be generated as line shapefiles, and area features shall be generated as polygon shapefiles.
- Each geospatial dataset shall be accompanied by documentation sufficient to meet the Content Standard for Digital Geospatial Metadata (CSDGM), Vers. 2 (FGDC-STD-001-1998), dated June 1998.
- Any geospatial dataset derived from new or existing geospatial data in shapefile format, along with an explanation of the methodology used to generate the derived geospatial data.

Consultant may retain copies for his/her own use.

SECTION V
TIME OF PERFORMANCE

Consultant shall begin work upon the effective date of this Agreement and shall complete all tasks described herein according to the schedule shown in Exhibit C, Work Schedule. Time is of the essence to this Agreement, and late performance shall result in a waiver of a part of the fees payable pursuant to the terms of this Agreement.

SECTION VI
RESPONSIBILITIES

- A. Consultant represents that he/she has or will secure at his/her own expense all personnel, materials, and related services required to perform the services under this Agreement. Consultant shall act as an independent consultant and not as an agent or employee of MPWMD. Consultant shall have exclusive and complete control over his/her employees and subcontractors, and shall determine the method of performing the services hereunder.
- B. MPWMD shall not charge Consultant for providing data and studies. Consultant represents that he/she is familiar with such materials in the possession of MPWMD and that they are sufficient to discharge MPWMD's obligation hereunder.

- C. MPWMD shall coordinate with Consultant and others and arrange for all meetings required to be held with other agencies or persons hereunder, unless otherwise specified in Exhibit A, Scope of Services.
- D. Consultant shall be responsible for the reproduction of work produced by Consultant hereunder.
- E. The officers, agents, and employees of MPWMD shall cooperate with Consultant in the performance of services under this agreement without charge to Consultant. Consultant agrees to use such services insofar as feasible in order to effectively discharge his/her obligations hereunder and further agrees to cooperate with MPWMD's officers, agents and employees.
- F. The Consultant agrees to indemnify, defend and save harmless MPWMD, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all consultants, subcontractors, material men, laborers and any other person, firm or corporation who may be injured or damaged by the negligent acts, errors, and/or omissions of the Consultant, Consultant's employees, or Consultant's subcontractors or subconsultants in the performance of this Agreement. Consultant shall not have any liability for the negligent acts, errors, and/or omissions of MPWMD or any other third party that is not Consultant's employees, subcontractors or subconsultants during the performance of this Agreement.

SECTION VII
INSURANCE

- A. Consultant shall obtain and keep insurance policies in full force and effect for the following form of coverage:
 - 1. Automobile liability including property damage and bodily injury with a combined single limit of \$300,000.
 - 2. Comprehensive General Liability (CGL) with a combined single limit of \$1,000,000.
 - 3. Consultant shall add to his/her Comprehensive General Liability insurance policy a severability of interest clause or such similar wording if his/her policy does not automatically have this clause already written into it. Such language shall be similar to: "The insurance afforded applies separately to each insured against whom claim is made or suit is brought, including claims made or suits brought by any person included within the persons insured provision of this insurance against any other such person or organization."
 - 4. Worker's Compensation pursuant to provisions of Section 3700 of the California Labor Code.
- B. Consultant shall provide photocopies of his/her current Automobile insurance policy [or policies], including endorsements thereto, or current certificates of insurance in lieu thereof, to MPWMD.

- C. Consultant shall require any subcontractor to provide evidence of the same insurance coverages specified in VII.A.
- D. Consultant shall provide notice to MPWMD of any cancellation or material change in insurance coverage where MPWMD has been named as an insured, such notice to be delivered to the MPWMD in accord with Section XV of this Agreement at least ten (10) days before the effective date of such change or cancellation of insurance.
- E. Evidence acceptable to MPWMD that Consultant has complied with the provisions of this Section VII shall be provided to the MPWMD, prior to commencement of work under this Agreement.
- F. General Liability and Automobile Liability policies carried by the Consultant shall provide primary coverage instead of any and all other policies that may be in force. MPWMD shall not be responsible for any premium due for the insurance coverages specified in this Agreement.

SECTION VIII
CHANGES AND CHANGED CONDITIONS

- A. If, during the course of the work herein contemplated, the need to change the Scope of Work or the Work Schedule should arise, for whatever reasons, whichever party first identifies such need to change shall notify the other party in writing. The representatives of the parties shall meet within seven (7) working days of the date of such notice to discuss the need for change so identified and to set the proposed action to be taken by the parties. A change in the Scope of Work may also result in a change in the compensation amount. Compensation changes shall be based upon the Consultant Fee Schedule (**Exhibit B**) attached hereto. Any changes agreed to shall be documented by duly executed amendments to this Agreement.
- B. MPWMD reserves the right to specify individual employees, subcontractors or agents of Consultant who shall be assigned to perform the tasks specified in **Exhibit A**, Scope of Services. If, during the course of the work herein contemplated, there is a change such that the specified individual employees, subcontractors or agents are no longer assigned to the work described in this contract and/or are no longer affiliated with Consultant, Consultant shall immediately notify MPWMD in writing. Consultant shall relinquish the rights to this contract, if requested by MPWMD, as part of termination proceedings pursuant to Section IX, Termination.

SECTION IX
TERMINATION

- A. MPWMD may terminate Consultant's services at any time by written notice to Consultant at least thirty (30) days prior to such termination. Upon receipt of written notice from MPWMD that this Agreement is terminated, Consultant shall submit an invoice for an amount that represents the value of services actually performed to the date of said notice for which he/she has not previously been compensated. Upon approval of this invoice by MPWMD, Consultant shall be paid from the sum found due after having applied the provisions of Section II, Paragraph (D) of this Agreement, "Late Performance Penalty," where applicable, and MPWMD shall have no further obligation to Consultant, monetarily or otherwise.

- B. Upon receipt of written notice of termination, the Consultant shall (1) promptly discontinue all services affected (unless the notice directs otherwise), and (2) deliver or otherwise make available to MPWMD, copies, including magnetic media, of data, design calculations, drawings, specifications, reports, estimates, summaries and other such information and materials as may have been accumulated by the Consultant in performing the services under this Agreement.

SECTION X
SUB-CONTRACTING AND ASSIGNABILITY

Consultant shall not sub-contract any portion of the work required by this Agreement nor otherwise assign or transfer any interest in it without prior written approval of MPWMD. Any work or services subcontracted hereunder shall be specified by written contract or agreement and shall be subject to each provision of this Agreement.

SECTION XI
DISCRIMINATION AND FAIR EMPLOYMENT

Attention is directed to Section 1735 of the California Labor Code, which reads as follows:

"No discrimination shall be made in the employment of persons upon public works because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, or sex of such persons, except as provided in Section 12940 of the government code and every Consultant for public works violating this section is subject to all penalties imposed by a violation of this chapter."

During the performance of this Agreement, Consultant and its contractors shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (cancer), age (over 40), marital status, and denial of family care leave. Consultant and its contractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Consultant and its contractors shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the

applicable regulations promulgated thereunder (California Code of Regulations, Title 2, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full.

SECTION XII
INTEREST OF CONSULTANT

Consultant covenants that he/she presently has no interest and shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance of services required to be performed under this Agreement.

SECTION XIII
CONTINGENT FEES

Consultant warrants that he/she has not employed or retained any company or person, other than a bona fide employee working solely for the Consultant to solicit or secure this Agreement, and that he/she has not paid or agreed to pay any company, or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gifts, or other consideration, contingent upon or resulting from the award or making of this Agreement. For breach of violation of this warranty, MPWMD shall have the right to annul this Agreement without liability or at its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage, gift or contingent fee.

SECTION XIV
DISPUTES

In the event of a dispute arising out of the performance of this Agreement either party shall, as soon as a conflict is identified, submit a written statement of the conflict to the other party. Within five (5) working days of receipt of such a statement of conflict, the second party will respond and a meeting will be arranged not more than five (5) working days thereafter to arrive at a negotiated settlement or procedure for settlement. If, within twenty (20) working days from the initial filing of a statement of conflict an agreement cannot be reached, it is agreed that the dispute may be resolved in a court of law competent to hear this matter. This Agreement shall be construed in accord with California law and it is agreed that venue shall be in the County of Monterey. The prevailing party shall be awarded costs of suit, and attorneys' fees.

SECTION XV
NOTICES

All communications to either party by the other shall be deemed given when made in writing and delivered or mailed to such party at its respective address, as follows:

MPWMD: Larry Hampson, District Engineer
 Monterey Peninsula Water Management District
 5 Harris Court, Building G
 or
 P. O. Box 85
 Monterey, CA 93942-0085

 Tel. (831) 658-5620

CONSULTANT: Neil Kaptain
 LSA
 157 Park Place
 Pt. Richmond, California 94801

 Tel. (707) 822-8478

SECTION XVI
AMENDMENTS

This Agreement together with **Exhibits A, B, and C** sets forth the entire understanding of the parties with respect to the subject matter herein. There are no other agreements expressed or implied, oral or written, except as set forth herein. This Agreement may not be amended except upon written amendment, executed by both parties hereto.

SECTION XVII
ATTACHMENTS

The following exhibits attached hereto and referred to in the preceding sections are, by reference, incorporated herein and made an integral part of this Agreement:

- Exhibit A.** Scope of Work
- Exhibit B.** Fee Schedule
- Exhibit C.** Work Schedule

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement effective as

of the day and year first above written.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT



BY: David J. Stoldt, General Manager

CONSULTANT LSA Associates, Inc



BY: Rob McCann, CEO

FEDERAL TAX IDENTIFICATION NUMBER: ~~02-0373462~~ 94-2341614

EXHIBIT A – SCOPE OF WORK

Task 1: Prepare Area of Potential Effects (APE) Map. LSA will prepare an Area of Potential Effects (APE) map, as required by Section 106, that depicts the area of project ground disturbance. Preparation of the APE map will require CAD or GIS files of the project to be provided by the District. \$1,500.

Task 2: Consult Interested Parties. LSA will conduct interested parties consultation outreach, as part of the requirements of Section 106, by contacting the Native American Heritage Commission (NAHC), Native Americans contacts on the NAHC contacts list including the Rumsen Tribe, and local Historical Societies, to request information or concerns they might have regarding cultural resources in the APE. An LSA archaeologist will attend two meetings with tribal representatives to discuss their concerns regarding the plant resource in the APE.

Please note that formal consultation may be requested between interested tribal organizations and the Corps, as the federal lead agency responsibility under 36 CFR Part 800, the regulations that implement Section 106. LSA may assist the Corps in its consultation with tribal organizations, but only in a technical capacity and subject to approval from the consulting parties for such involvement due to the government-to-government nature of such consultation. Because the nature and extent of this consultation is unknown as this time, that consultation process (beyond the outreach letters and meetings described in this proposal) are not included in this scope and fee.

Task 3: Perform Records Search. LSA will conduct a records search at the Northwest Information Center (NWIC) in Rohnert Park, California, to identify whether a part or all of the APE has been previously surveyed for cultural resources; whether any known cultural resources have been recorded on or adjacent to the APE; and whether the APE's sensitivity for archaeological cultural resources is low, moderate, or high.

Task 4: Perform Background Research. LSA will conduct background research using online resources and literature at LSA to identify the historic context and past history of the APE. This information will be used to determine if there is a potential for significant buried cultural resources on the property. If subsurface archaeological testing is required by the Corps, such testing would necessitate an augment to the scope.

Task 5: Perform Archaeological Field Survey. LSA will conduct a field survey of the APE.

Task 6: Sedge Recording. LSA will prepare California Department of Parks and Recreation 523 Series forms that document the boundary and contents of the resource. The forms will be appended to the report of findings.

Task 7: Prepare Report of Findings. Following the completion of the tasks outlined above, a report of findings will be prepared which describes the results of the records search, interested parties consultation, background research, and field survey. The report of findings will be prepared in accordance with the Corps' March 24, 2014, *Guidelines for Compliance with Section 106 of the National Historic Preservation Act* and the guidelines specified in *Detailed Recommendations for Section 106 Consultation Submittals*, and *Archaeological Resource Management Reports (ARMR): Recommended Contents and Format*, developed by the California Office of Historic Preservation (OHP), February 1990.

Assumptions:

- LSA has budgeted eight hours to respond to comments on the report of findings.
- In addition to the sedge, if any other cultural resources are identified in or adjacent to the APE, a budget augment will be necessary to record or evaluate them.

The required tasks listed above can be completed for a budget not to exceed \$19,390.

Optional Tasks:

If requested, LSA will complete the following optional tasks:

ESA Action Plan. If the Corps determines that the sedge concentration can be protected by the implementation of an ESA, LSA will prepare an ESA Action Plan that will present the procedures for installing, monitoring, and removing an ESA fence. Implementation of the plan would require a budget augment. LSA has budgeted four hours to respond to comments on the ESA Action Plan.

EXHIBIT B – FEE SCHEDULE

Task	Cost (\$)
Task 1: Prepare Area of Potential Effects (APE) Map	1,500
Task 2: Consult Interested Parties	4,440
Task 3: Perform Records Search	1,635
Task 4: Perform Background Research	800
Task 5: Perform Archaeological Field Survey	1,050
Task 6: Sedge Recording	2,845
Task 7: Prepare Report of Findings	7,120
ESA Action Plan (optional)	3,785
Total	\$ 23,175

EXHIBIT C – WORK SCHEDULE

Work under this Agreement is expected to be initiated in November 2017 and completed as follows:

Task 1 – Task 6

Within 75 days of execution of an agreement.

Optional Task – ESA Action Plan

Within 30 days of notification to proceed with optional work.

U:\Larry\Carmel River\Lower San Carlos\2017\Archeology\LSA-agreement-November 16, 2017.docx

ITEM: PUBLIC HEARING**13. CONSIDER ADOPTION OF MID-YEAR FISCAL YEAR 2017-2018 BUDGET ADJUSTMENT****Meeting Date:** February 22, 2018 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/
Line Item No.:** N/A**Prepared By:** Suresh Prasad **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental quality Act Guidelines section 15378.

SUMMARY: Annually, the District considers its financial position after the end of the first half of the fiscal year (FY). District staff has reviewed income and spending patterns from July 1, 2017 through the end of December 31, 2017 and determined that adjustments to the FY 2017-2018 Budget is required. The FY 2017-2018 Budget was adopted on June 19, 2017. Included in the budget adjustment process was a review of staffing levels, supplies, outside services, current work assignments and other factors affecting the current budget. The table below summarizes the proposed changes to the budget:

**Monterey Peninsula Water Management District
2017-2018
Mid-Year Budget Adjustment-Summary**

<u>Revenue</u>	<u>Adopted</u>	<u>Change</u>	<u>Amended</u>
Property Tax	\$1,750,000	\$0	\$1,750,000
Permit Fees - WDD	175,000	0	175,000
Permit Fees - PED	56,000	0	56,000
Capacity Fee	250,000	50,000	300,000
User Fees	3,425,000	670,000	4,095,000
Water Supply Charge	3,400,000	0	3,400,000
Recording Fees	9,600	20,000	29,600
Interest	20,000	10,000	30,000
Other	20,000	0	20,000
Subtotal District Revenues	9,105,600	750,000	9,855,600
Reimbursements - CAW	1,691,400	(55,500)	1,635,900
Reimbursements - PWM Project	0	4,112,500	4,112,500
Reimbursements - Watermaster	74,600	0	74,600
Reimbursements - Reclamation	20,000	0	20,000
Reimbursements - Other	29,300	0	29,300
Reimbursements - Legal Fees	16,000	0	16,000
Grants	1,250,000	(800,000)	450,000
Subtotal Reimbursements	\$3,081,300	\$3,257,000	\$6,338,300

Carry Forward From Prior Year	853,900	0	853,900
Total Revenues	<u>\$13,040,800</u>	<u>\$4,007,000</u>	<u>\$17,047,800</u>
<u>Expenditures</u>	<u>Adopted</u>	<u>Change</u>	<u>Amended</u>
Personnel	\$3,593,600	\$6,000	\$3,599,600
Supplies & Services	1,364,100	(39,500)	1,324,600
Project Expenditures	6,420,100	(722,500)	5,697,600
Fixed Assets	893,500	0	893,500
Election Expense	0	7,000	7,000
General Fund Balance	276,500	4,756,000	5,032,500
Capital Equip. Reserve	188,000	0	188,000
Debt Service	230,000	0	230,000
Contingency	75,000	0	75,000
Total	<u>\$13,040,800</u>	<u>\$4,007,000</u>	<u>\$17,047,800</u>

As the table above indicates, revenues increased by \$4,007,000. The reason for a significant increase in revenues was due to reimbursement of \$4.2 million from Monterey One Water for the Pure Water Monterey Project. This was money spent in previous fiscal years now getting reimbursed through the State Revolving Fund loan. Detailed information regarding all other proposed changes, as well as their effect on reserves, is detailed in the background section of this report.

RECOMMENDATION: Following a presentation by District staff and a public hearing, staff recommends adoption of the proposed mid-year budget adjustment for FY 2017-2018.

BACKGROUND: The Board of Directors adopted the original FY 2017-2018 budget on June 19, 2017. The paragraphs below summarize the original budget, proposed mid-year adjustments to the budget and projected reserves accounts.

Revenues

The 2017-2018 adopted budget anticipated revenue sources in the amount of \$13,040,800. It was projected that these revenues would be the same amount as budgeted expenditures resulting in a balanced budget. As of December 31, 2017, actual revenue collections totaled \$5,876,721 or about 45% of the budgeted amount. Revenues for the first half of each FY year are low because one half of the District's three major revenue sources, water supply charge, property taxes and reimbursements, are collected during the second half of each FY. District staff has analyzed the revenue activity for the first six months of the FY, as well as activities scheduled for the second half of the FY, and recommends various adjustments to the revenue portion of the budget as shown in **Exhibit 13-A** and discussed below:

- Increase of \$750,000 in District fees was increased mostly due to receipts from User Fee which is expected to be higher than anticipated in the original budget.
- Project Reimbursements was increased by \$3,257,000 due to reimbursements in the amount of \$4,112,500 received from Monterey One Water for the Pure Water Monterey project. Also, a reduction of \$800,000 for the grant funded projects as the work has been deferred to next fiscal year.

The cumulative effect of these revenue adjustments is an increase of \$4,007,000 million in projected revenues for FY 2017-2018.

Expenditures

The original budget envisioned expenditures of \$13,040,800 in the fiscal year ending June 30, 2018. As of December 31, 2017, actual expenditures totaled \$3,748,114, or approximately 29% of the budgeted amount. This low percentage at the mid-way point of the fiscal year is not unusual because project expenditures for the first half of each fiscal year are historically low. District staff has analyzed the expenditure activity for the first six months of the fiscal year, as well as activities scheduled for the second half of the fiscal year, and recommends various adjustments to the expenditure portion of the budget as discussed below:

- The personnel services portion of the budget increased by \$6,000 as shown on **Exhibit 13-B**.
- The supplies and services portion of the budget decreased by \$39,500 as shown on **Exhibit 13-C**. The most significant decrease was done to the public outreach line item to remove funds not needed for additional work as anticipated in the original budget.
- As presented on **Exhibit 13-D**, project expenditures decreased by a net amount of \$722,500. Some of the larger adjustments are as follows:
 1. Increase of \$150,000 for ASR project to complete the expansion related work.
 2. Reduction of \$785,000 for Sleepy Hollow Intake project as most of the costs has been deferred to next fiscal year. This project is funded by State grant.
 3. Reduction of \$50,000 for fish passage work as some of the costs has been deferred to next fiscal year.
 4. Reduction of \$150,000 for San Carlos restoration project as most of the costs has been deferred to next fiscal year.

The cumulative effect of the adjustments to the expenditure side of the budget is a net decrease of \$756,000. Additional \$4,756,000 is set aside for General Reserve Fund balance. The total change is \$4,007,000 in projected expenditures for FY 2017-2018.

Reserves

The District's reserve balance is projected to be as follows:

Reserves	Projected Balance 6/30/2017	Actual Balance 6/30/2017	FY 2017-2018 Budget	Est. Balance 06/30/2018
Litigation/Insurance Reserve	250,000	250,000	0	\$250,000
Capital Equipment Reserve	144,000	144,000	188,000	\$332,000
Flood/Drought Reserve	328,944	328,944	0	\$328,944
Debt Reserve	220,772	221,214	0	\$221,214
General Operating Reserve	1,903,540	3,253,349	4,178,600	\$7,431,949
Totals	\$2,847,256	\$4,197,507	\$4,366,600	\$8,564,107

The above adjustments will result in an estimated reserve balance of 8,564,107 at June 30, 2018 as shown on **Exhibit 13-E**. This amount meets the minimum 5% of the operating budget established by the Board during the 2005-06 budget process. The projected ending reserve balance is an increase of \$4,366,600. The original adopted budget had a projected reserve balance of \$2,847,256.

EXHIBITS

13-A Revenues

13-B Personnel Costs

13-C Supplies & Services Costs

13-D Project Expenditures

13-E Reserves Analysis

EXHIBIT 13-A

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment - Revenues
2017-2018**

<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
Capacity Fee	250,000	50,000	300,000
User Fee	3,425,000	670,000	4,095,000
Recording Fee	9,600	20,000	29,600
Interest	20,000	10,000	30,000
Reimbursements - CAW	1,691,400	(55,500)	1,635,900
Reimbursements - PWM Project	0	4,112,500	4,112,500
Grants	1,250,000	(800,000)	450,000
	0	0	0
Total	<u>6,646,000</u>	<u>4,007,000</u>	<u>10,653,000</u>

EXHIBIT 13-B

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment
Personnel Costs
2017-2018**

<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
Temporary Personnel	2000	6,000	8,000
Total	<u>\$2,000</u>	<u>\$6,000</u>	<u>\$8,000</u>

EXHIBIT 13-C

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment
Supplies & Services
2017-2018**

<u>Division</u>	<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
GMO	Meeting Expenses	1,000	500	1,500
GMO	Public Outreach	45,700	(40,000)	5,700
				0
	Total	\$46,700	(\$39,500)	\$7,200

EXHIBIT 13-D

**Monterey Peninsula Water Management District
Mid-Year Budget Adjustment-Project Expenditures
2017-2018**

<u>Division</u>	<u>Description</u>	<u>Original Budget</u>	<u>Adjustment</u>	<u>Amended Budget</u>
WRD	1-2-1 A.1 c. Site expansion construction (Phase I)	450,000	150,000	600,000
WRD	2-3-1 B. Power	36,000	(13,500)	22,500
WRD	2-3-1 F. Design and permitting for new intake system	200,000	(85,000)	115,000
WRD	2-3-1 G. Facility upgrade (construction)	750,000	(700,000)	50,000
WRD	2-3-2 A. Miscellaneous fish rescue supplies	5,300	6,000	11,300
WRD	2-3-3 A. Smolt rescue supplies	0	2,000	2,000
WRD	2-3-3 B. Water Resources Assistant	0	9,000	9,000
WRD	2-3-3 C. Seasonal Fish Rescue Worker	0	9,000	9,000
WRD	2-5-1 C. Replace CVA coastal monitor well cluster	39,400	(24,400)	15,000
WRD	2-5-1 D. Fractured rock well monitoring	2,000	2,000	4,000
WRD	2-5-1 E. CVA wells digitization	2,000	(2,000)	0
WRD	2-5-3 B.6. Field Tablets (4 Android)	2,000	(600)	1,400
P&E	1-1-2 A. Fish Passage	150,000	(50,000)	100,000
P&E	1-8-1 B. Monterey Pipeline MMRP Compliance	50,000	30,000	80,000
PED	2-1-1 C. Refurnish DeDampierre well vault	7,000	2,000	9,000
PED	2-1-2 A. 2. Supplemental planting	500	1,500	2,000
PED	2-1-3 B. Wildlife monitoring	4,000	1,500	5,500
PED	2-2-1 A. Work at lower San Carlos restoration project	250,000	(150,000)	100,000
WDD	4-1-1 A. Deed Restriction recording	24,000	50,000	74,000
WDD	4-2-3 A. CAW Rebates	500,000	30,000	530,000
WDD	4-2-3 C. Non-CAW (MPWMD funded)	40,000	10,000	50,000
	Total	<u>\$2,512,200</u>	<u>(\$722,500)</u>	<u>\$1,789,700</u>

EXHIBIT 13-E

**Monterey Peninsula Water Management District
Analysis of Reserves
2017-2018**

Reserves	Projected Balance 6/30/2017	Actual Balance 6/30/2017	FY 2017-2018 Budget	Est. Balance 06/30/2018
Litigation/Insurance Reserve	250,000	250,000	0	\$250,000
Capital Equipment Reserve	144,000	144,000	188,000	\$332,000
Flood/Drought Reserve	328,944	328,944	0	\$328,944
Debt Reserve	220,772	221,214	0	\$221,214
General Operating Reserve	1,903,540	3,253,349	4,178,600	\$7,431,949
Totals	<u>\$2,847,256</u>	<u>\$4,197,507</u>	<u>\$4,366,600</u>	<u>\$8,564,107</u>

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**15. COMMITTEE REPORTS**

Meeting Date: February 22, 2018 **Budgeted:** N/A

From: David J. Stoldt, **Program/** N/A
 General Manager **Line Item No.:**

Prepared By: Arlene Tavani **Cost Estimate:** N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

Attached for your review as **Exhibits 15-A through 15-E** are minutes of the committee meetings listed below.

EXHIBIT

- 15-A** Final Minutes of January 16, 2018 Administrative Committee Meeting
- 15-B** Final Minutes of November 15, 2017 MPWSP Governance Committee Meeting
- 15-C** Final Minutes of November 14, 2017 Water Supply Planning Committee Meeting
- 15-D** Final Minutes of October 17, 2017 Water Supply Planning Committee Meeting
- 15-E** Final Minutes of October 17, 2017 Legislative Advocacy Committee Meeting



EXHIBIT 15-A

FINAL MINUTES

**Monterey Peninsula Water Management District
Administrative Committee
January 17, 2018**

Call to Order

The meeting was called to order at 3:30 PM in the District Conference Room.

Committee members present: Brenda Lewis - Chair
Jeanne Byrne
Andrew Clarke

Staff present: David Stoldt, General Manager
Suresh Prasad, Administrative Services Manager/Chief Financial Officer
Jonathan Lear, Senior Hydrogeologist
Thomas Christensen, Riparian Projects Coordinator
Stephanie Locke, Water Demand Manager
Sara Reyes, Sr. Office Specialist

Oral Communications

General Manager Stoldt presented an emergency action item for the committee to take action on. Since the item was being presented as an emergency item, the committee should vote to add this as Item 14 to the January 17 Administrative Committee meeting agenda. On a motion by Byrne and second by Clarke, the committee approved adding the emergency action item to the agenda. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.

Items on Board Agenda for January 24, 2018

1. **Consider Adoption of Minutes of December 5, 2017 Committee Meeting**
On a motion by Clarke and second by Byrne, the minutes of the December 5, 2017 meeting were approved on a vote of 3 – 0 by and Clarke, Byrne and Lewis.
2. **Consider Authorizing Pueblo Water Resources to Provide Aquifer Storage and Recovery Operational Support**
On a motion by Byrne and second by Clarke, the committee recommended the Board authorize the General Manager to enter into an agreement on an as-needed basis, not-to-exceed \$70,000 with Pueblo Water Resources to support the District with WY 2018 ASR operations. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.
3. **Consider Authorization of Repairs and Alterations to the DeDampierre Irrigation Well**
On a motion by Byrne and second by Clarke, the committee recommended the Board authorize staff to contract with Carmel Valley Pump and Backflow Service to raise the casing and column of the well above ground and reconnect to control panels, as well as contract with David Casarez Excavating to fill the old pit with soil and to pour a concrete pad around the well. The motion was approved on a vote of 3 – 0 by Byrne, Clarke, and Lewis.

4. **Consider Converting the River Maintenance Worker Position to Environmental Programs Specialist**
On a motion by Byrne and second by Clarke, the committee recommended that the Board authorize the conversion of the of the River Maintenance Worker position to Environmental Programs Specialist and associated salary range. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.
5. **Consider Approval of Reclassification of the Associate Hydrologist Position**
On a motion by Clarke and second by Byrne, the committee recommended that the Board approve modifying the Associate Hydrologist to Range 37, Step E, effective February 1, 2018. The approximate cost would be \$7,400 in salary & benefits. The motion was approved on a vote of 3 – 0 by Clarke, Byrne and Lewis.
6. **Consider Approval of Resolution 2018-01 in Support of an Application for Steelhead Monitoring to the California Department of Fish and Game Fisheries Restoration Grant Program**
On a motion by Byrne and second by Clarke, the committee recommended the Board adopt Resolution 2018-01 to apply for grant funding from the Fisheries Restoration Grant Program and authorize the General Manager to enter into a contract with the California Department of fish and Wildlife.
7. **Consider Funding Rebates in the California American Water System between January 1, 2018 and the Availability of Funding from the General Rate Case**
On a motion by Byrne and second by Clarke, the committee recommended the Board support interim funding up to \$270,000 for the Rebate Program from the District’s general reserve fund until Cal-Am’s General Rate Case is approved and Cal-Am is directly funding the program. All District expenditures will be reimbursable by Cal-Am when a rebate fund is approved in the General Rate Case. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.
8. **Consider Approval of Budget for Groundwater Models for Seaside Groundwater Basin**
On a motion by Byrne and second by Clarke, the committee recommended the Board approve an amount not-to-exceed 445,000 for the District’s share of geochemical modeling in FY 2017-18 and an amount not-to-exceed \$28,000 for the District’s share of recalibration and updating the basin model. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.
9. **Consider Approval of Annual Update of Investment Policy**
On a motion by Byrne and second by Clarke, the committee recommended the Board review and approve the District’s Investment Policy. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.
10. **Receive Semi-Annual Financial Report on the CAWD/PBCSD Wastewater Reclamation Project**
 This report was presented for informational purposes only. No action was taken by the committee.
11. **Consider Approval of Treasurer’s Report for October 2017**
On a motion by Clarke and second by Byrne, the committee recommended the Board adopt the October 2017 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month. The motion was approved on a vote of 3 – 0 by Clarke, Byrne and Lewis.
12. **Consider Approval of Treasurer’s Report for November 2017**
On a motion by Clarke and second by Byrne, the committee recommended the Board adopt the November 2017 Treasurer’s Report and financial statements, and ratification of the disbursements made during the month. The motion was approved on a vote of 3 – 0 by Clarke, Byrne and Lewis.
13. **Review Draft January 24, 2018 Board Meeting Agenda**
 General Manager Stoldt reported that the emergency Item 14 presented to the committee will be added

to the Consent Calendar. No additional changes were made by the committee.

14. Consider Authorization of Expenditure for Financial Consultant to Evaluate Expansion of Pure Water Monterey Project

On a motion by Byrne and second by Clarke, the committee recommended the Board approve the expenditure of up to \$50,000 for a financial consultant to evaluate expansion of the Pure Water Monterey project. The motion was approved on a vote of 3 – 0 by Byrne, Clarke and Lewis.

Adjournment

The meeting was adjourned at 4:28 PM.

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**GOVERNANCE COMMITTEE
FOR THE
MONTEREY PENINSULA WATER SUPPLY PROJECT**

EXHIBIT 15-B
143

California American Water • Monterey County Board of Supervisors
Monterey Peninsula Regional Water Authority • Monterey Peninsula Water Management District

**FINAL MINUTES
Regular Meeting
Governance Committee
for the
Monterey Peninsula Water Supply Project
November 15, 2017**

Call to Order: The meeting was called to order at 2:00 pm in the conference room of the Monterey Peninsula Water Management District offices.

Members Present: Bill Kampe, representative for Monterey Peninsula Regional Water Authority
Jeanne Byrne, representative for Monterey Peninsula Water Management District
Ian Crooks, alternate for Rich Svindland, representative for California-American Water (non-voting member)
Kate Daniels, alternate (non-voting) for Mary Adams, Monterey County Board of Supervisors

Members Absent: Rich Svindland, California American Water
Mary Adams, Monterey County Board of Supervisors

Pledge of Allegiance: The assembly recited the Pledge of Allegiance.

Public Comments: No comments were directed to the committee.

Action Items

1. **Approve Committee Meeting Minutes of November 16, 2016**
On a motion by Byrne and second of Kampe, the minutes of November 16, 2016 were approved unanimously on a vote of 2 – 0 by Byrne and Kampe. No comments were directed to the committee during the public comment period on this item.

Discussion Items

2. **Status Report by California-American Water as to Monterey Peninsula Water Supply Project Generally**
Chris Cook, Assistant Engineering Manager for California American Water (Cal-Am), reviewed the MPWSP Anticipated Schedule that was presented at the meeting and can be viewed on the Governance Committee website. He noted that construction of the desalination project should begin in early 2019, following receipt of the Certificate of Public Convenience and Necessity in late 2018.

3. Status Report by California-American Water As to Monterey Pipeline

Cook reviewed slides 3 through 11 of the information he presented at the meeting. The presentation can be viewed on the Governance Committee website. He updated the committee on progress made on pipeline installation and street paving, work on the pipeline bridge across Highway 68, and construction of a new pump station. Cook also explained that change orders to the Garney Pacific, Inc. contract resulted in an increase of \$598,335 to the contract value. Other unanticipated changes required Cal-Am to accept bids for additional work related to the Monterey Pipeline. The work was awarded to the lowest bidder, Monterey Peninsula Engineering, which increased the contract amount by \$1,777,585. However, Cal-Am estimates that the final General Design & Other category of costs should be approximately \$3 million less than originally projected. Therefore, the overall Monterey Pipeline and Pump Station budget should be within the \$50.3 million budget. The committee discussed the new information and Cook responded to questions.

Public Comment: **(a) Jim Cullem** asked if when Cal-Am estimated the June 2018 completion date for issuance of the CPCN and the December 2018 date for a decision on the CDP had they taken into consideration probable objections and delays by Marina as was the case when the test well was proposed. *Cook responded that the completion date of December 2018 does anticipate issuance of the CPCN and the Coastal Development Permit.* **(b) Michael Warburton**, representing the Public Trust Alliance, stated he had proposed that the topic of changed circumstances be added to the meeting agenda, because circumstances have changed and it would be wise to focus on a system based on purchases rather than an engineering type water system. Warburton reasoned that litigation costs are very high when moving forward on a project, rather than problem solving. He stated that desalination is not a proven technology and there are billions of dollars worth of desal infrastructure that has been mothballed. He advised that it is time to look at a water supply strategy based on purchases because the water supply situation has changed totally with the Sustainable Groundwater Management Act, and that sustainability is the law. **(c) David Stoldt** noted that the September 30, 2017 project progress report stated the total pipeline cost was \$128 million, and that 37% had been spent. He said that Cal-Am reported that \$30 million was for the Monterey pipeline, and asked if \$17.4 million was spent on design and preconstruction? *Ian Crooks responded that the funds were spent on design, preconstruction and CPUC costs.*

During the committee discussion, it was noted that Cal-Am had awarded a new contract that probably should have been brought before the committee for a recommendation, as is outlined in the Agreement to Form the Monterey Peninsula Water Supply Project Governance Committee under section V.D, Category B, Paragraphs 1 and 8. Cal-Am was acknowledged for providing an update on the cost increases to the committee, and for maintaining the total cost within the original budget.

Byrne made a motion to accept Cal-Am's presentation. The motion was seconded by Kampe and approved on a unanimous vote of 2 – 0 by Byrne and Kampe.

4. Suggest Items to be Placed on Future Agendas

Comments from the public. **(a) David Stoldt** referred to the September monthly test slant well long-term pumping monitoring report No. 23. He expressed concern about monitoring well #4, at the 180 foot level. In Figure 3.3 a late trend of increasing TDS is shown, which is a 17% increase since pumping began. He stated that when the well is off, the slope is lower than the

continued pumping period. Stoldt said that he was not confident that this was a long-term trend, and that recent intrusion maps for the 180 foot aquifer show no change in front. He noted further that, to say normal seawater intrusion is causing an increase in TDS would mean that there is still a hard differential that is causing intrusion in coastal areas. The graphic shows that conductivity increases more when the test well is on, than when it is off. *Chair Kampe responded that the Monterey Peninsula Regional Water Authority TAC would need to look into the issue.* **(b) Michael Warburton** suggested the topic of getting water through purchase agreements rather than engineering supplies should be discussed. He stated that the entire capacity of the proposed desalination plant is less than one percent of the yearly use in the Salinas basin and there is less difference between surface water and ground water now with the Sustainable Groundwater Management Act. He stated that surface water could cover that increment very shortly, and that programmatic development of a county wide solution is needed.

Adjournment: The meeting was adjourned at approximately 2:40 pm.

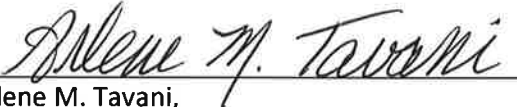

Arlene M. Tavani,
Clerk to the MPWSP Governance Committee



EXHIBIT 15-C

FINAL MINUTES

**Water Supply Planning Committee of the
Monterey Peninsula Water Management District
November 14, 2017**

Call to Order: The meeting was called to order at 9:00 am.

Committee members present: Robert S. Brower, Sr. - Committee Chair
Jeanne Byrne
Ralph Rubio (left the meeting at 9:20 am)

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
Maureen Hamilton, Water Resources Engineer
Jonathan Lear, Senior Hydrogeologist
Arlene Tavani, Executive Assistant

District Counsel present David C. Laredo

Comments from the Public: No comments were directed to the committee.

Action Items

1. **Consider Adoption of Revised Draft Committee Meeting Minutes of September 19, 2017**
On a motion by Byrne and second of Rubio, minutes of the September 19, 2017 committee meeting were approved on a vote of 3 – 0 by Byrne, Rubio and Brower.

Discussion Items

2. **Update on Water Supply Projects**

a. Pure Water Monterey (PWM)

In response to a question from General Manager Stoldt, **David Chardavoine**, General Manager of the Monterey County Water Resources Agency (Agency), stated that the growers have concerns about limitations on new well construction that the Agency is proposing due to implementation of the Groundwater Sustainability Act. These developments have also raised the growers' concerns about the cost of source water for PWM, and their commitment to providing water to the Monterey Peninsula. Chardavoine noted that the growers have an agreement on source water, and that their concerns should be allayed once they see the result of studies that are underway by the Agency and Monterey One Water. He noted that the growers can decide not to participate in future phases of PWM. **Paul Scuito**, General Manager of Monterey One Water, stated that the growers will benefit due to lower costs related to groundwater pumping, and that sourcewater reliability can be demonstrated. **Ralph Rubio left the meeting at 9:20 am.**

- b. California American Water Desalination Project
No discussion.

- c. DeepWater Desal
No discussion.

d. Local Water Projects

- Pacific Grove Local Water Project

There was no discussion by the committee. Under public comment, Luke Coletti a resident of Pacific Grove, thanked the committee for approving the amended minutes of the September 19, 2017 meeting. He stated that the Odello entitlement is different from Cal-Am's entitlement to water from the Pacific Grove Local Water Project. He explained that Condition 4.B of the financing agreement for the Local Water Project limits the distribution of freed-up water from the project until the Executive Director of the State Water Control Board (SWRCB) approves its use. Mr. Coletti stated this could be interpreted to mean "when the CDO is lifted." He said that MPWMD Ordinance No. 168 would allow the project's entitlement water to be used after the Cal-Am irrigation water is permanently suspended from use. Mr. Coletti disagreed that there would be a permanent disconnection from Cal-Am. Mr. Coletti said that he and the Sierra Club would oppose any action to utilize the water entitlement before the SWRCB authorizes it.

3. Update on Los Padres Dam Studies

Hampson reviewed information provided in the staff report regarding the studies that will inform water resource planning efforts on the Carmel River and regionally. He stated that the **Carmel River Basin Hydrologic Model** has been completed and that the United States Geological Survey is currently calibrating the model. Completion of the **Instream Flow Incremental Method Study of the Carmel River** will be important when the District applies to the State Water Resources Control Board to utilize the remainder of water rights Permit No. 20808B. The information in the study will be critical to setting instream flow requirements for withdrawals from the Carmel River during the winter months. This information could also have a bearing on modifications to California American Water Table 13 water rights. Hampson explained that new information has been uncovered related to the **Los Padres Dam and Reservoir Alternative Study**. It was recently discovered that in 1946 when the original water right of 3,030 acre-feet was determined, that number was based on incorrect reservoir topography that overstated the reservoir volume by 10 percent. The volume was approximately 2,700 acre-feet and not 3,030 acre-feet estimated at the time. Cal-Am currently has a right to divert 2,200 acre-feet based on a 1984 survey of the reservoir volume at Los Padres. The reservoir volume is currently less than 1,700 acre-feet. If the dredging alternative is pursued, the SWRCB may only authorize an increase of 500 acre-feet. A previous study estimated it could cost \$100 million for 500 acre-feet of new supply, which would be very costly. Hampson presented a Powerpoint titled Review of Preliminary Alternatives for Further Evaluation that outlined Los Padres Dam and Reservoir alternatives. The Powerpoint is on file at the District office and can be viewed on the MPWMD website.

- 5. Update on North Monterey County Drought Contingency Plan and Salinas and Carmel Rivers Basin Study**
No discussion.

Set Next Meeting Date: No date was scheduled.

Adjournment: The meeting was adjourned at 10:20 am.



EXHIBIT 15-D

FINAL MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
October 17, 2017

Call to Order: The meeting was called to order at 3:40 pm.

Committee members present: Robert S. Brower, Sr. - Committee Chair
 Jeanne Byrne

Committee members absent: Ralph Rubio

Staff members present: David J. Stoldt, General Manager
 Maureen Hamilton, Water Resources Engineer
 Jonathan Lear, Senior Hydrogeologist
 Arlene Tavani, Executive Assistant

District Counsel present Fran Farina

Comments from the Public: No comments were directed to the committee.

Action Items

1. Consider Adoption of Committee Meeting Minutes of September 19, 2017

On a motion by Byrne and second of Brower, this item was deferred to the next committee meeting, so that staff could review the audio recording of the meeting to determine if amendments should be made to item 3, Update on Local Water Supply Projects, Local Water Projects. The motion was approved on a vote of 2 – 0 by Brower and Bryne. Rubio was absent.

2. Consider Adoption of Reimbursement Methodology and Amendment 2 to Cost Sharing Agreement for Pure Water Monterey

On a motion by Byrne and second of Brower, the committee recommended that the Board of Directors approve Amendment 2 to the Cost Sharing Agreement with Monterey One Water (MOW). The motion was approved on a vote of 2 – 0 by Brower and Byrne. Rubio was absent.

Discussion Items

3. Update on Water Supply Projects

a. Pure Water Monterey (PWM)

Maureen Hamilton, Water Resources Engineer, reported on progress toward completion of the injection well component of the PWM project: (1) the horizontal directionally drilled pipeline has been completed that will convey source water under the Salinas River to the MOW treatment facility; (2) the piers were being installed for the Blanco pump station; (3) the UV equipment for the advanced water purification facility had been tested and should be shipped in November; (4) the reverse osmosis, advanced oxidation and ozone equipment would be tested in November; (5) the Marina Coast Water District would issue a notice to proceed with pipeline construction; and (6) the deep injection well had been sealed and

would be tested to determine the injection capacity. Stoldt reported that the consulting firm of GHD had been offered a contract as program manager to coordinate scheduling of all phases of the PWM project.

Luke Coletti addressed the committee during the public comment period on this item. He asked about the location of the Blanco drain diversion site. Stoldt responded that a pump station would direct source water to a pipeline installed under the Salinas river for diversion to the MOW facility.

b. California American Water Desalination Project

Stoldt reported that the pipeline bridge that would span one section of Highway 68 was being fabricated. He stated that evidentiary hearings would begin on September 27, 2017 on California American Water Company application 12-04-019 before the California Public Utilities Commission. The Administrative Law judge would receive testimony on desalination plant sizing and project alternatives that could meet community water needs.

Luke Coletti addressed the committee during the public comment period on this item. He noted that the EIR on the water supply project proposed planning for 500 acre-feet of water for bounce back and 1,200 acre-feet of water to provide for legal lots of record. He stated that the project would not be sized to meet 50-year growth projections, and that Cal-Am must identify other water supply solutions for the future.

c. DeepWater Desal

Stoldt reported that the project proponents were in negotiation with a Spanish company to provide equity funding. Money had been obtained for a benthic study required for the project EIR. However, completion of the EIR was behind schedule. The CPUC determined that Deep Water Desal alternatives did not merit consideration in hearings on the Monterey Peninsula Water Supply Project.

d. Local Water Projects

- Pacific Grove Local Water Project – Testing of the project had been conducted and it should be operational soon.
- City of Pacific Grove Stormwater Flow and Drywater Flow Reuse Project – No quarterly update received from the City.
- The Pebble Beach Company Del Monte Golf Course Test Well Project – Project on hold due to the pending sale of the Del Monte Hotel property.
- City of Monterey – Monterey Regional Water Recovery Study – Progress continues on the study that would enable development of a Peninsula-wide water and stormwater management plan.
- Monterey Peninsula Airport District – Feasibility Study on Use of Non-Potable Wells – The Airport District continues its efforts to identify uses for water from its two non-potable wells.

Luke Coletti addressed the committee during the public comment period on this item. He noted that the City of Pacific Grove recently received a \$4 million grant for a project that involves stormwater capture at the golf course. He stated that the Aquifer Storage and Recovery Project (ASR) was the best water supply project developed on the Monterey Peninsula, as it could contribute 1,300 acre-feet of water annually to the local water supply. He asked why ASR had contributed to the water supply only four out of the last eight years. *Staff explained that four years of drought severely limited withdrawals of water from the Carmel River for ASR. During wet years, the District has water rights to divert*

approximately 29 acre-feet of water per day for ASR, but transmission facilities could accommodate diversion of only 20 acre-feet per day. The 1,300 acre-feet per year is only feasible if during wet years ASR water is banked for use as a drought reserve.

4. Update on Los Padres Dam Studies

No report.

5. Update on North Monterey County Drought Contingency Plan and Salinas and Carmel Rivers Basin Study

Stoldt reported that progress continued on development of the study.

Set Next Meeting Date: November 14, 2017 at 9:30 am.

Adjournment: The meeting was adjourned at 4:45 pm.

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EXHIBIT 15-E

FINAL MINUTES
Legislative Advocacy Committee of the
Monterey Peninsula Water Management District
October 17, 2017

Call to Order

The meeting was called to order at 9:15 am in the MPWMD conference room.

Committee members present: Andrew Clarke, Chair
 Robert S. Brower, Sr.
 Molly Evans

Committee members absent: None

Staff members present: David J. Stoldt, General Manager
 Arlene Tavani, Executive Assistant

District Counsel present: David C. Laredo

Legislative Consultant: John Arriaga

Comments from the Public: No comments.

Action Items

1. **Adopt Minutes of February 8, 2017 Committee Meetings**
On a motion by Evans and second of Brower, minutes of the February 8, 2017 committee meeting were approved on a unanimous vote of 3 – 0 by Evans, Brower and Clarke.

Discussion Items

2. **Report from John Arriaga on Legislative Status and Tracking**
 Arriaga reviewed the list of bills presented in the committee packet. Water related bills to be followed are: **SB2** – provides 275 to 300 million for affordable housing, and **SB3** that provides 4 billion per year over a number of years for affordable housing and veterans housing. **SB5** – a park bond issue that would provide 1 billion for water supply and conservation issues. **SB231** – stormwater legislation that added sewer systems to list of projects that qualify for Proposition 218 funding.

Stoldt noted that **AB1668 and SB606** were not supported by ACWA and were submitted to the Rules Committee for consideration in the next legislative session. The District joined a coalition of organizations that expressed opposition to that legislation. The District does not support **SB623** sponsored by Senator Bill Monning that would assess a fee on all rate payers' water bills to fund development of safe drinking water in disadvantaged communities. The only area in the Water Management District that would qualify for funding is a trailer park in Cachagua. The ratepayers in the District are already subject to high water rates and would not support an additional service charge. This bill was strongly opposed by ACWA. Arriaga reported that the bill is in the suspense file, and Senator Monning is expected to work through

some issues regarding this bill in the next legislative session. Stoldt also reported on **AB401** that was adopted in 2015 and is related to lifeline rates. He believes that the legislature will establish a tax on water to fund the lifeline program that will be administered by the State Water Resources Control Board (SWRCB). Arriaga reported that no action was taken on **AB554** regarding desalination, and that he would provide additional information regarding **AB642**, also relating to desalination. He also reported that **SB417**, related to responsibilities of the SWRCB, was a spot bill and no action was taken. Stoldt stated that **AB747** will need to be added to the list of bills to watch. It would establish a nitrogen tax on fertilizer to be used for water cleanup.

3. Status Update from the General Manager and John Arriaga on SB 623, AB1668/SB606, and Receive General Guidance from Committee for District Position

No discussion. Reviewed during discussion of agenda Item 2.

4. Review Legislative Outreach for Calendar Year

Stoldt reviewed the information outlined in the staff report and responded to questions. He will develop a legislative action plan from this report and present it to the Board of Directors at the November 13, 2017 Board meeting.

Other Items: No discussion.

Set Next Meeting Date – No date was set.

Adjournment – The meeting was adjourned at 10:35 am

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ITEM: INFORMATIONAL ITEM/STAFF REPORTS**16. MONTHLY ALLOCATION REPORT**

Meeting Date:	February 22, 2018	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program:	N/A
		Line Item No.:	
Prepared By:	Gabriela Ayala	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: As of December 31, 2017, a total of **25.408** acre-feet (**7.4%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.923** acre-feet is available to the Jurisdictions, and **29.048** acre-feet is available as public water credits.

Exhibit 16-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in January 2018 (“changes”), and the quantities remaining. The Paralta Allocation had no debits in January 2018.

Exhibit 16-A also shows additional water available to each of the Jurisdictions and the information regarding the Community Hospital of the Monterey Peninsula (Holman Highway Facility). Additional water from expired or canceled permits that were issued before January 1991 are shown under “PRE-Paralta.” Water credits used from a Jurisdiction’s “public credit” account are also listed. Transfers of Non-Residential Water Use Credits into a Jurisdiction’s Allocation are included as “public credits.” **Exhibit 16-B** shows water available to Pebble Beach Company and Del Monte Forest Benefited Properties, including Macomber Estates, Griffin Trust. Another table in this exhibit shows the status of Sand City Water Entitlement.

BACKGROUND: The District’s Water Allocation Program, associated resource system supply limits, and Jurisdictional Allocations have been modified by a number of key ordinances. These key ordinances are listed in **Exhibit 16-C**.

EXHIBITS**16-A** Monthly Allocation Report**16-B** Monthly Entitlement Report**16-C** District’s Water Allocation Program Ordinances

EXHIBIT 16-A
MONTHLY ALLOCATION REPORT
Reported in Acre-Feet
For the month of January 2018

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE-Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.100	0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.410	0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
Del Rey Oaks	8.100	0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.320	0.000	0.263	50.659	0.000	0.030	38.121	0.000	2.325	2.618
Monterey County	87.710	0.000	10.717	13.080	0.000	0.352	7.827	0.000	1.891	12.960
Pacific Grove	25.770	0.000	0.000	1.410	0.000	0.022	15.874	0.000	0.133	0.155
Sand City	51.860	0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.450	0.000	7.834	34.438	0.000	34.438	2.693	0.000	1.144	43.416
TOTALS	342.720	0.000	25.408	101.946	0.000	35.923	90.142	0.000	29.048	90.379

Allocation Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Water Available
Quail Meadows	33.000	0.000	32.320	0.680
Water West	12.760	0.000	9.271	3.489

* Does not include 15.280 Acre-Feet from the District Reserve prior to adoption of Ordinance No. 73.

EXHIBIT 16-B
MONTHLY ALLOCATION REPORT
ENTITLEMENTS
Reported in Acre-Feet
For the month of January 2018

Recycled Water Project Entitlements

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Pebble Beach Co. ¹	231.610	1.125	31.425	200.185
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	133.390	0.000	49.269	84.121
Macomber Estates	10.000	0.000	9.595	0.405
Griffin Trust	5.000	0.000	4.829	0.171
CAWD/PBCSD Project Totals	380.000	1.125	95.118	284.882

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	165.000	0.000	4.132	160.868
Malpasco Water Company	80.000	0.968	7.300	72.700
D.B.O. Development No. 30	13.950	0.000	1.088	12.862
City of Pacific Grove	66.000	0.000	0.000	66.000
Cypress Pacific	3.170	0.000	3.170	0.000

Increases in the Del Monte Forest Benefited Properties Entitlement will result in reductions in the Pebble Beach Co. Entitlement.

EXHIBIT 16-C

District's Water Allocation Program Ordinances

Ordinance No. 1 was adopted in September 1980 to establish interim municipal water allocations based on existing water use by the jurisdictions. Resolution 81-7 was adopted in April 1981 to modify the interim allocations and incorporate projected water demands through the year 2000. Under the 1981 allocation, Cal-Am's annual production limit was set at 20,000 acre-feet.

Ordinance No. 52 was adopted in December 1990 to implement the District's water allocation program, modify the resource system supply limit, and to temporarily limit new uses of water. As a result of Ordinance No. 52, a moratorium on the issuance of most water permits within the District was established. Adoption of Ordinance No. 52 reduced Cal-Am's annual production limit to 16,744 acre-feet.

Ordinance No. 70 was adopted in June 1993 to modify the resource system supply limit, establish a water allocation for each of the jurisdictions within the District, and end the moratorium on the issuance of water permits. Adoption of Ordinance No. 70 was based on development of the Paralta Well in the Seaside Groundwater Basin and increased Cal-Am's annual production limit to **17,619** acre-feet. More specifically, Ordinance No. 70 allocated 308 acre-feet of water to the jurisdictions and 50 acre-feet to a District Reserve for regional projects with public benefit.

Ordinance No. 73 was adopted in February 1995 to eliminate the District Reserve and allocate the remaining water equally among the eight jurisdictions. Of the original 50 acre-feet that was allocated to the District Reserve, 34.72 acre-feet remained and was distributed equally (4.34 acre-feet) among the jurisdictions.

Ordinance No. 74 was adopted in March 1995 to allow the reinvestment of toilet retrofit water savings on single-family residential properties. The reinvested retrofit credits must be repaid by the jurisdiction from the next available water allocation and are limited to a maximum of 10 acre-feet. This ordinance sunset in July 1998.

Ordinance No. 75 was adopted in March 1995 to allow the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities. Fifteen percent of the savings are set aside to meet the District's long-term water conservation goal and the remainder of the savings are credited to the jurisdictions allocation. This ordinance sunset in July 1998.

Ordinance No. 83 was adopted in April 1996 and set Cal-Am's annual production limit at **17,621** acre-feet and the non-Cal-Am annual production limit at **3,046** acre-feet. The modifications to the production limit were made based on the agreement by non-Cal-Am water users to permanently reduce annual water production from the Carmel Valley Alluvial Aquifer in exchange for water service from Cal-Am. As part of the agreement, fifteen percent of the historical non-Cal-Am production was set aside to meet the District's long-term water conservation goal.

Ordinance No. 87 was adopted in February 1997 as an urgency ordinance establishing a community benefit allocation for the planned expansion of the Community Hospital of the Monterey Peninsula (CHOMP). Specifically, a special reserve allocation of 19.60 acre-feet of production was created exclusively for the benefit of CHOMP. With this new allocation, Cal-Am's annual production limit was increased to **17,641** acre-feet and the non-Cal-Am annual production limit remained at **3,046** acre-feet.

Ordinance No. 90 was adopted in June 1998 to continue the program allowing the reinvestment of toilet retrofit water savings on single-family residential properties for 90-days following the expiration of Ordinance No. 74. This ordinance sunset in September 1998.

Ordinance No. 91 was adopted in June 1998 to continue the program allowing the reinvestment of water saved through toilet retrofits and other permanent water savings methods at publicly owned and operated facilities.

Ordinance No. 90 and No. 91 were challenged for compliance with CEQA and nullified by the Monterey Superior Court in December 1998.

Ordinance No. 109 was adopted on May 27, 2004, revised Rule 23.5 and adopted additional provisions to facilitate the financing and expansion of the CAWD/PBCSD Recycled Water Project.

Ordinance No. 132 was adopted on January 24, 2008, established a Water Entitlement for Sand City and amended the rules to reflect the process for issuing Water Use Permits.

Ordinance No. 165 was adopted on August 17, 2015, established a Water Entitlement for Malpas Water Company and amended the rules to reflect the process for issuing Water Use Permits.

Ordinance No. 166 was adopted on December 15, 2015, established a Water Entitlement for D.B.O. Development No. 30.

Ordinance No. 168 was adopted on January 27, 2016, established a Water Entitlement for the City of Pacific Grove.

ITEM: INFORMATIONAL ITEM/STAFF REPORTS**17. WATER CONSERVATION PROGRAM REPORT**

Meeting Date:	February 22, 2018	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Kyle Smith	Cost Estimate:	N/A

Committee Recommendation: N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**I. MANDATORY WATER CONSERVATION RETROFIT PROGRAM**

District Regulation XIV requires the retrofit of water fixtures upon Change of Ownership or Use with High Efficiency Toilets (HET) (1.28 gallons-per-flush), 2.0 gallons-per-minute (gpm) Showerheads, 1.2 gpm Washbasin faucets, 1.8 gpm kitchen, utility and bar sink faucets, and Rain Sensors on all automatic Irrigation Systems. Property owners must certify the Site meets the District's water efficiency standards by submitting a Water Conservation Certification Form (WCC), and a Site inspection is often conducted to verify compliance.

A. Changes of Ownership

Information is obtained monthly from *Realquest.com* on properties transferring ownership within the District. The information compared against the properties that have submitted WCCs. Details on **132** property transfers that occurred in January 2018 were added to the database.

B. Certification

The District received **29** WCCs between January 1, 2018, and January 31, 2018. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In January, **76** properties were verified compliant with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **76** verifications, **53** properties verified compliance by submitting certification forms and/or receipts. District staff completed **46** Site inspections. Of the **46** properties inspected, **23 (50%)** passed inspection. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified in January 2018 are estimated at **0.520** Acre-Feet Annually (AFA). Water savings from retrofits that exceeded the requirement (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.310** AFA (31 toilets). Year-to-date estimated savings from toilet retrofits is **1.140** AFA.

D. CII Compliance with Water Efficiency Standards

Effective January 1, 2014, all Non-Residential properties were required to meet Rule 143, Water Efficiency Standards for Existing Non-Residential Uses. To verify compliance with these requirements, property owners and businesses are being sent notification of the requirements and a date that inspectors will be on Site to check the property. This month, District inspectors performed **53** inspections. Of the **53** inspections certified, **40 (75%)** were in compliance. **None** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards; the remainder complied without a reinspection.

MPWMD is forwarding its CII inspection findings to California American Water (Cal-Am) for their verification with the Rate Best Management Practices (Rate BMPs) that are used to determine the appropriate non-residential rate division. Compliance with MPWMD's Rule 143 achieves Rate BMPs for indoor water uses, however, properties with landscaping must also comply with Cal-Am's outdoor Rate BMPs to avoid Division 4 (Non-Rate BMP Compliant) rates. In addition to sharing information about indoor Rate BMP compliance, MPWMD notifies Cal-Am of properties with landscaping. Cal-Am then conducts an outdoor audit to verify compliance with the Rate BMPs. During January 2018, MPWMD referred **fifteen** properties to Cal-Am for verification of outdoor Rate BMPs.

E. Water Waste Enforcement

In response to the State's drought emergency conservation regulation effective June 1, 2016, the District has increased its Water Waste enforcement. The District has a Water Waste Hotline 831-658-5653 or an online form to report Water Waster occurrences at www.mpwmd.net or www.montereywaterinfo.org. There were **five** Water Waste responses during the past month. There were **no** repeated incidents that resulted in a fine.

II. WATER DEMAND MANAGEMENT

A. Permit Processing

District Rule 23 requires a Water Permit application for all properties that propose to expand or modify water use on a Site, including New Construction and Remodels. District staff processed and issued **87** Water Permits in January 2018. **Twelve** Water Permits were issued using Water Entitlements (Pebble Beach Company, Malpas Water, etc.). **No** Water Permits involved a debit to a Public Water Credit Account.

All Water Permits have a disclaimer informing applicants of the Cease and Desist Order against California American Water and that MPWMD reports Water Permit details to California American Water. All Water Permit recipients with property supplied by a California American Water Distribution System will continue to be provided with the disclaimer.

District Rule 24-3-A allows the addition of a second Bathroom in an existing Single-Family Dwelling on a Single-Family Residential Site. Of the **87** Water Permits issued in January, **four** were issued under this provision.

B. Permit Compliance

District staff completed **85** Water Permit final inspections during January 2018. **Sixteen** of the final inspections failed due to unpermitted fixtures. Of the **55** passing properties, **35** passed inspection on the first visit. In addition, **two** pre-inspection were conducted in response to Water Permit applications received by the District.

C. Deed Restrictions

District staff prepares deed restrictions that are recorded on the property title to provide notice of District Rules and Regulations, enforce Water Permit conditions, and provide notice of public access to water records. In April 2001, the District Board of Directors adopted a policy regarding the processing of deed restrictions. In the month of January, the District prepared **74** deed restrictions. Of the **87** Water Permits issued in January, **50 (57%)** required deed restrictions. District staff provided Notary services for **87** Water Permits with deed restrictions.

III. JOINT MPWMD/CAW REBATE PROGRAM

Participation in the rebate program is detailed in the following chart. The table below indicates the program summary for Rebates for California American Water Company customers.

REBATE PROGRAM SUMMARY		January-2018				2018 YTD	1997 - Present	
I. Application Summary								
A.	Applications Received	169				169	24,849	
B.	Applications Approved	134				134	19,433	
C.	Single Family Applications	161				161	22,494	
D.	Multi-Family Applications	7				7	1,231	
E.	Non-Residential Applications	1				1	325	
II. Type of Devices Rebated		Number of devices	Rebate Paid	Estimated AF	Gallons Saved	2018 YTD Quantity	2018 YTD Paid	2018 YTD Estimated AF
A.	High Efficiency Toilet (HET)	20	1500.00	0.834960	272,073	20	1,500.00	0.83496
B.	Ultra Low Flush to HET	38	2925.00	0.380000	123,823	38	2,925.00	0.38
C.	Ultra HET	5	649.00	0.050000	16,293	5	649.00	0.05
D.	Toilet Flapper	0	0.00	0.000000	0	0	0.00	0
E.	High Efficiency Dishwasher	22	2750.00	0.066000	21,506	22	2,750.00	0.066
F.	High Efficiency Clothes Washer	63	31396.64	1.014300	330,511	63	31,396.64	1.0143
G.	Instant-Access Hot Water System	1	200.00	0.000000	0	1	200.00	0
H.	On Demand Systems	0	0.00	0.000000	0	0	0.00	0
I.	Zero Use Urinals	0	0.00	0.000000	0	0	0.00	0
J.	High Efficiency Urinals	0	0.00	0.000000	0	0	0.00	0
K.	Pint Urinals	0	0.00	0.000000	0	0	0.00	0
L.	Cisterns	0	0.00	0.000000	0	0	0.00	0
M.	Smart Controllers	1	180.00	0.000000	0	1	180.00	0
N.	Rotating Sprinkler Nozzles	0	0.00	0.000000	0	0	0.00	0
O.	Moisture Sensors	0	0.00	0.000000	0	0	0.00	0
P.	Lawn Removal & Replacement	0	0.00	0.000000	0	0	0.00	0
Q.	Graywater	0	0.00	0.000000	0	0	0.00	0
R.	Ice Machines	0	0.00	0.000000	0	0	0.00	0
III. Totals: Month; AF; Gallons; YTD		150	39600.64	2.34526	764,205	150	39,600.64	2.34526
						2018 YTD	1997 - Present	
IV. Total Rebated: YTD; Program						39,600.64	5,977,593.23	
V. Estimated Water Savings in Acre-Feet Annually*						2.345260	544.670835	

* Retrofit savings are estimated at 0.041748 AF/HET; 0.01 AF/UHET; 0.01 AF/ULF to HET; 0.003 AF/dishwasher; 0.0161 AF/residential washer; 0.0082 AF/100 square feet of lawn removal.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**18. CARMEL RIVER FISHERY REPORT FOR JANUARY 2018****Meeting Date:** February 22, 2018 **Budgeted:** N/A**From:** David J. Stoldt,
General Manager **Program/** N/A
Line Item No.:**Prepared By:** Beverly Chaney **Cost Estimate:** N/A**General Counsel Review:** N/A**Committee Recommendation:** N/A**CEQA Compliance:** This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.

AQUATIC HABITAT AND FLOW CONDITIONS: Despite two modest storms in early January that brought the water level at Los Padres Reservoir up to just shy of the spillway crest, it failed to spill. River conditions below the dam remained relatively dry for this time of the year with only a brief spike to 70 cfs at the Near Carmel Gage. Lower river rearing conditions for juvenile steelhead remain fair to good all the way to the lagoon, but low flows continue to limit upstream migration opportunities.

Mean daily streamflow at the Sleepy Hollow Weir ranged from 13 to 63 cfs (monthly mean 24.2 cfs) resulting in 1,490 acre-feet (AF) of runoff while mean daily streamflow at the Highway 1 gage ranged from 7.2 to 39 cfs (monthly mean 18.0 cfs), resulting in 1,100 AF of runoff.

There were 3.95 inches of rainfall in January as recorded at Cal-Am's San Clemente gauge. The rainfall total for WY 2018 (which started on October 1, 2017) is 4.97 inches, or 45% of the long-term year-to-date average of 11.12 inches.

CARMEL RIVER LAGOON: On January 8th, as the lagoon's water surface elevation (WSE) rose to approximately 13.0 feet above mean-sea-level, threatening local flooding (see graph below). Monterey County Public Works crews began mechanically cutting a narrow, shallow channel along the southern bluffs to allow the lagoon to gradually breach. The District's fisheries staff, working under contract with the county, was on-hand to survey and monitor the lagoon and surrounding area for any steelhead that could be affected by the work. The lagoon did breach on the 9th, but due to the low river inflows and high waves the sandbar reformed and the lagoon filled back up to 13.5 feet by January 20, requiring the County to re-cut the south channel. Staff was on-site again during the work as well as the next morning to see the river reach the ocean. Several hours later the sandbar had been washed away and the lagoon started emptying at ~3,000 cfs (see photo below). We estimate that the river mouth was open enough for steelhead passage over approximately eight days as it opened and closed with the tides the remainder of the month.

Water quality depth-profiles were conducted at five sites on January 18, in-between the two main breaching events. Waves were overtopping the sand berm and the lagoon was filling with seawater at the time of the sampling. Salinity level varied with depth (1-25 ppt), temperature had

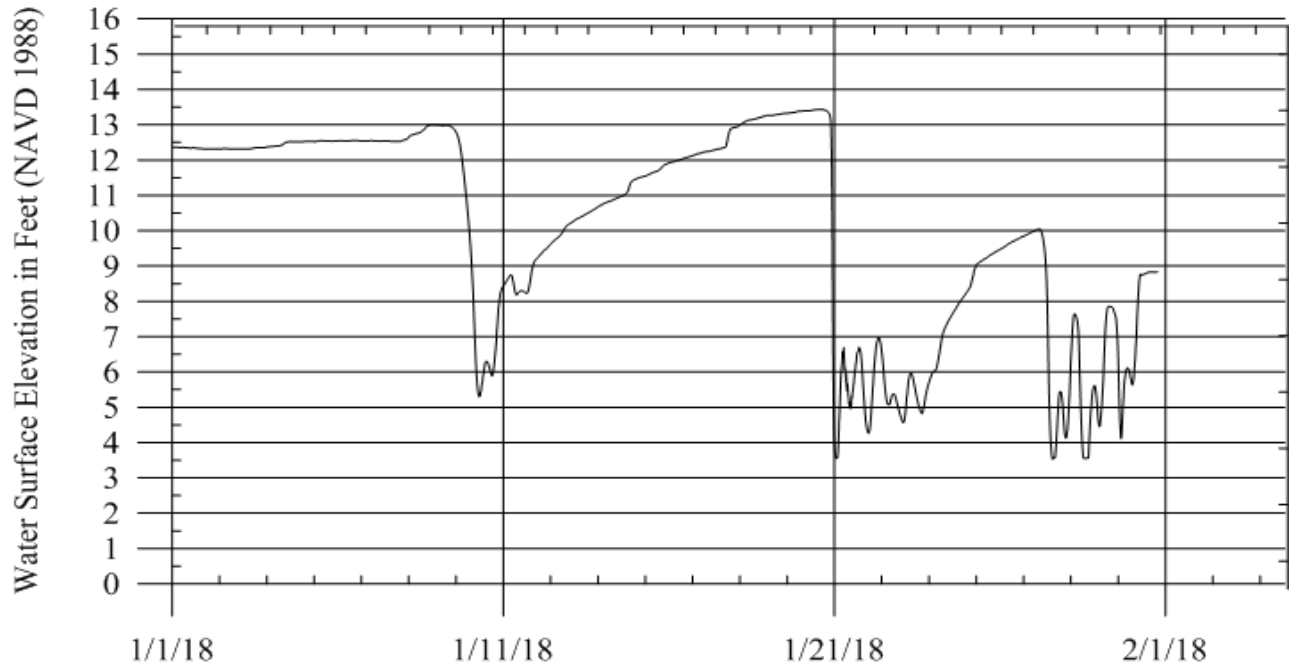
increased six degrees since December (54-56 degrees F), and dissolved oxygen (DO) levels were fair (2.1-8.7 mg/l) resulting in generally good steelhead rearing conditions in most of the lagoon.

LOS PADRES DAM ADULT COUNTS: Cal-Am maintains a fish ladder and trap at the Los Padres Dam site. Any adult steelhead captured in the trap are trucked to the reservoir and released. On January 25th, a resident adult trout was captured and moved upstream. No sea-run steelhead adults have been observed yet.



Carmel River Lagoon mouth, January 21, 2018, 5 pm.

Carmel River Lagoon January 2018



ITEM: INFORMATIONAL ITEMS/STAFF REPORT**19. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT****Meeting Date: February 22, 2018 Budgeted: N/A****From: David J. Stoldt, General Manager Program/ Line Item No.: N/A****Prepared By: Jonathan Lear Cost Estimate: N/A****General Counsel Review: N/A****Committee Recommendation: N/A**

CEQA Compliance: Exempt from environmental review per SWRCB Order Nos. 95-10 and 2016-0016, and the Seaside Basin Groundwater Basin adjudication decision, as amended and Section 15268 of the California Environmental Quality Act (CEQA) Guidelines, as a ministerial project; Exempt from Section 15307, Actions by Regulatory Agencies for Protection of Natural Resources.

Exhibit 19-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **February 1, 2018**. This system includes the surface water resources in the Carmel River Basin, the groundwater resources in the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin. **Exhibit 19-A** is for Water Year (WY) 2018 and focuses on four factors: rainfall, runoff, and storage. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at Sleepy Hollow Weir.

Water Supply Status: Rainfall through **January** 2018 totaled **3.95 inches** and brings the cumulative rainfall total for WY 2018 to **4.97 inches**, which is **45%** of the long-term average through **January**. Estimated unimpaired runoff during **January** totaled **2,640 acre-feet (AF)** and brings the cumulative runoff total for WY 2018 to **5,235 AF**, which is **27%** of the long-term average through **January**. Usable storage for the MRWPRS was **28,800 acre-feet**, which is **96%** of average through **January**, and equates to **77%** percent of system capacity

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2016-0016 (CDO), California American Water (Cal-Am) is allowed to produce no more than 8,310 AF of water from the Carmel River in WY 2018. Through **January**, using the CDO accounting method, Cal-Am has produced **1,752 AF** from the Carmel River (including ASR capped at 600 AF, Table 13, and Mal Paso.) In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 1,820 AF of water from the Coastal Subareas and 0 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2018. Through **January**, Cal-Am has produced **1,332 AF** from the Seaside Groundwater Basin. Through **January**, **0 AF** of Carmel River Basin groundwater have been diverted for Seaside Basin injection; **0 AF** have been recovered for customer use, and **0 AF** have been diverted under Table 13 water rights. Cal-Am has produced **3,167 AF** for customer use from all sources through **January**. **Exhibit 19-C** shows production by source. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data. The 12 month moving average of production for customer service is **9,923 AF**, which is below the rationing trigger of **10,130 AF** for WY 2018.

EXHIBITS**19-A Water Supply Status: February 1, 2018****19-B Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: WY 2018****19-C Monthly Cal-Am production by source: WY 2018**

EXHIBIT 19-A

**Monterey Peninsula Water Management District
Water Supply Status
February 1, 2018**

Factor	Oct to Jan 2018	Average To Date	Percent of Average	Water Year 2017
Rainfall (Inches)	3.95	11.12	45%	18.79
Runoff (Acre-Feet)	5,235	19,485	27%	74,029
Storage ⁵ (Acre-Feet)	28,803	30,100	96%	31,940

Notes:

1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at Sleepy Hollow Weir average 21.1 inches and 67,246 acre-feet, respectively. Annual values are based on the water year that runs from October 1 to September 30 of the following calendar year. The rainfall and runoff averages at the Sleepy Hollow Weir site are based on records for the 1922-2017 and 1902-2017 periods respectively.
2. The rainfall and runoff totals are based on measurements through the dates referenced in the table.
3. Storage estimates refer to usable storage in the Monterey Peninsula Water Resources System (MPWRS) that includes surface water in Los Padres and San Clemente Reservoirs and ground water in the Carmel Valley Alluvial Aquifer and in the Coastal Subareas of the Seaside Groundwater Basin. The storage averages are end-of-month values and are based on records for the 1989-2016 period. The storage estimates are end-of-month values for the dates referenced in the table.
4. The maximum storage capacity for the MPWRS is currently 37,639 acre-feet.

Production vs. CDO and Adjudication to Date: WY 2018

(All values in Acre-Feet)

Year-to-Date Values	MPWRS					Water Projects and Rights			
	Carmel River Basin ^{2, 6}	Seaside Groundwater Basin			MPWRS Total	ASR Recovery	Table 13 ⁷	Sand City ³	Water Projects and Rights Total
		Coastal	Laguna Seca	Ajudication Compliance					
Target	2,602	900	0	900	3,502	0	62	100	162
Actual ⁴	1,752	1,231	101	1,332	3,084	0	0	68	68
Difference	850	-331	-101	-432	418	0	62	32	94
WY 2017 Actual	1,420	892	82	974	2,395	305	101	56	462

1. This table is current through the date of this report.
2. For CDO compliance, ASR, Mal Paso, and Table 13 diversions are included in River production per State Board.
3. Sand City Desal, Table 13, and ASR recovery are also tracked as water resources projects.
4. To date, 0 AF and 0 AF have been produced from the River for ASR and Table 13 respectively.
5. All values are rounded to the nearest Acre-Foot.
6. For CDO Tracking Purposes, ASR production for injection is capped at 600 AFY.
7. Table 13 diversions are reported under water rights but counted as production from the River for CDO tracking.

Monthly Production from all Sources for Customer Service: WY 2018

(All values in Acre-Feet)

	Carmel River Basin	Seaside Basin	ASR Recovery	Table 13	Sand City	Mal Paso	Total
Oct-17	532	396	0	0	14	3	945
Nov-17	421	331	0	0	3	3	758
Dec-17	399	339	0	0	26	1	765
Jan-18	400	267	0	0	25	7	699
Feb-18							
Mar-18							
Apr-18							
May-18							
Jun-18							
Jul-18							
Aug-18							
Sep-18							
Total	1,752	1,332	0	0	68	14	3,167
WY 2017	1,420	974	305	101	56	26	2,882

1. This table is produced as a proxy for customer demand.
2. Numbers are provisional and are subject to correction.

Rationing Trigger: WY 2018

12 Month Moving Average ¹	9,923	10,130	Rule 160 Production Limit
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1. Average includes production from Carmel River, Seaside Basin, Sand City Desal, and ASR recovery produced for Customer Service.

California American Water Production by Source: Water Year 2018

	Carmel Valley Wells ¹						Seaside Wells ²						Total Wells			Sand City Desal		
	Actual		Anticipated ³		Under Target		Actual		Anticipated		Under Target		Actual	Anticipated	Acre-Foot Under Target	Actual	Anticipated	Under Target
	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Upper acre-feet	Lower acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	Coastal acre-feet	LagunaSeca acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-17	0	532	0	550	0	18	368	29	350	0	-18	-29	928	900	-28	14	25	11
Nov-17	0	421	0	383	0	-38	301	30	350	0	49	-30	752	733	-19	3	25	22
Dec-17	0	399	0	728	0	329	315	24	100	0	-215	-24	738	828	90	26	25	-1
Jan-18	0	400	0	673	0	273	247	19	100	0	-147	-19	667	773	106	25	25	0
Feb-18																		
Mar-18																		
Apr-18																		
May-18																		
Jun-18																		
Jul-18																		
Aug-18																		
Sep-18																		
To Date	0	1,752	0	2,334	0	582	1,231	101	900	0	-331	-101	3,084	3,234	150	68	100	32

Total Production: Water Year 2018

	Actual	Anticipated	Acre-Foot Under Target
Oct-17	942	925	-17
Nov-17	755	758	3
Dec-17	764	853	89
Jan-18	692	798	106
Feb-18			
Mar-18			
Apr-18			
May-18			
Jun-18			
Jul-18			
Aug-18			
Sep-18			
To Date	3,152	3,334	182

1. Carmel Valley Wells include upper and lower valley wells. Anticipate production from this source includes monthly production volumes associated with SBO 2009-60, 20808A, and 20808C water rights. Under these water rights, water produced from the Carmel Valley wells is delivered to customers or injected into the Seaside Groundwater Basin for storage.
2. Seaside wells anticipated production is associated with pumping native Seaside Groundwater (which is regulated by the Seaside Groundwater Basin Adjudication Decision) and recovery of stored ASR water (which is prescribed in a MOA between MPWMD, Cal-Am, California Department of Fish and Game, National Marine Fisheries Service, and as regulated by 20808C water right).
3. Negative values for Acre-Feet under target indicates overproduction over targeted value.

ITEM: INFORMATIONAL ITEMS/STAFF REPORTS**20. SEMI-ANNUAL GROUNDWATER-QUALITY MONITORING REPORT**

Meeting Date:	February 22, 2018	Budgeted:	Yes
From:	David Stoldt, General Manager	Program/ Line Item No.:	Hydrologic Monitoring 2.6 2-6-1 G, and 2-6-2 D
Prepared By:	Jonathan Lear/ Tom Lindberg	Cost Estimate:	N/A

General Counsel Review: N/A**Committee Recommendation: N/A****CEQA Compliance: This action does not constitute a project as defined by the California Environmental Quality Act Guidelines Section 15378.**

SUMMARY: Water-quality results from the Fall 2017 sampling of the Monterey Peninsula Water Management District's (District's) monitor well networks in the Carmel Valley aquifer and the coastal areas of the Seaside Groundwater Basin are presented and briefly summarized below.

BACKGROUND: The District has maintained a groundwater-quality monitoring program in the Carmel Valley Aquifer since 1981, and in the Seaside Groundwater Basin since 1990. Currently, collection of samples from the Carmel Valley monitor wells is conducted on an annual basis. The sampling schedule for Carmel Valley is staggered, with upper valley wells (i.e., upgradient of the Narrows), sampled in Spring and lower Carmel Valley wells in Fall, to coincide with the historically higher nitrate concentrations in these respective areas. Beginning in 2007, the District was retained by the Seaside Basin Watermaster to collect water-quality samples from the District's Seaside Basin coastal monitor wells on a quarterly basis. The results of that sampling are reported to the Seaside Basin Watermaster Board on an annual basis. Results of the Fall 2016 and Fall 2017 sampling of the Seaside Basin coastal monitor wells are included in this report.

DISCUSSION/ANALYSIS:

Carmel Valley Aquifer Monitor Wells - Results from the Fall 2017 sampling are provided in **Exhibit 20-A**. Six monitor wells in the lower Carmel Valley were sampled during Fall 2017, per the sampling schedule described above. Review of these water-quality results indicates that, in general, there are minor changes in overall water quality compared to samples collected in 2016 (provided here as a reference in **Exhibit 20-B**). A seventh well that is normally sampled in the Fall (16S/1E-13Md), was not sampled in Fall 2017 or Fall 2016 because it was submerged under high water in the Carmel River Lagoon wetlands during the sampling period. Another well that had been sampled during this period was destroyed by flooding in March of 2011 when the river scoured away the south end of the Carmel River State Beach parking lot. The locations of the sampling points are shown on the map in **Exhibit 20-C**. Changes in water quality for specific wells are discussed below. Staff is particularly interested in tracking indicators of potential

seawater intrusion in the coastal portion of Carmel Valley. Accordingly, three clustered sets of wells were established west of Highway 1, with each set being made up of three wells completed at different depths. Review of historical data indicated that the shallower and intermediate depth wells in the coastal area are subject to the mixing of fresh water and saline water as high tides and surf overtop the sand berm between the lagoon and the ocean. This contributes to episodic mixing within the shallower and intermediate zones of the aquifer, but is not indicative of larger-scale seawater intrusion into the aquifer. All three wells in the cluster closest to the ocean were destroyed by river erosion in 2011, and all three of the wells in the next closest cluster to the ocean were inaccessible due to high water during the sampling period, so currently, only the deeper well at one of the three coastal locations is sampled.

Well 16S/1W-13Lc is the deepest in the array of three wells located State Parks property near the Carmel Area Wastewater District treatment plant at River Mile (RM) 0.65, currently the most proximate well to the ocean in Carmel Valley that is available for sampling. There is an overall increasing trend in Specific Electrical Conductance (SEC) and Chloride from 1989 to 2017 (**Exhibit 20-D**) with some notable fluctuations. Both SEC and Chloride declined from 2006 to 2008, but have trended generally upward since then. However, current Chloride and SEC levels are below peak levels observed at this location in Water Year 2013. Additional background on historical water-quality at the coastal monitor well sites can be found in District Technical Memorandum 90-04, *Summary of Carmel Valley Groundwater-quality from Coastal Monitor Wells*, which is available at the District office. Staff will continue to track future results for trends that might indicate significant changes in concentrations of these or other constituents in the coastal area of the aquifer.

Well 16S/1E-23E4, located 6.53 miles upstream from the mouth of the Carmel River, has had fluctuating water quality in the past, primarily as variably elevated iron and manganese, likely attributable to flooding along the roadside where this well is located. Results indicate no significant changes to water quality here in 2017 relative to 2016. Staff will continue to monitor the site to ensure the wellhead is secure from surface-water sources.

Well 16S/1E-23La, located 6.72 miles upstream from the river mouth, does not show a significant change in 2017 relative to 2016, but a graph of SEC and Chloride is included to track long-term trends as was described in previous Board packet reports (**Exhibit 20-E**). This graph indicates a downward trend in both SEC and Chloride at this site; most other constituents were not significantly different in 2017 relative to 2016.

Seaside Groundwater Basin Coastal Monitor Wells - Since 1990, the District has been collecting water-quality samples from coastal monitor wells in the Seaside Groundwater Basin, for the purposes of water-quality characterization and sea-water intrusion monitoring. In 2009 District staff switched from air-lifting samples from wells in Seaside to “micro-purging”, which generally extends the well life. In Fall 2017, 11 dedicated monitor wells at six different sites were sampled. Results of water-quality sampling from 2017 and 2016 for the Seaside wells are provided in **Exhibit 20-A** and **Exhibit 20-B**, respectively. Because laboratory results for the Fall 2017 samples needed to be received and processed earlier than in years prior to 2008 in order to complete an Annual Report to the Seaside Groundwater Basin Watermaster, some of the Seaside wells were actually sampled in July and August of 2017. The locations of the Seaside monitor

wells are shown on the map in **Exhibit 20-F**. Results for most constituents in most of the wells were not significantly different in 2017 relative to 2016, with few exceptions. Concentrations of Iron were notably higher in three wells (15S/1E-N2, -15F2, and -11Pb) in 2017 relative to 2016. Concentrations of Iron in well 15S/1E-F1, while still elevated, were considerably lower in 2017 compared to 2016. Although the concentration of Iron in well 15S/1E-11Pb was elevated relative to the 2016 report, it is significantly lower than the level reported in 2015 (5.772 mg/l). The level of Iron in well 15S/1E-11Pa recovered to a concentration lower the Drinking Water Standard, but staff will continue to watch it as it was elevated in 2016. The concentration of Iron in well 15S/1E-11Fc was high, but lower than in 2016, and the concentration in well -11Fa was about the same as reported in 2016. A more complete historical summary of the Seaside Basin coastal groundwater-quality data is contained in District Technical Memorandum 97-02 *Seaside Basin Coastal Monitor Wells: Ground Water-quality Monitoring Results, 1990-1996*, which is available at the District office.

EXHIBITS

- 20-A** Groundwater-quality Monitoring Results - Fall 2017
- 20-B** Groundwater-quality Monitoring Results - Fall 2016
- 20-C** Location of MPWMD Lower Carmel Valley Water-quality Monitoring Wells
- 20-D** Water-quality Results in Well 16S/1W-13Lc in Carmel Valley
- 20-E** Water-quality Results in Well 16S/1E-23La in Carmel Valley
- 20-F** Location of MPWMD Seaside Basin Water-quality Monitoring Wells

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

GROUNDWATER-QUALITY MONITORING RESULTS

Carmel Valley Aquifer Sample Collection Date: September 19, 2017
 Seaside Basin Sample Collection Dates: July 24, August 14, September 11 and 20, and October 6, 2017

Units are milligrams per liter unless otherwise noted.

Water Quality Constituent	Specific Conductance (micromhos/cm)	Total Alkalinity (as CaCO3)	pH	Chloride	Sulfate	Ammonia Nitrogen (as N)	Nitrate Nitrogen (as NO3)	Total Organic Carbon	Calcium	Sodium	Magnesium	Potassium	Iron	Manganese	Orthophosphate	Total Dissolved Solids	Boron	Bromide	Fluoride	
Drinking Water Standard (1)	900 1600 2200 (2)	NA	NA	250 500 600 (2)	250 500 600 (2)	NA	45	NA	NA	NA	NA	NA	0.3	0.05	NA	NA	NA	NA	NA	
Sampling Location	River Mile																			
<i>Carmel Valley Aquifer</i>																				
16S/1W-14Jh (shal)	0.07 no longer in annual sampling network																			
16S/1W-14Jf (inter)	0.07 no longer in annual sampling network																			
16S/1W-14Jg (deep)	0.07 no longer in annual sampling network, destroyed by flooding																			
16S/1W-13Mc (shal)	0.31 no longer in annual sampling network																			
16S/1W-13Mb (inter)	0.31 no longer in annual sampling network																			
16S/1W-13Md (deep)	0.31 no access in November or December due to high water in Lagoon																			
16S/1W-13Lb (shal)	0.65 no longer in annual sampling network																			
16S/1W-13La (inter)	0.65 no longer in annual sampling network																			
16S/1W-13Lc (deep)	0.65	962	195	7.2	91	165	0.6	<0.1	2.5	72	79	20	4	1.990	0.621	0.24	608	0.15	0.2	1.3
16S/1E-17J4	3.85	423	75	6.3	26	91	<0.1	0.3	1.9	36	22	13	3	0.286	<0.01	<0.1	294	<0.05	<0.1	0.2
16S/1E-17R2	3.86	1222	185	6.5	113	292	0.2	0.1	4.4	127	78	28	4	6.220	0.249	<0.1	866	0.06	0.1	0.2
16S/1E-23E4	6.53	1058	298	7.0	84	153	0.4	0.2	3.0	101	86	25	2	1.130	0.777	<0.1	683	0.11	0.1	0.5
16S/1E-23La	6.72	446	120	6.9	27	64	<0.1	0.1	1.4	36	30	12	3	1.070	0.158	<0.1	291	<0.05	<0.1	0.5
16S/1E-24N5	8.02	499	138	6.9	29	68	<0.1	1	1.6	46	30	13	3	<0.01	<0.01	<0.1	388	<0.05	<0.1	0.3
<i>Seaside Basin</i>																				
15S/1E-15N3 (shal)	203	67	7.1	45	15	<0.1	1	0.2	18	32	5.0	2.7	<0.01	<0.01	<0.1	203	<0.05	0.2	0.1	
15S/1E-15N2 (deep)	969	257	7.4	152	18	<0.1	<0.1	0.9	64	106	15	4.6	2.769	0.015	<0.1	566	0.11	0.5	0.3	
15S/1E-23Ca (shal)	742	222	7.4	103	36	<0.1	0.9	0.9	53	71	12	4	0.026	0.022	<0.1	508	0.06	0.3	0.2	
15S/1E-23Cb (deep)	not sampled in 2015 due to obstruction in well																			
15S/1E-15F1 (shal)	315	70	6.9	47	11	<0.1	3	<0.2	19	33	5.0	2.2	1.636	<0.01	<0.1	223	<0.05	0.2	0.10	
15S/1E-15F2 (deep)	1102	326	6.3	159	42	<0.1	<0.1	1.2	80	105	17	4.8	19.797	0.230	<0.1	668	0.12	0.5	0.3	
15S/1E-15K5 (shal)	208	66	7.8	49	8	<0.1	0.5	1.2	16	37	4	2.5	0.095	<0.01	NR	208	0.05	0.1	0.1	
15S/1E-15K4 (deep)	806	195	7.4	113	33	<0.1	<0.1	0.6	57	101	12	4.4	0.033	0.149	<0.1	460	0.10	0.3	0.3	
15S/1E-11Pa (shal)	331	69	6.8	54	13	<0.1	<0.1	0.5	28	38	5.0	4.3	0.078	<0.01	<0.1	217	<0.05	0.2	<0.1	
15S/1E-11Pb (deep)	426	100	5.9	71	1	0.4	<0.1	4.0	30	62	4.0	4.2	0.714	<0.01	<0.1	271	<0.05	0.3	0.1	
15S/1E-12Fa (shal)	342	62	8.2	59	12	<0.1	0.4	0.3	21	38	4	3	0.618	0.026	<0.1	246	0.06	0.2	0.1	
15S/1E-12Fc (deep)	292	59	7.6	45	13	<0.1	0.5	1.0	17	34	2	2	0.927	0.030	<0.1	177	0.07	0.1	0.1	

NOTES:

- (1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977.
- (2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.
- (3) The "Practical Quantifiable Limit" for Ammonia-N changed in 2017.
- (4) The "Practical Quantifiable Limit" for Nitrate as N was inconsistently reported in 2017, but corrected for this report.
- (5) The "Practical Quantifiable Limit" for Orthophosphate and Bromide changed in 2012.
- (6) Well 15S/1E-15K4 is being used as a "far-field monitor" for ASR well #4, and as such was sampled for additional constituents in 2016 that are not shown on this table.

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

GROUNDWATER-QUALITY MONITORING RESULTS

Carmel Valley Aquifer Sample Collection Date: November 03 and 08, 2016
 Seaside Basin Sample Collection Dates: July 26, August 1, October 6, December 5, 2016

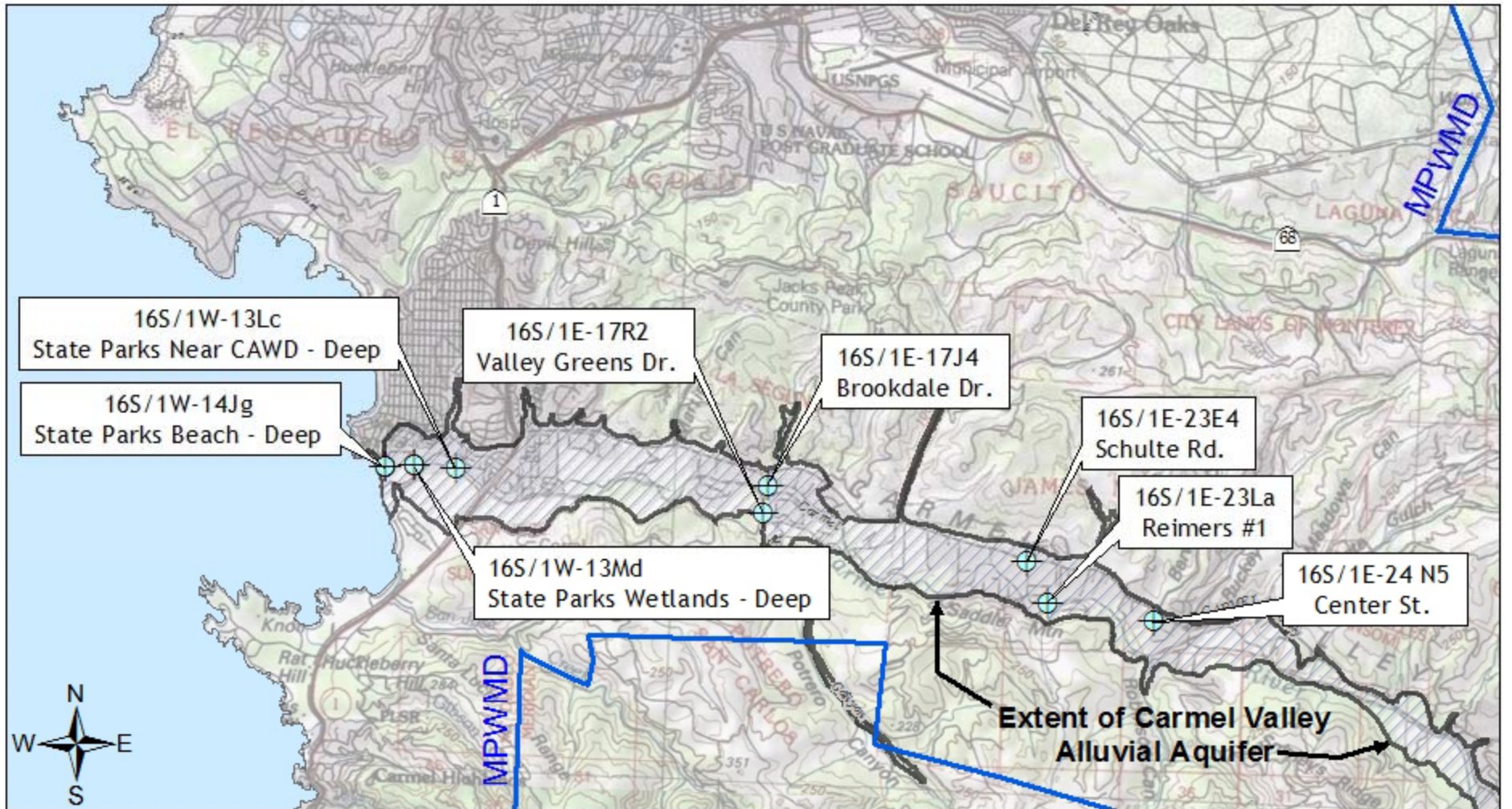
Units are milligrams per liter unless otherwise noted.

Water Quality Constituent	Specific Conductance (micromhos/cm)	Total Alkalinity (as CaCO3)	pH	Chloride	Sulfate	Ammonia Nitrogen (as N)	Nitrate Nitrogen (as NO3)	Total Organic Carbon	Calcium	Sodium	Magnesium	Potassium	Iron	Manganese	Orthophosphate	Total Dissolved Solids	Hardness (as CaCO3)	Boron	Bromide	Fluoride	
Drinking Water Standard (1)	900 1600 2200 (2)	NA	NA	250 500 600 (2)	250 500 600 (2)	NA	45	NA	NA	NA	NA	NA	0.3	0.05	NA	NA	NA	NA	NA	NA	
Sampling Location	River Mile																				
Carmel Valley Aquifer																					
16S/1W-14Jh (shal)	0.07 no longer in annual sampling network																				
16S/1W-14Jf (inter)	0.07 no longer in annual sampling network																				
16S/1W-14Jg (deep)	0.07 no longer in annual sampling network, destroyed by flooding																				
16S/1W-13Mc (shal)	0.31 no longer in annual sampling network																				
16S/1W-13Mb (inter)	0.31 no longer in annual sampling network																				
16S/1W-13Md (deep)	0.31 no access in November or December due to high water in Lagoon																				
16S/1W-13Lb (shal)	0.65 no longer in annual sampling network																				
16S/1W-13La (inter)	0.65 no longer in annual sampling network																				
16S/1W-13Lc (deep)	0.65	1016	194	7.2	101	170	0.73	<1	2.0	90	77	23	3.6	1.713	0.759	0.2	657	319	0.17	0.3	1.6
16S/1E-17J4	3.85	394e	60e	6.5	28	92	<0.05	3	1.6	38	22	15	3.2	0.366	0.015	<0.1	260	157	<0.05	<0.1	0.2
16S/1E-17R2	3.86	1200	182	6.6	109	272	0.21	<1	3.1	137	68	31	4.0	7.608	0.264	<0.1	820	470	0.05	0.2	0.2
16S/1E-23E4	6.53	1105e	255e	7.0	89	160	<0.05	<1	3.0	111	86	28	2.1	1.194	0.813	<0.1	707	392	0.11	0.2	0.5
16S/1E-23La	6.72	469e	115e	7.0	32	69	0.07	<1	1.3	39	36	15	3.4	1.113	0.240	<0.1	283	159	0.05	0.1	0.4
16S/1E-24N5	8.02	386e	70e	6.9	34	70	<0.05	5	1.6	44	30	15	2.8	<0.01	<0.01	<0.1	247	172	<0.05	0.1	0.2
Seaside Basin																					
15S/1E-15N3 (shal)	328	66	7.3	43	14	<0.05	0.1	1.0	17	31	5	2.6	<0.01	<0.01	<0.1	214	63	<0.05	0.2	0.1	
15S/1E-15N2 (deep)	982	252	7.4	147	35	<0.05	<1	0.6	73	102	16	4.6	0.034	0.054	<0.1	608	248	0.11	0.4	0.3	
15S/1E-23Ca (shal)	868	204	7.6	114	43	<0.05	1.3	0.9	64	66	14	3.7	0.106	0.087	<0.1	506	217	0.07	0.3	0.2	
15S/1E-23Cb (deep)	not sampled in 2015 due to obstruction in well																				
15S/1E-15F1 (shal)	331	71	6.6	44	10	<0.05	0.3	3.7	18	33	5	2.3	9.934	0.011	<0.1	220	66	<0.05	0.2	<0.1	
15S/1E-15F2 (deep)	1138	306	6.2	156	40	<0.05	<1	5.7	82	100	18	4.9	7.916	0.204	<0.1	691	279	0.12	0.4	0.3	
15S/1E-15K5 (shal)	304	64	7.7	51	8	<0.05	0.5	1.6	16	39	4	2.0	0.224	<0.01	<0.1	214	56	<0.05	<0.4	<0.4	
15S/1E-15K4 (deep)	587	148	7.4	82	22	<0.05	<1	0.4	38	72	8	3.4	0.017	<0.01	<0.1	368	--	0.06	<0.4	0.4	
15S/1E-11Pa (shal)	332	81	7.1	51	1	<0.05	<1	6.1	24	33	4	3.6	1.663	0.026	<0.1	225	76	<0.05	0.2	<0.1	
15S/1E-11Pb (deep)	404	70	5.8	66	1	<0.05	0.4	10.0	28	54	3.7	3.5	0.132	<0.01	0.2	420	85	0.07	0.1	<0.1	
15S/1E-12Fa (shal)	326	53	7.4	46	10	<0.05	0.5	0.3	15	37	2	2.4	0.567	0.100	<0.1	180	46	<0.05	<0.4	<0.4	
15S/1E-12Fc (deep)	319	54	7.6	46	12	<0.05	<1	0.5	17	37	2	2.0	1.420	0.026	<0.1	186	51	<0.05	<0.4	<0.4	

NOTES:

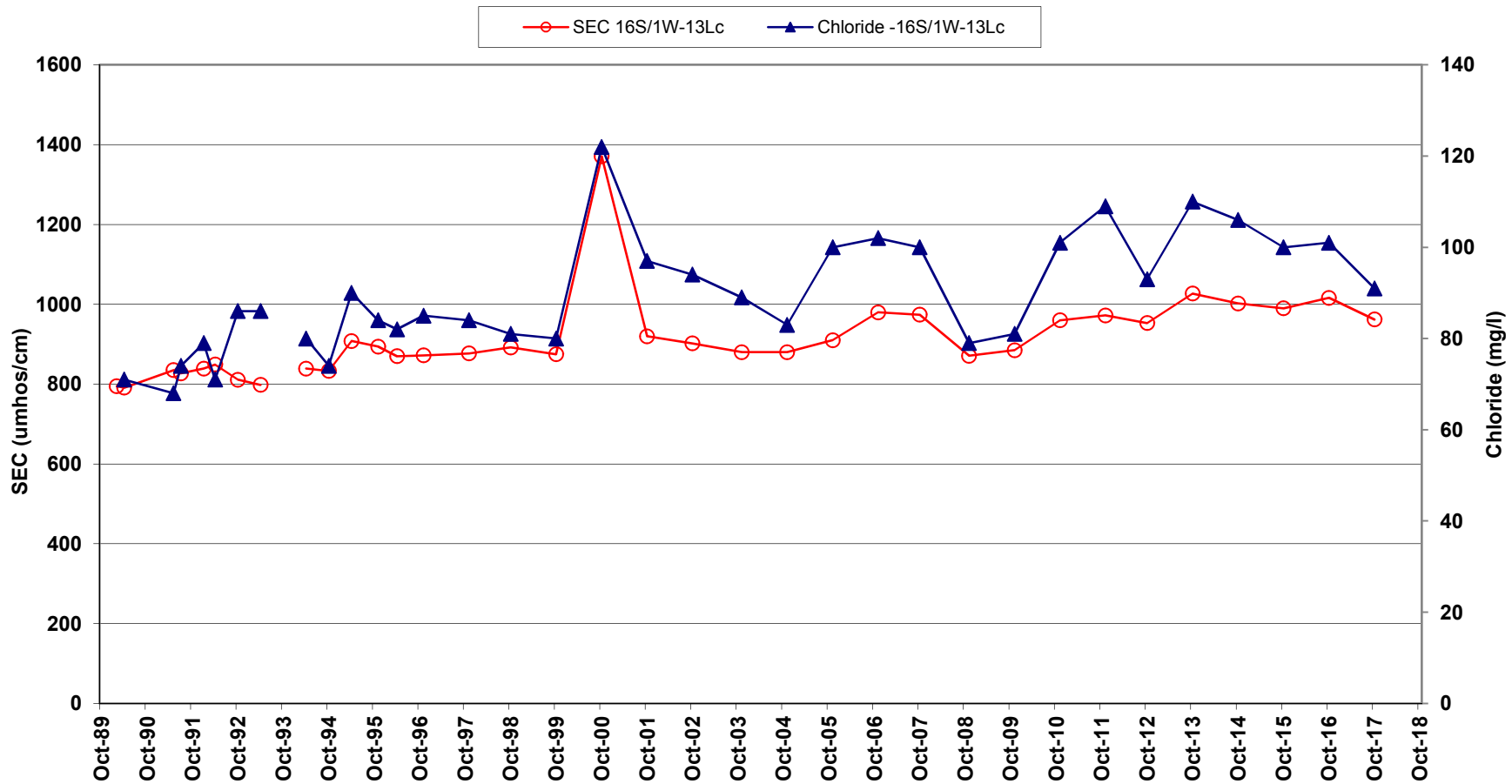
- (1) Maximum contaminant levels are from California Domestic Water Quality and Monitoring Regulations, Title 22, 1977.
- (2) The three values listed for certain constituents refer to the "recommended" level, the "upper" level, and "short-term use" level, respectively.
- (3) The "Practical Quantifiable Limit" for Orthophosphate and Bromide changed in 2012.
- (4) Well 15S/1E-15K4 is being used as a "far-field monitor" for ASR well #4, and as such was sampled for additional constituents in 2015 that are not shown on this table.

LOCATION OF MPWMD LOWER CARMEL VALLEY WATER QUALITY MONITORING WELLS (River Mile 0.0 to 9.0)

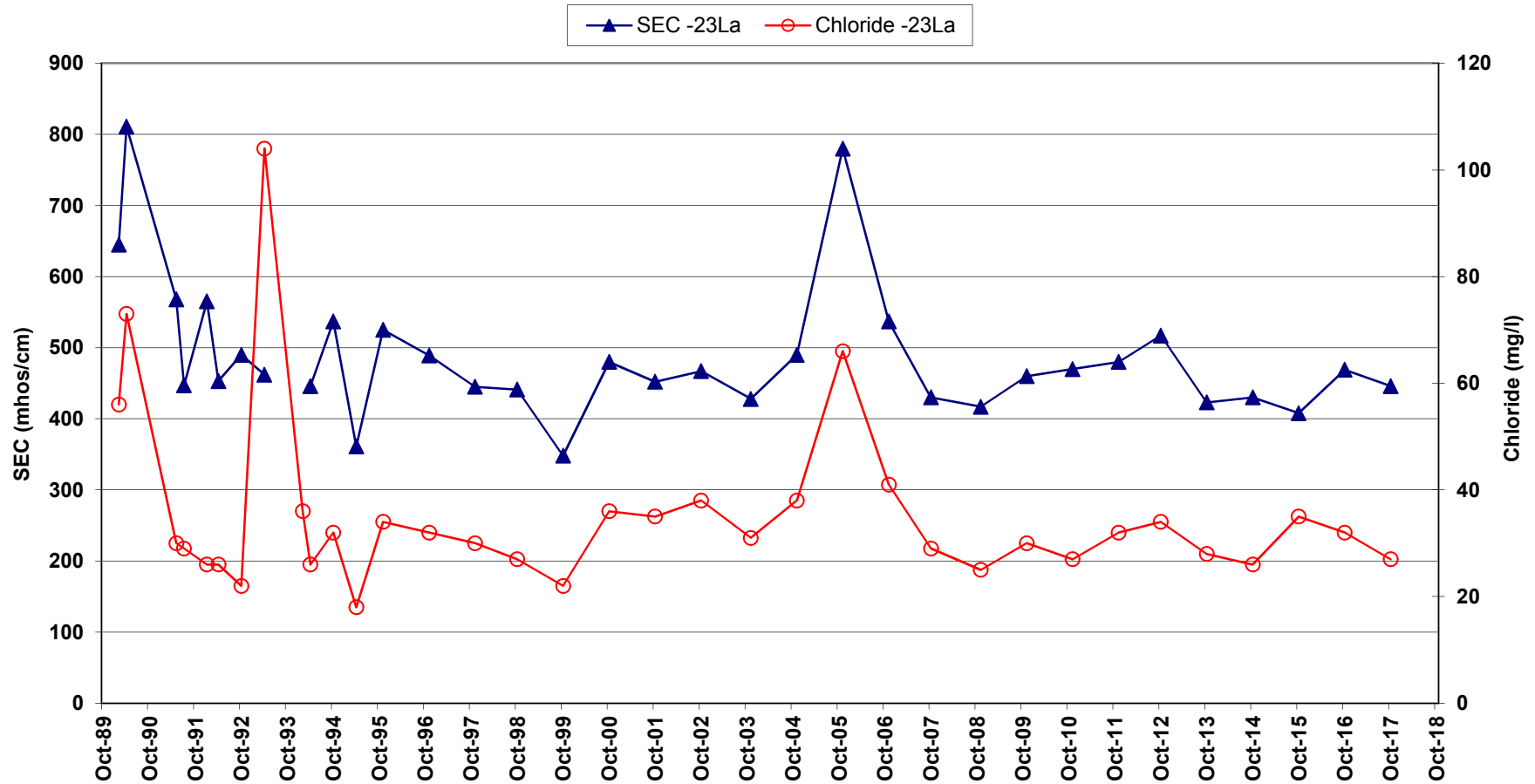


Scale

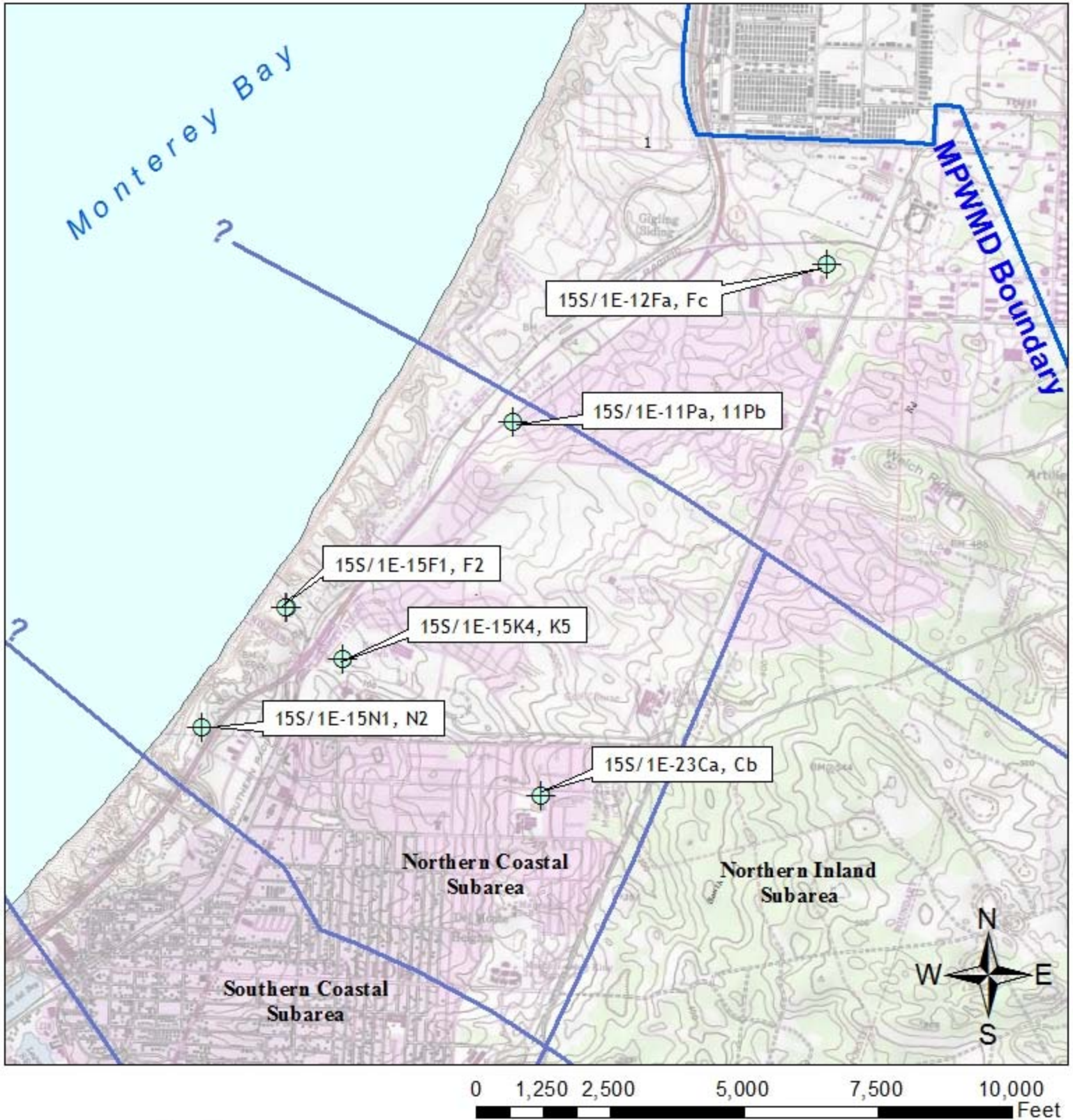
WATER-QUALITY RESULTS
State Parks Near CAWD (deep) - 16S/1W-13Lc
River Mile 0.65



WATER-QUALITY RESULTS
Reimers #1 - 16S/1E-23La
River Mile 6.72



SEASIDE GROUNDWATER BASIN COASTAL WATER QUALITY MONITORING WELLS



Scale





Supplement to 2/22/18 MPWMD Board Packet

Attached are copies of letters received between January 17, 2018 and February 13, 2018. These letters are listed in the February 22, 2018 Board packet under Letters Received.

Author	Addressee	Date	Topic
Daniel Gho	David Stoldt	2/12/18	Pacific Grove Local Water Project
John Moore	MPWMD Board	1/23/18	Monterey One Water-Massive Sewage Spill
Layne Long	MPWMD	1/22/18	Marina Coast Water District Issuance of 2018 Tax Allocation Refunding Bonds
Norman C. Groot	David Stoldt	1/22/18	Monterey Peninsula Water Supply Project
John Moore	MPWMD Board	1/22/18	Massive Sewage Spill
John Moore	MPWMD Board	1/19/18	Press Release to MBWMD Board

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CITY OF PACIFIC GROVE
Public Works Department
2100 Sunset Drive, Pacific Grove, CA 93950
T : 831.648.5722 • www.cityofpacificgrove.org/publicworks

RECEIVED

FEB 12 2018

MPWMD

David Stoldt
General Manager
Monterey Peninsula Water Management District
5 Harris Court – Bldg G
Monterey, CA 93940

Dear Mr. Stoldt:

As you are aware, the City of Pacific Grove (City) has completed construction of the Pacific Grove Local Water Project. This project was designed to create non-potable recycled water supply of 125 acre-feet annually (AFA), or more, to meet irrigation needs on the City-owned Pacific Grove Golf Links and El Carmelo Cemetery. The Project, as constructed, includes a new Satellite Reclaimed Water Treatment Plant facility with a design flow capacity of 0.25 million gallons per day.

The Project recycles a portion of the City's municipal wastewater at the Point Pinos Wastewater Treatment Plant. One effect of the Local Water Project has been to reduce potable water metered demand from the California American Water (Cal-Am) water system due to the non-potable replacement supply created by the Project and used on the City's Golf Links and Cemetery.

Ordinance 168 of the Monterey Peninsula Water Management District (MPWMD) enacted Rule 23.9 and established a process by which the City would hold a Water Entitlement to recognize a portion of the potable water saved from irrigation use. MPWMD has recognized the Water Entitlement as a vested property right held by the City to release up to 66 AFA of water for consumption from the Cal-Am Water Distribution System on Benefited Properties located within the City.

Section Six of MPWMD Ordinance 168 clarifies the City Water Entitlement takes effect when the City verifies the Local Water Project has been completed, and that Cal-Am irrigation connections no longer provide potable water service to the Pacific Grove Municipal Golf Links or the El Carmelo Cemetery. This letter verifies those facts.

- Construction of the Pacific Grove Local Water Project is completed; the Project went online and the city began irrigation using recycled water on January 10, 2018.
- Attached is the December 21, 2017 letter received by the City from the State Water Resource Control Board. This letter confirms the Project cross connection test, and notes final items needed for completion. The City completed this list of items and received final approval on Jan. 8, 2018, as confirmed in the attached email.
- The Pacific Grove Local Water Project has been designed and constructed so that no connection exists to the Cal Am system. The attached Cross Connection Report verifies this fact.

- The Local Water Project was designed and constructed to meet irrigation needs at the Golf Course and the El Carmelo Cemetery. The Golf Links and the Cemetery no longer will rely on Cal Am systems for irrigation. The attached Cross Connection Report verifies the system is no longer tied to the Cal Am system.
- The Cal-Am Water Distribution System has been disconnected for non-emergency purposes from Local Water Project, as verified in the attached Cross Connection Report.

Please call if you have any question regarding matters stated above.

Daniel Gho



Public Works Director
City of Pacific Grove
831-648-5722



State Water Resources Control Board
Division of Drinking Water

December 21, 2017

Harvey Packard
Central Coast Regional Water Board
95 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

CITY OF PACIFIC GROVE – LOCAL WATER PROJECT RECYCLED WATER SYSTEM RESULTS – CROSS-CONNECTION SHUT DOWN TEST DECEMBER 1, 2017 (2790014-701)

Dear Mr. Packard,

This letter transmits Division of Drinking Water's (DDW) conditional acceptance for the City of Pacific Grove (City) Local Water Project Recycled Water System Results – Cross Connection Shut Down Test December 1, 2017 (SDT Results). The SDT Results were submitted on December 15, 2017.

The purpose of the shut down test is to demonstrate that there are no cross connections between the recycled water system and potable water system prior to dual plumbed recycled water use at the Crespi Pond restrooms and Front 9 restrooms at the Pacific Grove Golf Links. The City Public Works Director is the responsible person (Site Supervisor) for the dual plumbed use sites. The test was conducted by two certified Cross-Connection Control Specialists, James Derbin (CA/NV AWWA #2263) and Joe Pineda (CA/NV AWWA #2272).

DDW recommends that the City implements the recommendations stated in the SDT Results. Specifically, the City may deliver recycled water for dual plumbed uses once the following recommendation is completed:

- 1. Recycled water hose bib connection at the golf ball wash station located in the 18th fairway shall be removed. Paint or clearly label remaining above ground piping as recycled water piping. Per Title 22 section 60310 (i), only quick couplers that differ from those used on the potable water system shall be used on the portions of the recycled water piping system in areas subject to public access.

As a part of the City's Cross-Connection Control Program, as stated in the City's Title 22 Engineering Report dated June 2017, the City shall implement the following:

- 1. Conduct shut down retesting no later than four (4) years after December 1, 2017, to document that there is no cross connection between the recycled water system and potable water system.



Harvey Packard
Central Coast RWQCB

- 2 -

December 21 2017

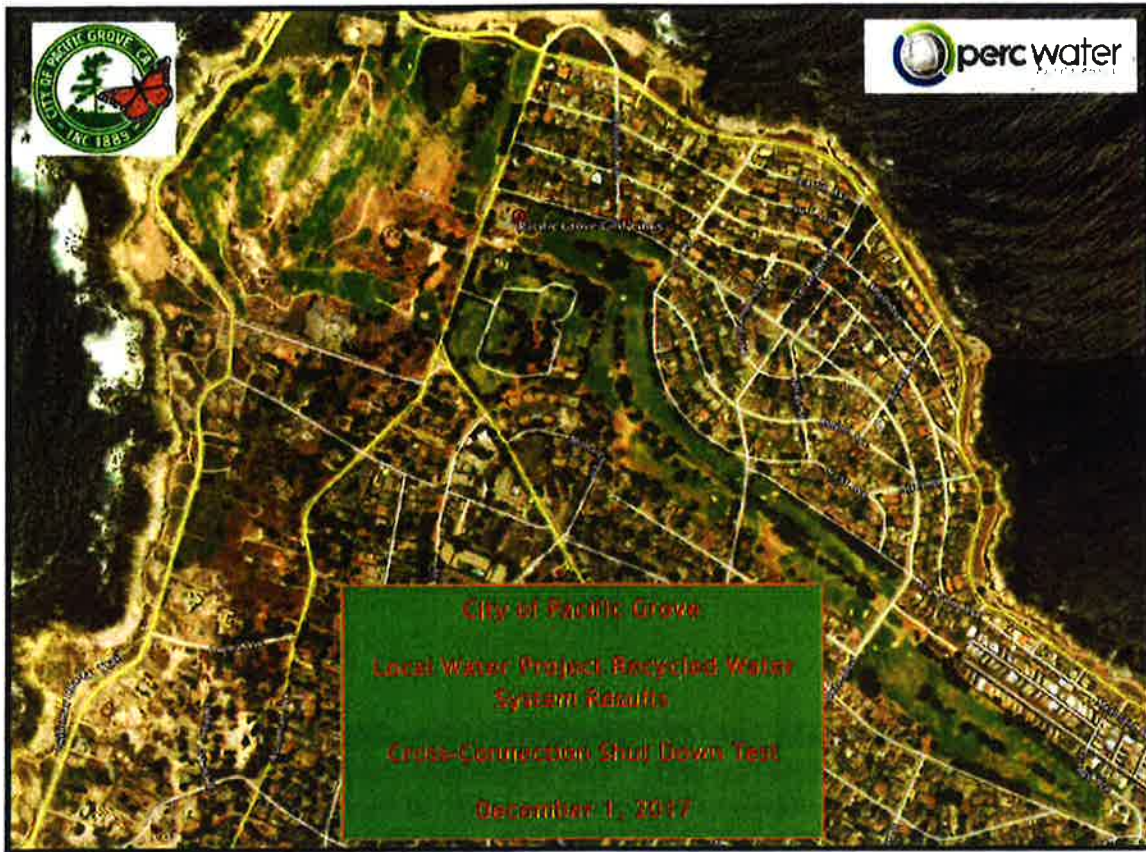
2. Update the Pacific Grove Golf Links irrigation plans to reflect the new recycled water pipeline construction.
3. Maintain records of any repair and modifications to either of the systems to facilitate future shut down tests or cross connection control survey
4. Conduct and document an annual visual inspection by December 1 starting in 2018, which includes but is not limited to the following:
 - a. Check locations of meters for both recycled and potable water systems to verify that no changes or modifications have been made.
 - b. Check the backflow preventers for the potable water connections and (if applicable) for the recycled water system.
 - c. Check all recycled water system control and shutoff valves and irrigation valves to verify that all seals are in place, functional and undisturbed.
 - d. Check that all signage are properly installed and clearly visible to the general public using the facility.

If you have any questions regarding this letter, please contact Sherly Rosilela at (916) 341-5578 or via e-mail at Sherly.Rosilela@waterboards.ca.gov or contact Randy Barnard at (619) 525-4022 or via e-mail at Randy.Barnard@waterboards.ca.gov.

Sincerely,



cc: Daniel Gho, City of Pacific Grove
Jan Sweigert, DDW Monterey
RWU File Copy



Introduction

The City of Pacific Grove contracted with PERC Water for a design/build water reclamation project capturing and treating 0.25 MGD of sanitary sewer flows from a City owned gravity sewer main in Asilomar Avenue. This included improvements to the existing irrigation system to allow conversion from potable to Recycled Water (RW). The Title 22 RW will be used for irrigation on the Pacific Grove Golf Links and El Carmelo Cemetery. Two restrooms, located on the Pacific Grove Golf Links, were dual plumbed with both potable and recycled water as a part of this project. The RW at these two restrooms will be used for toilet flushing with potable service maintained to the hand sinks.

In order to confirm that the potable and RW systems are totally separate, a Shut Down Test (SDT) was conducted on 12/1/17 by two certified Cross-Connection Control (CCC) Specialists, James Derbin CA/NV AWWA #2263 and Joe Pineda CA/NV AWWA #2272, with the help of PERC, Pacific Grove Golf Links, and City staff. The SDT plan was reviewed and approved by DDW staff prior to the test. The SDT was witnessed by DDW staff, City of Pacific Grove, PERC and Cal Am staff. No cross connections between the potable and RW systems were discovered during the test.

There are currently three parcels within the study area that are planned to be served with both recycled and potable water. These properties are the Pacific Grove Golf Links, El Carmelo Cemetery and the Pacific Grove Water Reclamation Facility (WWTP). Some of these potable services cross both the Golf Links and WWTP parcels. See table below for details:

Site	Address	APN	Potable Connections/Services
Pacific Grove Golf Links	77 Asilomar Ave.	6101002000	<ul style="list-style-type: none"> • Crespi Pond Restrooms • Front 9 Restrooms • WWTP Air Gap/Fire • Clubhouse
El Carmello Cemetery	68 Asilomar Ave.	6102001000	<ul style="list-style-type: none"> • Chapel • Maintenance Building
WWTP	1313 Ocean Blvd.	7011003000	<ul style="list-style-type: none"> • Crespi Pond Restrooms • WWTP Air Gap/Fire

Day of Test

This effort was facilitated by the CCC Specialists onsite with hands on help of PERC, Golf Links and City maintenance staff. The Specialists observing and documenting the SDT did not operate any valves or equipment as part of this test. The only exception was the Specialists did operate potable hose bibs and interior fixtures as needed. Onsite staff knowledgeable of the piping layouts were available the day of the SDT to operate all valves outlets necessary.

The following attended the test:

- Sherly Rosilela, DDW Sacramento
- Querube Moltrup, DDW Monterey
- Shaminder Kler, DDW Monterey
- Colton Schmidt, PERC Water
- Nate Owen, PERC Water
- Daniel Gho, City of Pacific Grove
- Jack Wang, Cal Am
- Helen Lau, Cal Am

General Procedure

For the purpose of the Shut Down Test (SDT), the water systems were divided into six separate sites where both potable water and non-potable RW are present. These have been identified as Sites A-F. Sites A and B were combined since this area of the property has RW and two potable connection points feeding from different directions.

A separate executed plan for each section is discussed later in the Site plans. Each plan identifies how the components of each system were used in the SDT. Each site specific SDT follows the same general procedure as defined below.

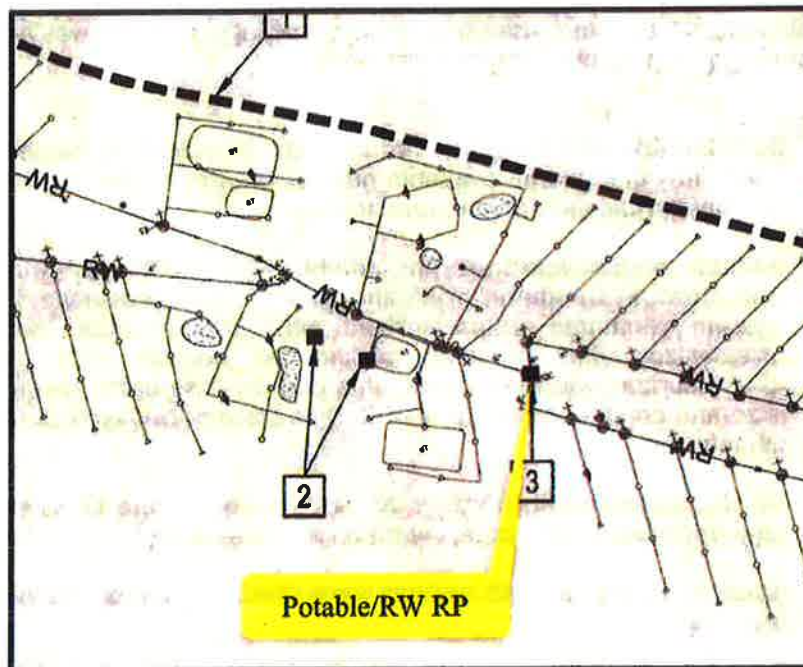
Pressure readings were taken at specific RW/potable points, representative of each site, during the test and recorded with a photograph. Quick connects with pressure gauges were used on the RW system for record of flow/no flow present. RPs on potable connections were used for pressure readings. If no RP was present the nearest potable hose bib was used for this purpose.

- (i) **Both Potable and Recycled on:** With the recycled and domestic water systems both fully charged all available outlets/fixtures on both systems were checked to confirm they are on and pressurized.
- (ii) **Potable off/Recycled on:** The potable water connection at each section was shut down at the meter or RP and allowed to de-pressurize. The potable water system remained de-pressurized while the recycled water system was pressurized. The minimum period the potable water system remained depressurized was determined on a case-by-case basis, taking into account the size and complexity of the distribution system, but typically was not less than 30 minutes.
- (iii) All available outlets/fixtures on both systems were checked to confirm that only recycled water outlets were on and pressurized.
- (iv) Once all outlets on both systems were checked, potable service was restored to that site.
- (v) **Recycled off/Potable on:** The recycled water system was shutdown and drained of all pressure. The potable water system remained pressurized while the recycled water system was depressurized. The minimum period the recycled water system remained depressurized was determined on a case-by-case basis, taking into account the size and complexity of the distribution system, but typically was not less than 30 minutes.
- (vi) All available outlets/fixtures on both systems were checked to confirm that only the potable outlets were on and pressurized.
- (vii) The drains on the recycled water systems were checked for flow at the start and end of each test period.

Potable to Recycled Connection

This site is where the recycled water distribution network is temporarily charged with potable water, via a Reduced Pressure Principle Backflow assembly (RP) until the WWTP effluent is approved for on-site use. This jumper is located midway between the 4th and 7th fairways and across from 970 Sea Palm Ave.

See image below showing location of the jumper RP that fills the irrigation system with potable water. Potable water was utilized for the SDT though this connection point.



SDT Results

The sites were tested in the following order:

1. Site C, Clubhouse
2. Sites A/B, WWTP AG/FS
3. Site F, Front 9 Restrooms
4. Site D, Cemetery/Chapel
5. Site E, Cemetery/Maintenance

Site C - Golf Links Clubhouse

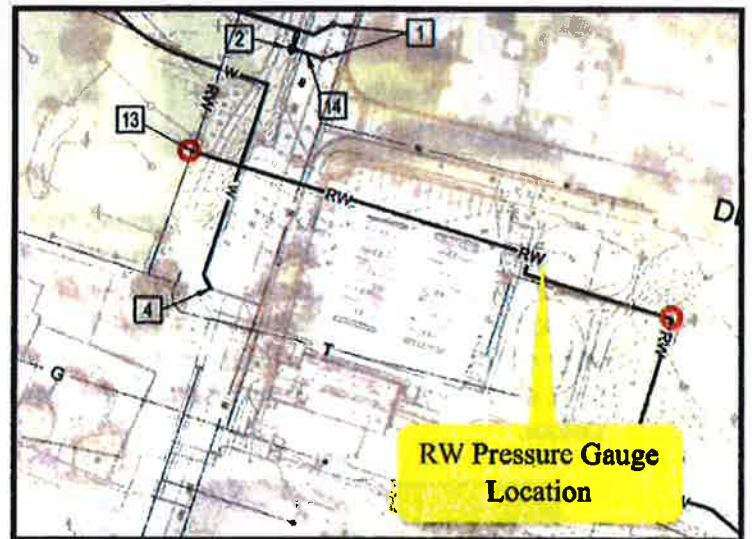
The Golf Links Clubhouse is located across Asilomar Avenue and houses the restaurant and Pro Shop. The potable water metered connection point to this building is located on Asilomar Avenue. See image on the next page.



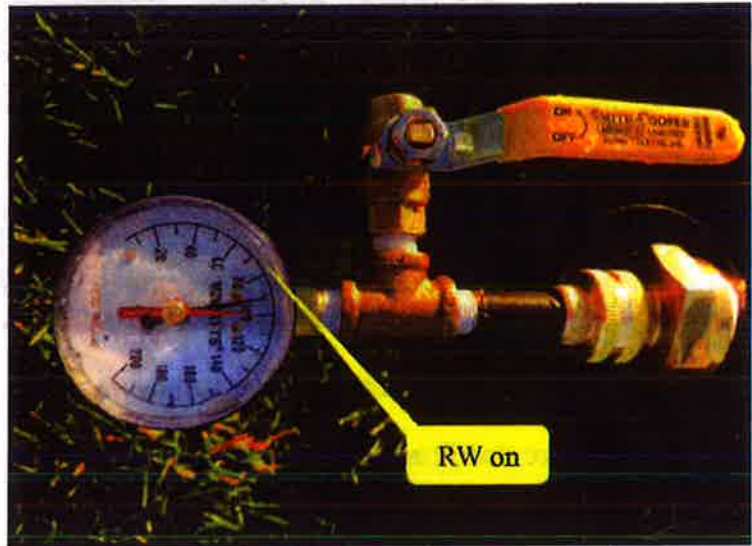
The general test procedure was followed as described earlier.

The RP at the Site C potable service connection was used as the potable isolation point and potable pressure indication for this area. This potable connection is protected by a 2" RP Wilkins 975 XL, serial # 2101312.

The RW network in this area was shutdown utilizing valves located across from the Clubhouse and further North of the Clubhouse. See image on right with circled valve locations. Quick connects, irrigation spray heads and zone valves were used for confirmation of the the RW status.



The testing of this site started at 0720. Initially all outlets on both potable and recycled systems in this area were confirmed to be on. See pressure gauge images below. The black needle represents the pressure measured at the time of the picture. The red needle is supposed to indicate peak pressure but was not functioning well during the SDT and should be ignored.



Following confirmation that all outlets on both systems were confirmed to be on, the potable system was shutdown at the potable RP service to the Clubhouse at 0804. Once the potable system was shutdown and the RW system remained pressurized all outlets on both systems were checked for pressure/flow. It was then confirmed that only the potable outlets were off at this part of the test. See pressure gauge images below.



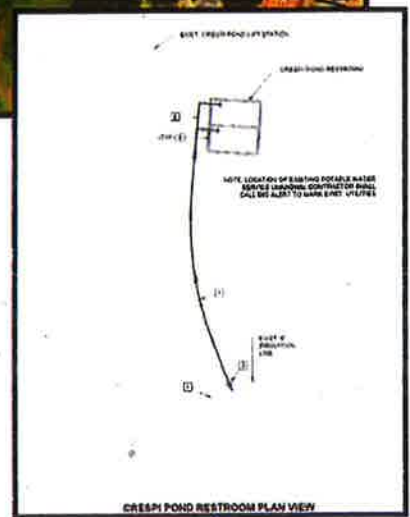
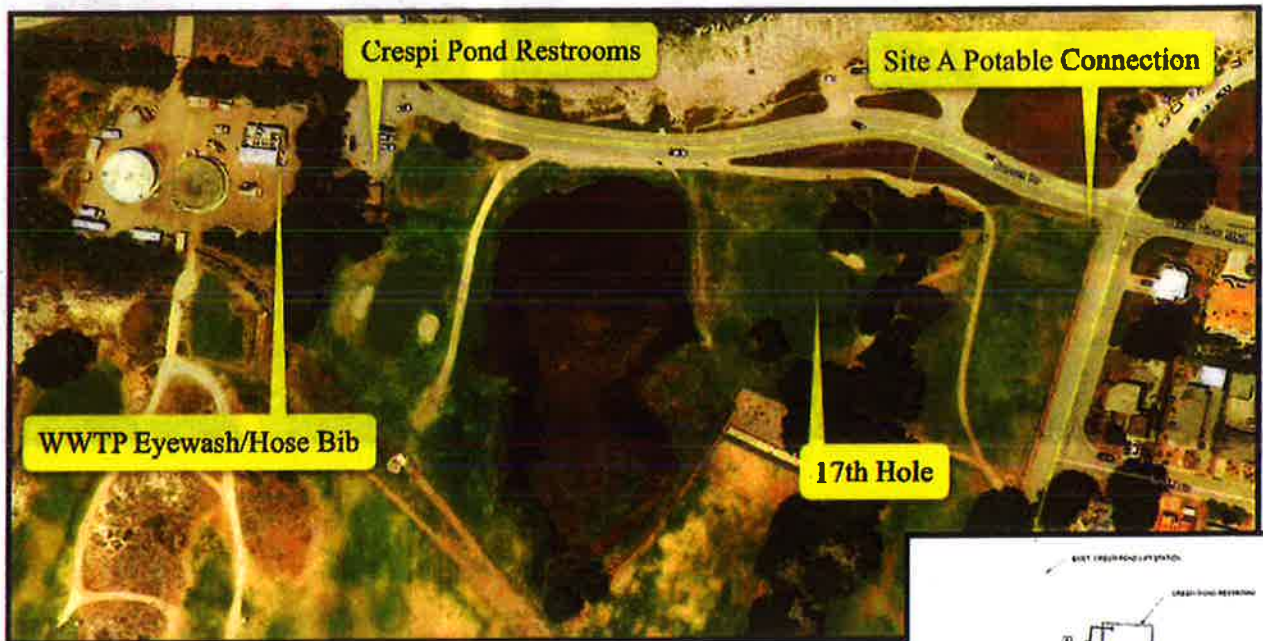
Following confirmation that shutting down the potable service did not impact any RW outlets the potable service was restored at the potable RP to the building and the RW system in this area was shut down at 0840. It was then confirmed that only the RW outlets were off and the potable system remained pressurized at this part of the test. This took place at 0850. See pressure gauge images below. No cross connections were discovered in this area.



Site A - Crespi Pond Restrooms, WWTP Eyewash

The potable water connection to the Crespi restrooms originates from a metered connection located at the corner of Asilomar Ave./Ocean Blvd. This potable connection appears to be adequately protected with an RP assembly, 1" Febco 825Y serial # A144765, and serves the Crespi restroom hand wash sinks, adjacent drinking water fountain, and the WWTP eyewash and hose bib.

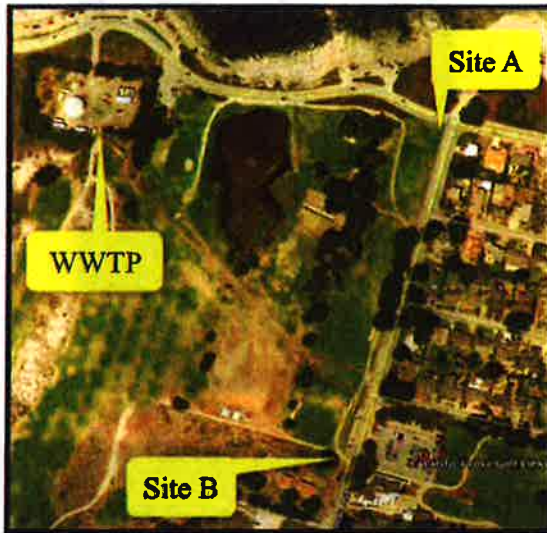
The Crespi restrooms are dual plumbed for both potable and recycled water. RW will be used for toilet flushing with potable service maintained to the hand sinks. The WWTP has both potable and recycled water. The onsite potable water service runs along the edge of the course, in the cart path, parallel to Ocean Blvd. The RW enters the restrooms from the south side of the structure. See below images.



Site B - Fire/AG

Site B is the potable connection serving the Fire Service and Air Gapped (AG) potable irrigation makeup water to the WWTP and is located across from the Golf Links Clubhouse on Asilomar Ave. This potable connection is protected by an 4" Wilkins 375AST RP, serial # 5581C.

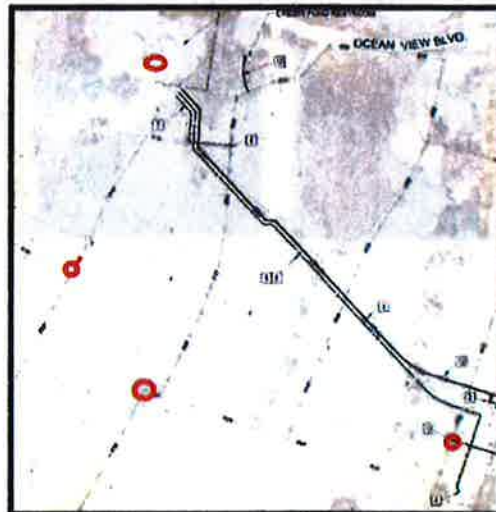
Site A and Site B were tested as one zone together since they both serve the WWTP site with potable water from two separate feeds.



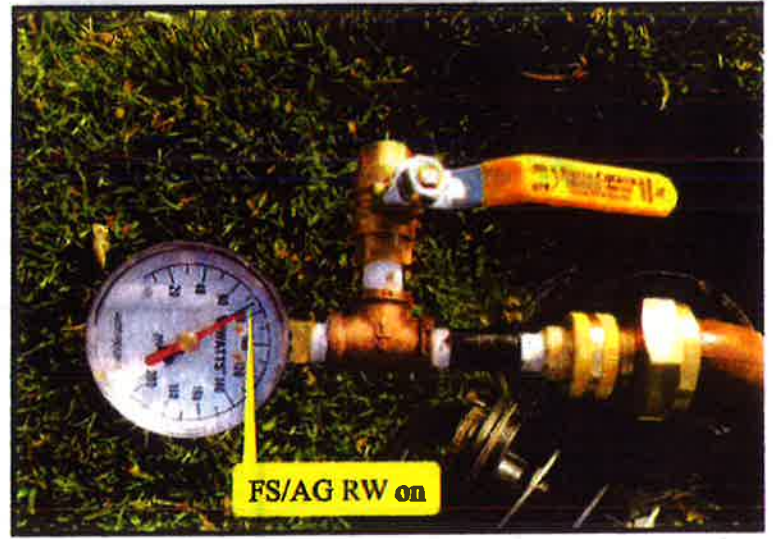
The general test procedure was followed as described earlier.

The RPs at the Site A and Site B potable service connections were used as the potable isolation points for this area. The RW network in this area was shutdown utilizing valves located at the WWTP finished RW pump station, across from the Clubhouse, as well as other valves (highlighted in red) within area shown on the below left.

The RW valve and the RW pump station discharge valves were used in this portion of the test. Quick connects with pressure gauges and irrigation spray heads were used on the RW system for record of flow/no flow present. In long runs of irrigation lines, sprinkler/zone valves were randomly sampled along that section of pipe.

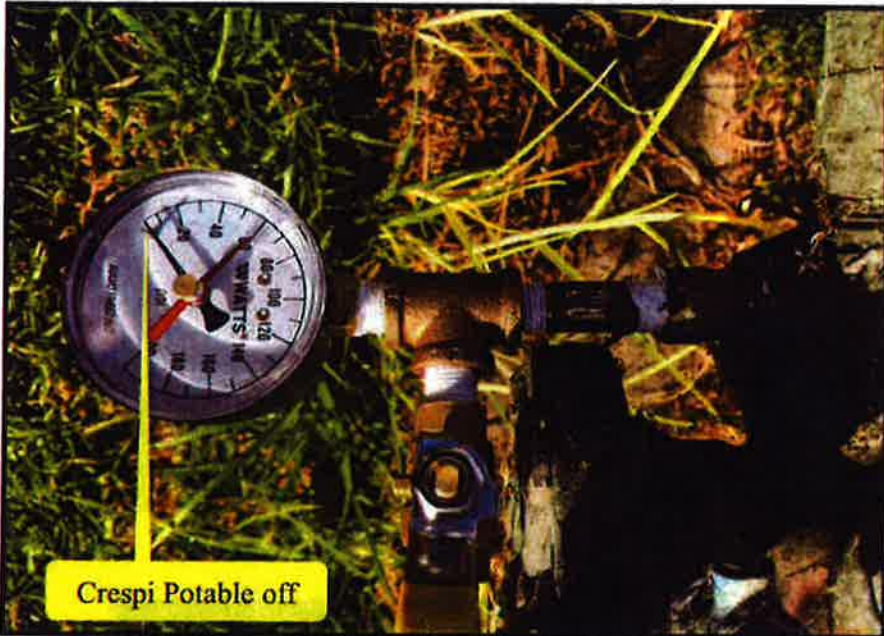


The testing of these sites started at 0930. Initially all outlets on both potable and recycled systems in this area were confirmed to be on. See pressure gauge images below. The black needle represents the pressure measured at that time of the SDT.



Following confirmation that all outlets on both systems were confirmed to be on, the potable systems were shutdown at the potable RP services to Crespi and the FS/AG at 1012.

Once the potable system was shutdown and and the RW system remained pressurized, all outlets on both systems were checked for pressure/flow. It was then confirmed that only the potable outlets were off at this part of the test. See pressure gauge images below.



Crespi Potable off



Crespi RW on



FS/AG Potable off



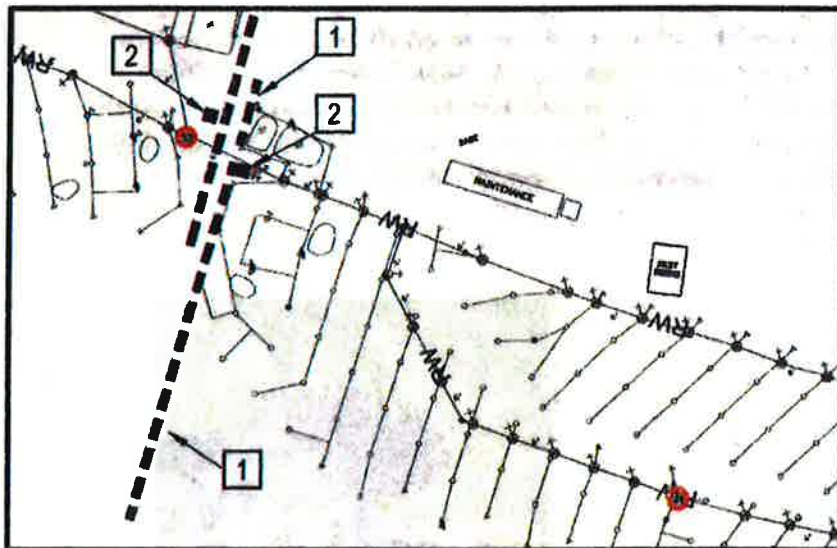
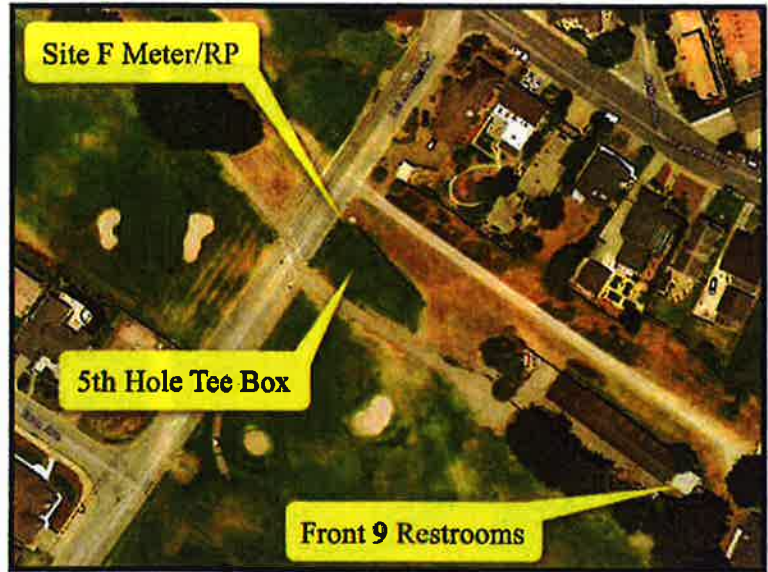
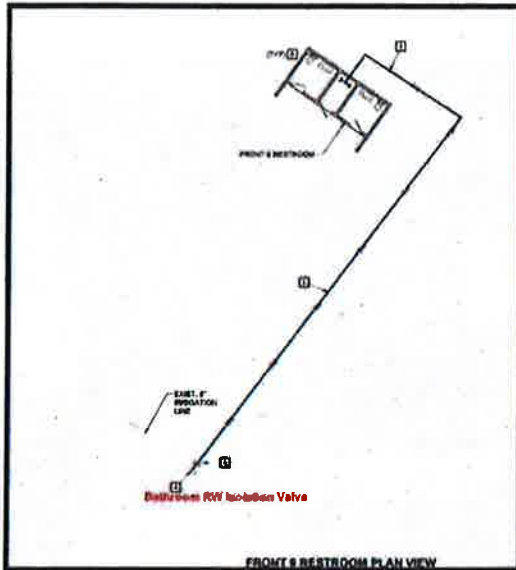
FS/AG RW on

Following confirmation that shutting down the potable services did not impact any RW outlets, the potable services were restored at both potable RPs. The RW system in both areas were then shut down at 1100. It was then confirmed that only the RW outlets were off and the potable system remained pressurized at this part of the test. This took place at 1300. See pressure gauge images below. No cross connections were discover in this area.



Site F - Front 9 Restrooms

The Front 9 Restrooms are located just a 100' West of the the Tee box for Hole #5. This area is fed by both potable and RW water. The potable connection is located on Del Monte Blvd. adjacent to the hole #5 tee box and feeds the Front 9 restrooms and the maintenance building just south of the restrooms. See below images. Note there was a drinking water fountain at this location which has been removed.



The general test procedure was followed.

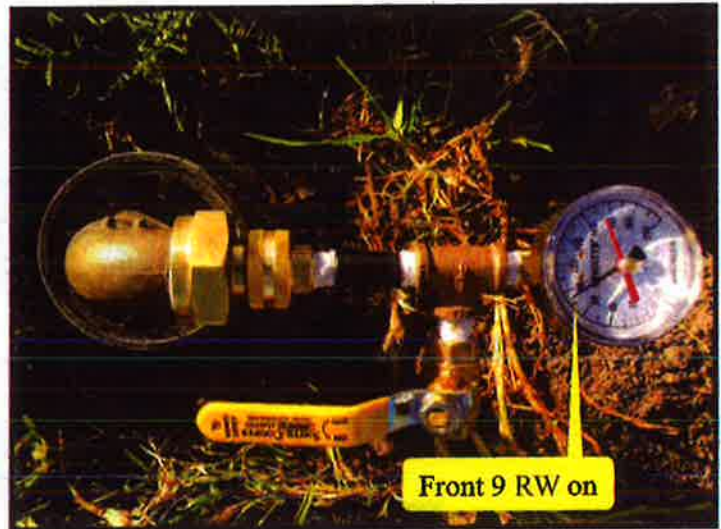
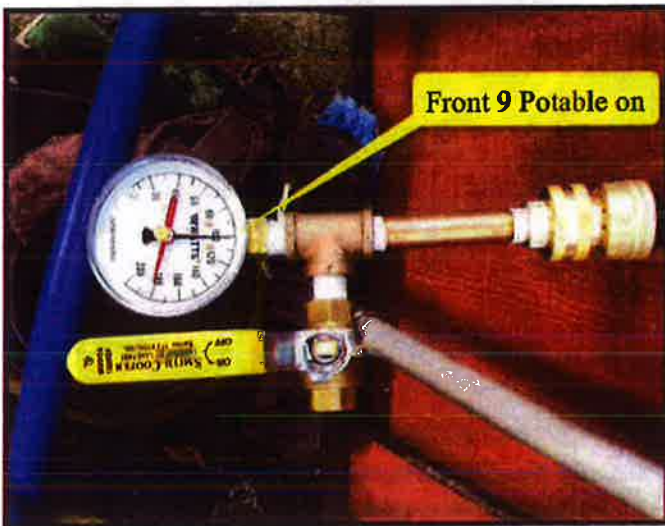
The Site F potable RP, 1" Febco 825Y serial #J063088 was used as the potable isolation point for this area. Potable water hose bibs and interior fixtures of the restroom and the maintenance building were used for checking for pressure.

The RW network in this area was shutdown utilizing nearby main RW isolation valve located south of tee box #5

and an isolation valve located in the 5th fairway as shown in the above image.

Quick connects, and irrigation spray heads were used for confirmation of the status of the RW system in this area.

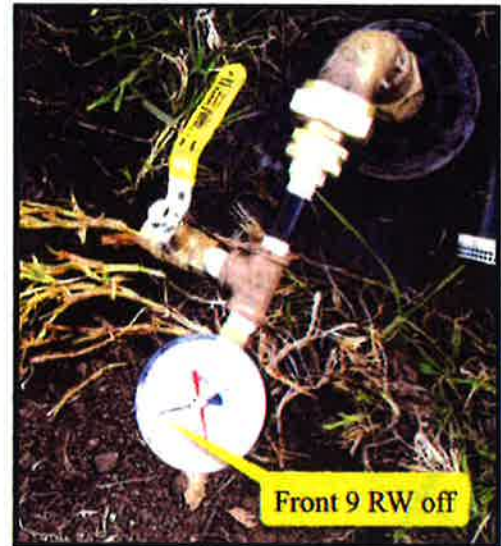
The testing of this site started at 1407. Initially all outlets on both potable and recycled systems in this area were confirmed to be on. See pressure gauge images below. The black needle represents the pressure measured at that time of the SDT. Note the potable pressure was measured a hose bib located inside the maintenance yard since fittings were not available to connect to the RP.



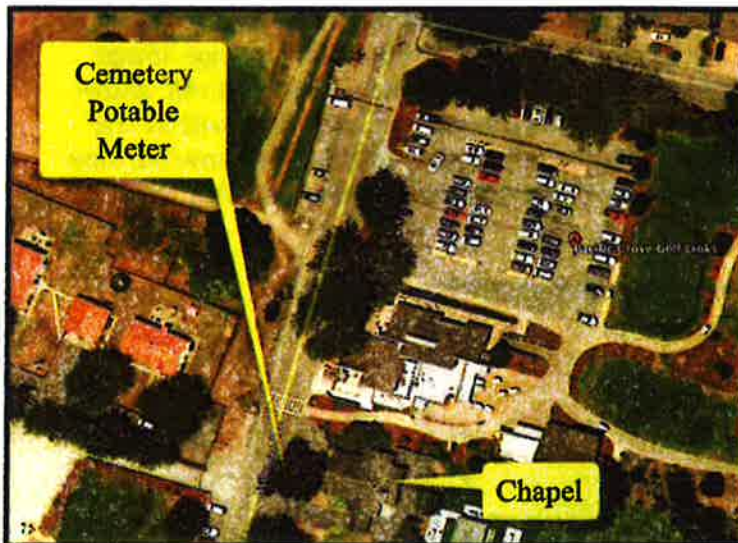
Following confirmation that all outlets on both systems were confirmed to be on, the potable system was shutdown at the potable RP service at 1420. Once the potable system was shutdown and the RW system remained pressurized all outlets on both systems were checked for pressure/flow. It was then confirmed that only the potable outlets were off at this part of the test. See pressure gauge images below.



Following confirmation that shutting down the potable service did not impact any RW outlets, the potable service was restored. The RW system in this area was then shut down at 1435. It was then confirmed that only the RW outlets were off and the potable system remained pressurized at this part of the test. This took place 1505. See pressure gauge images below. No cross connections were discovered in this area.



Site D - El Carmelo Cemetery



The El Carmelo Cemetery building is located on Asilomar Avenue just south of the Clubhouse. The potable water metered connection point to this building is located on Asilomar Avenue just in front of the main building. See image above.

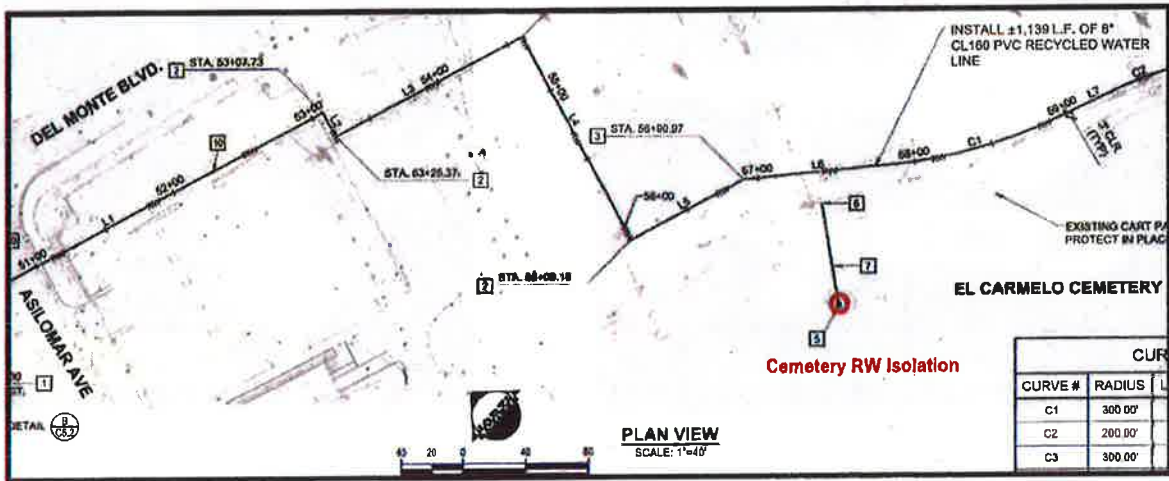
This potable connection did not appear to be protected with adequate backflow prevention. This should be addressed before long term activation of the RW network. This deficiency was discussed during the SDT and

confirmed with Cal Am and City of Pacific Grove staff that this would be addressed following the test.

The general test procedure was followed as described earlier.

The Site D potable meter angle stop was used as the potable isolation point for this area. Hose bibs and interior fixtures were used for checking for pressure/flow of the potable system at this location.

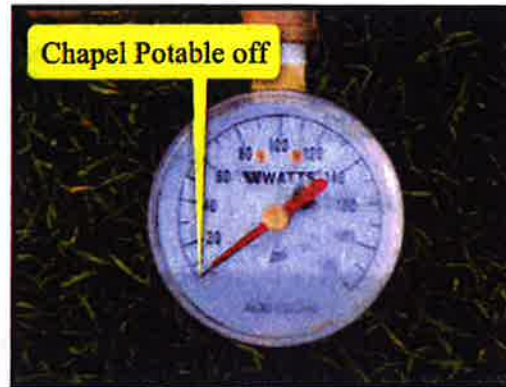
The RW network in this area was shutdown utilizing the valve located west of the Clubhouse. Quick connects and irrigation spray heads were used for confirmation of the status of the RW system in this area. See image below.



The testing of this site started at 1515. Initially all outlets on both potable and recycled systems in this area were confirmed to be on. See pressure gauge image below for potable. The nearby RW hose bib had corroded threads and did not allow connection of a pressure gauge. Since quick connects are not available within the cemetery parcel for measuring pressure a RW hose bib was utilized for flow/no flow confirmation. The black needle represents the pressure measured at that time of the SDT.



Following confirmation that all outlets on both systems were confirmed to be on, the potable system was shutdown at the potable metered service to the chapel at 1530. Once the potable system was shutdown and the RW system remained pressurized all outlets on both systems were checked for pressure/flow. It was then confirmed that only the potable outlets were off at this part of the test. See below image.

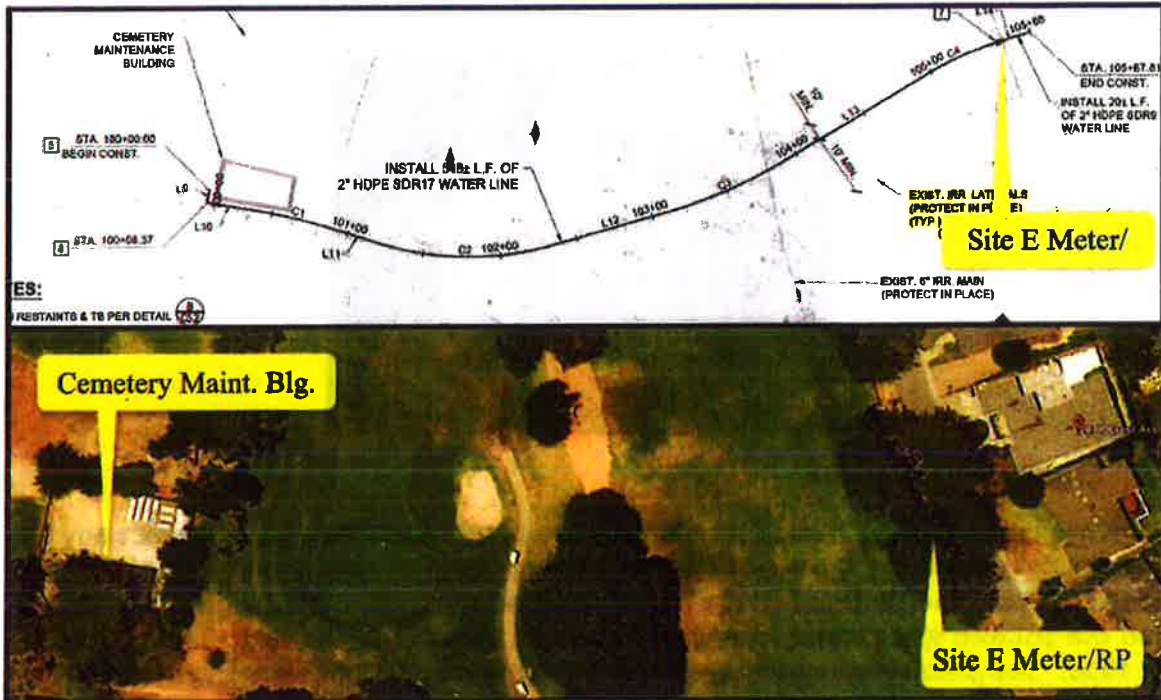


Following confirmation that shutting down the potable service did not impact any RW outlets the potable service was restored at the potable RP and the RW system in this area was shut down at 1535. It was then confirmed that only the RW outlets were off and the potable system remained pressurized at this part of the test. This took place at 1550. See pressure gauge image below. No cross connections were discovered in this area.



Site E - Cemetery Maintenance

The Cemetery Maintenance Building is located directly across from 1134 Crest Avenue. A new 2" potable water service to this building was installed as part of the overall RW project. See below images from the construction plans and aerial.

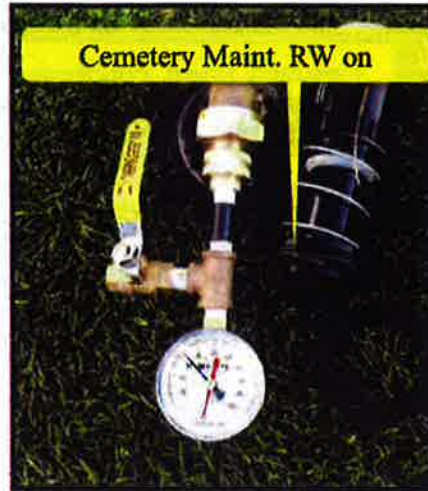
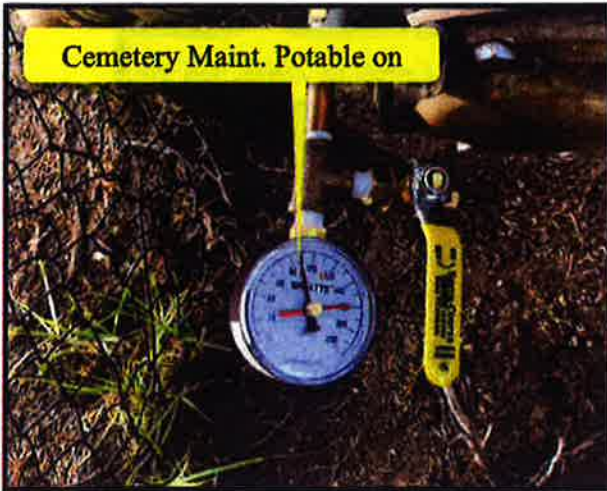


The general SDT procedure was followed as described.

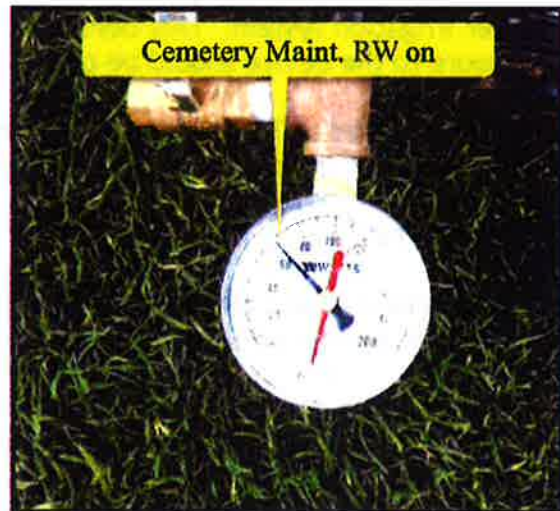
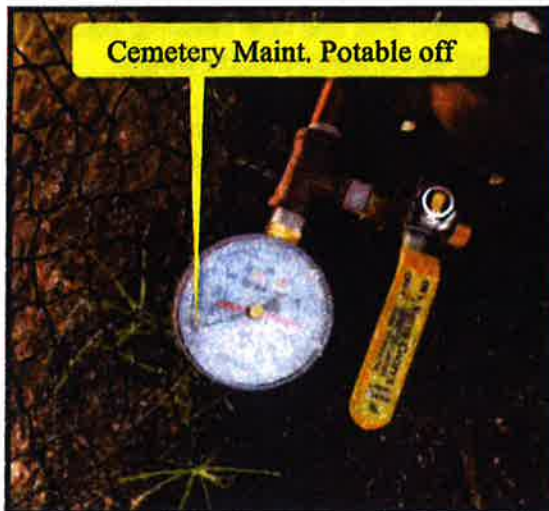
The Site E potable meter RP, 2" Febco 825Y serial # J038577, was used as the potable isolation point for this area. Potable water hose bibs and interior fixtures were used for checking for pressure/flow.

The RW network in this area was shutdown utilizing mainline RW valves that capture this area of the system. Quick connects, and irrigation spray heads were used for confirmation of the status of the RW system in this area.

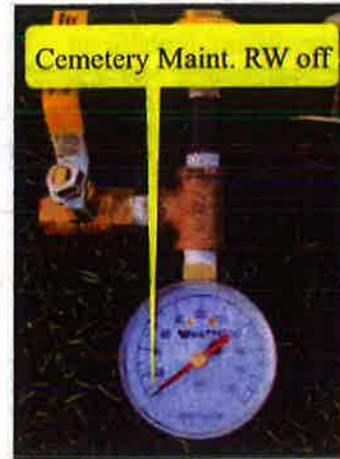
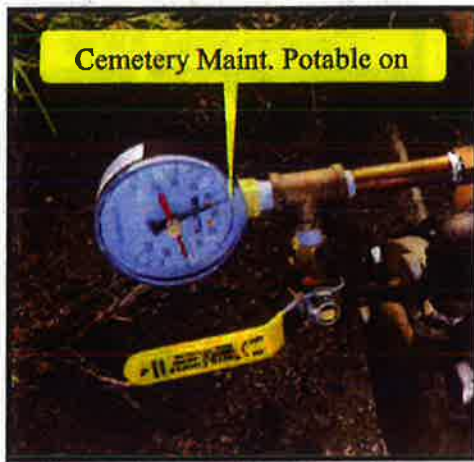
The testing of this site started at 1609. Initially all outlets on both potable and recycled systems in this area were confirmed to be on. See pressure gauge images below. The black needle represents the pressure measured at that time of the SDT.



Following confirmation that all outlets on both systems were confirmed to be on, the potable system was shutdown at the potable metered service at 1625. Once the potable system was shutdown and the RW system remained pressurized all outlets on both systems were checked for pressure/flow. It was then confirmed that only the potable outlets were off at this part of the test. See below images.



Following confirmation that shutting down the potable service did not impact any RW outlets the potable service was restored at the potable RP and the RW system in this area was shut down at 1635. It was then confirmed that only the RW outlets were off and the potable system remained pressurized at this part of the test. This took place at 1650. See pressure gauge images on next page. No cross connections were discovered in this area.



While the CCC Specialist staff were in this area, the old cemetery potable connection located at 1250 Del Monte Ave. was checked for pressure/disconnection to confirm this service was properly abandoned. The old RP assembly at this location was confirmed to be disconnected from the potable system but was found to still be connected to the irrigation system. This was confirmed by opening the #1 test cock on the RP and it was found to not have any inlet pressure. When the #4 test cock on this device was checked it was found to still have back pressure from the recycled water irrigation system. This device should be removed and the line feeding back pressure to the device should be cut and capped and documented accordingly.

The SDT started at 720 am was completed by 5pm and did not show any indication that the potable and RW irrigation systems are interconnected in any way.

Recommendations

- Combine the Golf Links irrigation plans with the RW project plans showing the potable and recycled water lines on one single plan set
- RW hose bib connection at the golf ball wash station, in the 18th fairway, should have the hose bib removed and all above ground piping clearly labeled as RW
- Maintain well documented records of any repairs/modifications to either of the systems to facilitate any future SDTs or Cross-Connection Control survey work

Olmos, Kristina@Waterboards <Kristina.Olmos@waterboards.ca.gov>

to James. me. Nate. Harvey.Packard Sherly Rosilela ~

Hi James,

This email documents the Water Board's approval to allow the City of Pacific Grove to start using their recycled water. As documented in email dated January 2, 2018, the City complied with the condition included in water hose bib connection prior to delivery of recycled water for dual plumbed uses. And, as far as I am aware, the City has complied with all other conditions included in our letters and permits. Therefore, the City issued Waste Discharge Requirements (WDRs) and two associated monitoring and reporting programs:

- State Water Board's General WDR for Recycled Water Use Order No. 2016-0068-DDW; Issued September 9, 2016 (along with the cover letter with Water Board staff conditions). Monitoring and reporting https://www.waterboards.ca.gov/board_decisions/adopted_orders/water_quality/2016/wgo2016_0068_ddw.pdf. This permit requires annual reporting, and the next report is due April 1, 2018.
- Water Board's WDR and Water Recycling Requirements (Producer) permit and MRP R3-2016-0044; Issued December 8, 2016. This permit requires submittal of quarterly monitoring reports due the 20th report is due January 30, 2018.

Please contact me with any questions, and I will let you know immediately if anything else comes up after Harvey's return.

Thank you,

Kristina Olmos, PE
Central Coast Water Board
[895 Aerovista, Suite 101](#)
[San Luis Obispo, CA 93401](#)
[805-549-3121](#)

Available: Monday, Tuesday & Wednesday

Arlene Tavani

From: jmoore052@gmail.com
Sent: Tuesday, January 23, 2018 8:48 AM
To: Arlene Tavani
Subject: Re: Monterey One Water-Massive Sewage Spill

Forward it to the staff and board of the MBWMD. Thank you. JMM

Sent from my iPhone

On Jan 23, 2018, at 8:30 AM, Arlene Tavani <Arlene@mpwmd.net> wrote:

Mr. Moore: I have forwarded your email to Jim Johnson at the Monterey County Herald. He does not work for the Monterey Peninsula Water Management District.

Arlene Tavani
 Executive Assistant
 Monterey Peninsula Water
 Management District
 Phone: 831-658-5652

From: John Moore [<mailto:jmoore052@gmail.com>]
Sent: Monday, January 22, 2018 9:47 PM
To: Jim Johnson
Subject: Monterey One Water-Massive Sewage Spill

Mr. Johnson:

As you are aware, the reason that a spill of the magnitude of the current spill could never happen, was because all of the sewage would be treated before it was to be pumped to the ocean. Yeah right!

By the same logic, contaminated wastewater could never be poured into the Seaside Basin because it will be treated before it is pumped into the basin. Yeah right!

Of course treatment did not occur in the recent spill because of poor over-sight. If there is a malfunction in the new recycling project, contaminated water will make putrid(contaminate) the water in the Seaside Basin. We will be without drinking water.

I hope that you did not get conned by Monterey Water One's P.R. person, but your reporting often fails, not by what you say, but by what you fail to say. Your reporting is an important part of the failure to build a state of the are deep water desalination plant.

There is a Pulitzer there about this whole phony desalination design and this experimental recycle project. There are also a lot of lives at stake.

John M. Moore



CITY OF MARINA
 211 Hillcrest Avenue
 Marina, CA 93933
 831-884-1278; FAX 831-384-9148
www.ci.marina.ca.us

RECEIVED

JAN 24 2018

MPWMD

January 22, 2018

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

Ladies and Gentlemen:

The Successor Agency to the Marina Redevelopment Agency (the "Successor Agency"), as allowed under Health and Safety Code Section 34177.5(a)(4), intends to issue 2018 Tax Allocation Refunding Bonds (the "Bonds") in accordance with the requirements of the Disposition and Development Agreement with Marina Community Partners originally entered into in 2006 as amended by the Second Implementation Agreement entered into in 2008 ("DDA") providing for the development of what is referred to as the Dunes Development. The DDA is an enforceable obligation listed annually on the Successor Agency's Recognized Obligation Payment Schedule ("ROPS"). The DDA, along with a Tax Increment Financing Plan and Agreement entered into in 2008; pledged to Marina Community Partners ("MCP") the tax increment generated by the Dunes development as well as additional low and moderate income housing fund tax increment from the Marina Heights development project to pay for infrastructure and affordable housing costs associated with the Dunes project. The Second Implementation Agreement as well as the Tax Increment Financing Plan and Agreement provides that MCP may from time to time request that the Former Redevelopment Agency issue bonds secured by the pledge of tax increment in the DDA and the Tax Increment Financing Plan. MCP has made such a request and the Successor Agency and the Oversight Board to the Successor Agency have approved the issuance of the bonds.

The Successor Agency is proposing to issue bonds in an amount not to exceed \$17,500,000 in two series of bonds. The bonds would have a 20-year term. The actual amount of bonds to be issued will depend upon interest rates at the time of issuance and whether the bonds are tax exempt or taxable bonds. The debt service on the bonds will be paid solely from the funds that are pledged to MCP pursuant to the DDA and that are currently paid to MCP pursuant to the ROPS process. The proceeds of the bonds will be paid to MCP to reimburse MCP for costs associated with the Dunes development project.

By this letter we request that the Monterey Peninsula Water Management (the "District") subordinate its **right to receive certain statutory** payments from the Successor Agency's RPTTF revenue, to the **Successor Agency's debt service** obligations on the Bonds.

Statutory Pass-Through Payments

Pursuant to Section 33492.71 of the California Health and Safety Code (the "Statute"), the District is entitled to receive statutory pass-through payments (the "Statutory Payments") from RPTTF revenue received by the Successor Agency from the Former Fort Ord Redevelopment Project Area (the "Project Area").

Health and Safety Code Section 33492.72 provides for the subordination of the District's right to receive the Statutory Payments to the Successor Agency's debt service obligation under the Bonds, upon a showing by the Successor Agency that there will be sufficient revenue to pay the debt service on the Bonds affecting the Project Area, as well as meet the Successor Agency's other obligations, including making the Statutory Payments to the District pursuant to Health and Safety Code Section 34183(a)(1). Accordingly, attached as Exhibit A to this letter, is a debt coverage table from the Successor Agency's fiscal consultant (the "Debt Coverage Table") which shows that the Successor Agency will have sufficient revenue to repay the Bonds associated with the Project Areas without demand being made on the Statutory Payments due the District under Section 34183(a)(1).

Under the terms of Health and Safety Code Section 33492.72, the District is required to approve or disapprove the request for subordination with respect to the **Bonds within forty-five (45) days after receipt of this letter.** Under Section 33492.72(c), the District may disapprove the request only if it finds, based upon substantial evidence, that the Successor Agency will not be able to pay debt service on the Bonds, as well as make the Statutory Payments to the District under Section 34183(a)(1). The attached Debt Coverage Table demonstrates the Successor Agency's ability to make such payments. If the District does not act within forty-five (45) days after receipt of this request, the request for subordination of the Statutory Payments with respect to the refunding Bonds associated with the Project Areas shall be deemed approved, all in accordance with Section 33492.72.

Sincerely,



Layne Long
City Manager
City of Marina

SUBORDINATION CERTIFICATE

CERTIFICATE OF THE MONTEREY PENINSULA WATER MANAGEMENT
IMPLEMENTING SUBORDINATION OF PAYMENTS FROM THE SUCCESSOR
AGENCY TO THE MARINA REDEVELOPMENT AGENCY

By its execution of this Certificate below, the Monterey Peninsula Water Management, (the "District"), hereby certifies and agrees as follows:

1. Pursuant to Section 33492.71 of the California Health and Safety Code, the District is entitled to receive statutory pass-through payments (the "Statutory Payments") from the tax increment revenue received by the Successor Agency from the Former Fort Ord Redevelopment Project Area.

2. The Successor Agency has requested that the District approve a subordination of its right to receive Statutory Payments, to the Successor Agency's pledge of RPTTF funds for the repayment of Bonds.

3. In connection with such request, the Successor Agency has submitted evidence (including a Debt Coverage Table) relating to the Successor Agency's anticipated ability to repay the Bonds without demand being made on the statutory and contractual pass-through payments, due to the District.

4. The evidence submitted by the Successor Agency demonstrates to the District's satisfaction that the RPTTF Revenue needed to make the statutory and contractual pass-through payments due to the District, will be used in the cash-flow for the Bonds only for additional security (debt service coverage) and that the RPTTF revenue, together with other pledged funds, will be adequate, over the term of the Bonds, to pay 100% of the actual debt service thereon, to pay the Successor Agency's pass-through obligations, and to pay all other enforceable obligations of the Successor Agency with respect to the Redevelopment Project Area, whether statutory or contractual, which are or would be superior to the Successor Agency's pass-through obligations.

7. The District hereby approves the Successor Agency's request and agrees to the subordination of the District's statutory pass-through payments, to the pledge of RPTTF for the repayment of the Bonds.

Dated: _____

Attachment A
 Projection of Revenues Available to Fully Satisfy Subordinated Pass Through Obligations
 City of Marina Successor Agency

December 18, 2017

\$Thousands

Fiscal Year	A. Assessed Valuation of the Dunes Project ⁽²⁾	B. Gross Property Tax Revenues: Dunes Project @1% of AV	C. Less: County Admin Expense @1.55%	D. Sea Haven Housing Revenues ⁽³⁾	E. Projected Site-Specific Revenue Available for Debt Service and Pass Throughs	F. Less: Estimated Debt Service on 2017 Bonds (Series A and B) ⁽⁴⁾	G. Balance Available for Pass Throughs	H. Projected Site Specific Pass Through Obligations: Dunes Project	I. Excess Available Above Pass Through Requirements
2017-18	288,998	2,890	(45)	67	2,912	(359)	2,553	1,600	953
2018-19 ⁽¹⁾	326,835	3,268	(51)	71	3,288	(1,133)	2,156	1,815	341
2019-20	326,835	3,268	(51)	71	3,288	(1,135)	2,154	1,815	339
2020-21	326,835	3,268	(51)	71	3,288	(1,136)	2,152	1,410 ⁽⁵⁾	742
2021-22	326,835	3,268	(51)	71	3,288	(1,132)	2,156	1,410	746
2022-23	326,835	3,268	(51)	71	3,288	(1,137)	2,151	1,410	741
2023-24	326,835	3,268	(51)	71	3,288	(1,131)	2,158	1,410	748
2024-25	326,835	3,268	(51)	71	3,288	(1,133)	2,156	1,410	746
2025-26	326,835	3,268	(51)	71	3,288	(1,133)	2,155	1,410	745
2026-27	326,835	3,268	(51)	71	3,288	(1,132)	2,156	1,410	746
2027-28	326,835	3,268	(51)	71	3,288	(1,135)	2,154	1,410	744
2028-29	326,835	3,268	(51)	71	3,288	(1,135)	2,153	1,410	743
2029-30	326,835	3,268	(51)	71	3,288	(1,133)	2,155	1,410	745
2030-31	326,835	3,268	(51)	71	3,288	(1,135)	2,154	1,410	743
2031-32	326,835	3,268	(51)	71	3,288	(1,134)	2,154	1,410	744
2032-33	326,835	3,268	(51)	71	3,288	(1,131)	2,157	1,410	747
2033-34	326,835	3,268	(51)	71	3,288	(1,136)	2,152	1,410	742
2034-35	326,835	3,268	(51)	71	3,288	(1,128)	2,160	1,410	750
2035-36	326,835	3,268	(51)	71	3,288	(1,133)	2,155	1,410	745
2036-37	326,835	3,268	(51)	71	3,288	(1,135)	2,153	1,410	743
2037-38	326,835	3,268	(51)	71	3,288	(1,134)	2,154	1,410	744

Notes:

(1) Increase in revenues in 18-19 is due to AV added from 2017 construction completions and recorded home sales totaling \$43.6 M for Dunes Project and \$2 M for Sea Haven, as offset for an estimated \$5.7 million reduction in AV as a result of assessment appeals.

(2) For purposes of the projection, County reported FY 2017-18 assessed values are assumed to remain constant, with the exception of new construction completed in 2017 per note 1.

(3) Includes former low and moderate income housing funds from the Sea Haven project.

(4) Payment of principal and interest on the proposed 2017 Bonds is secured by a pledge of certain site-specific property tax revenues only. Estimated debt service provided by Stifel Nicolaus & Company, November 14, 2017.

(5) Decrease in pass throughs in 2020-21 is due to sunset of the Fort Ord Reuse Authority (FORA) on June 30, 2020 pursuant to Section 67700 of the California Government Code and redistribution of pass through amounts currently paid to FORA.

Actual taxable values and RPTTF revenues may vary from the amounts in this projection.

Prepared by Keyser Marston Associates, Inc.

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MPWMD

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January 22, 2018

Mr. Dave Stoldt
Monterey Peninsula Water Management Dist.
5 Harris Court, Bldg. G
Monterey, CA 93940

Mayor Bill Kempe
Monterey Peninsula Regional Water Authority
c/o City of Pacific Grove
300 Forest Ave.
Pacific Grove, CA 93950

Mr. Paul Sciuto
Pure Water Monterey
c/o Monterey 1 Water
5 Harris Court, Bldg. D
Monterey, CA 93940

Mr. David Chardavoyne
Monterey County Water Resources Agency
1441 Shilling Place
Salinas, CA 93901

VIA: E-Mail

RE: Monterey Peninsula Water Supply Project

Gentlemen:

Monterey County Farm Bureau represents family farmers and ranchers in the interest of protecting and promoting agriculture throughout our County. We strive to improve the ability of those engaged in production agriculture to provide a reliable supply of food and fiber through responsible stewardship of our local resources.

Since the filing for project approval with the California Public Utilities Commission in 2012, Monterey County Farm Bureau has participated as an active intervener in the portfolio of projects known as the Monterey Peninsula Water Supply Project. Through numerous settlement conferences and hearings, we have maintained an active stance as a good neighbor helping the Peninsula solve their water supply shortage that yields a sustainable, reliable, long-term supply for residents, businesses, tourism, economic expansion, and lots of record.

We urge the Monterey Peninsula community and water agencies to not lose focus on their long-term water supply solution by:

- Maintaining the portfolio of projects approach for future water supplies (desalination, reclamation, and aquifer-storage-and-recovery); and
- Working to meet the Cease-and-Desist modified order milestones for 2018 & 2019; and
- Advocating that the California Public Utilities Commission decision on the CPCN for the desalination facility expected in September 2018 is adhered to.



Discussion

The Salinas Valley community has a long history of building water resource projects to enhance the reliability of the groundwater basin that supports a robust agricultural economy. Projects built in the past seven decades include the two reservoirs in the southern area of the County, the Salinas Valley Water Project, the Salinas River Diversion Facility, and the Castroville Seawater Intrusion Project (CSIP). These projects, as noted in preliminary groundwater basin assessments, currently recharge the groundwater basin in nearly equal amounts of extractions each irrigation season, aim to contain seawater intrusion in the coastal zone by reducing reliance on wells and extracting less from the basin, and improve underground flow to balance the basin.

An important element of CSIP is that it utilizes municipal waste water from the Peninsula as one of the reclaimed water sources, a recycling project that the Peninsula communities did not or could not build on their own; this facility is paid for by the CSIP users and other landowners of the Salinas Valley. This reclamation project is an example of cooperative efforts between the two communities, finding solutions for the benefit of both the Salinas Valley and the Peninsula.

Seawater intrusion remains the biggest groundwater challenge for the Salinas Valley Groundwater Basin. With nearly 90% of groundwater extractions used for irrigation purposes, Salinas Valley landowners and growers are keenly aware of the issue and continue to seek farm practices and water resource projects that will find resolution to this challenging problem. Recent reports on advancement have heightened that awareness and moved the discussion on possible additional solutions to the forefront.

Salinas Valley landowners and growers are proud of their accomplishments in water resource management, consistently coming forward to build and pay for projects to ensure water is available for future generations.

If only the Peninsula community had undertaken the same development of their water resources, the problems facing this community would be far less than the dire consequences of the Cease-and-Desist order (CDO) issued by the State Water Resources Control Board. Where the Salinas Valley took charge of their water supply destiny, the Peninsula continued to disagree and defer possible water supply solutions, battling their water purveyor, and thereby losing control of their water supply destiny to state agencies.

As the Salinas Valley agricultural community is interested in a strong, robust tourism industry as a major element of our local economy, a deal was struck to provide 3,500 acre feet of potable water each year to the Monterey Peninsula through the development of the Pure Water Monterey project. This involved a year-long negotiation to reallocate waste water flows that were available from various sources, some existing and some newly developed. In the view of the Salinas Valley



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agricultural community, we were good neighbors in helping to create a partial supply of new potable water to replace the Carmel River supply deemed inappropriate by the State Water Board's CDO.

This 'new water' includes a reclamation from agricultural processing plant discharges utilized for food safety treatments on leafy greens and vegetables. As food safety measures evolve and new technologies are developed that allow for less or minimal use of water for pathogen treatment on these products, the available discharges may be reduced or eliminated altogether. It should also be noted that these discharges come from private business enterprises that may change their business models at any time, simply by relocating or changing their operations; it can be expected in the future that water reclamation from these facility discharges will only decrease over time.

Now, current discussions on the proposed expansion of Pure Water Monterey as an effort to provide more potable water come framed as a manner to delay or thwart the possibility of desalinated water production. The Salinas Valley agricultural community remains committed to the Peninsula solving their water supply problem with a portfolio of projects, rather than relying on a single project to run at nearly 100% capacity based on possibly interruptible source waters. Expansion of Pure Water Monterey should be a carefully considered option as part of the portfolio of projects originally contemplated within the Monterey Peninsula Water Supply Project.

There are concerns within the agricultural community about the partial or full barrier lining of the Salinas reclamation ponds that reside over the Salinas Valley Groundwater Basin. Curtailment of any groundwater percolation from these ponds could have serious impacts on the ability to confine seawater intrusion in the Blanco area west of the City of Salinas. Extensive studies are needed to determine if there is an interconnection between these surface water bodies and the perched aquifer where seawater intrusion is so prevalent. Additional source waters for reclamation by Pure Water Monterey need full disclosure, permitting and analysis, along with the required environmental impact investigation.

Further, there is a *perception* that, once again, the Peninsula community is looking to the Salinas Valley to solve their water supply problems, abandoning their own solution of a portfolio of projects that will ensure a reliable water supply for future needs and growth. While this may be a perception, there continues to be discussion and rhetoric about use of Salinas Valley water rights that are viewed as 'available' flows by those who are advocating for a delayed decision on desalination. The Lettuce Curtain is indeed a reality if these types of discussions gain traction and the Salinas Valley is forced to exert its entitlement to both surface water permits and groundwater rights.

While our organization has worked to help our Peninsula neighbors solve their water supply problems, we assert that any expansion of Pure Water Monterey beyond the original contracted amount of potable water supply to the Peninsula should be carefully considered as part of the



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portfolio of projects that includes a desalination component and optimized aquifer-storage-and-recovery (ASR).

Conclusion

We continue to support that the Peninsula community solve their long-term water supply, not just replacement of current supplies based on drought-induced demand, with projects that are complementary and allow for expansion of supply in future decades. Again, we view the deferring of a decision on the desalination facility as another example of the Peninsula community thwarting a solution to their water supply.

Monterey County Farm Bureau urges that the scheduled 2018 milestone for the CDO not be jeopardized or missed, and that the current track for CPCN consideration in September 2018 be maintained. Consideration of Pure Water Monterey expansion should in no way delay or forestall the decision on desalination as a component of the portfolio of projects.

Sincerely,

A handwritten signature in black ink, appearing to read 'N. C. Groot'.

Norman C. Groot
Executive Director

Monterey County Farm Bureau is an intervener in the Matter of Application of California-American Water Company for Approval of the Monterey Peninsula Water Supply Project (California Public Utilities Commission A.12-04-019, filed April 23, 2012).

Arlene Tavani

From: John Moore <jmoore052@gmail.com>
Sent: Monday, January 22, 2018 8:07 AM
To: mheditor@montereyherald.com; Arlene Tavani
Subject: Fwd: Massive Sewage Spill

54,000 sq.ft. should read 54,000 acre-ft. JMM

----- Forwarded message -----

From: John Moore <jmoore052@gmail.com>
Date: Mon, Jan 22, 2018 at 7:26 AM
Subject: Massive Sewage Spill
To: "mheditor@montereyherald.com" <mheditor@montereyherald.com>, Mary Duan <mary@mcweekly.com>, "editor@cedarstreettimes.com" <editor@cedarstreettimes.com>, paul@carmelpinecone.com, arlene@mpwmd.net

Editors and Monterey One Water(MOW):

The massive sewage spill of about 5M gallons of raw sewage into our Bay is "sobering" and proves that the experimental, but approved water recycling project, aka Pure Water Monterey(PWM), must be scuttled in favor of a "deep water" desalination project based upon the Israeli technology, the best in the world.

The spill was the result of a mechanical breakdown at the MOW sewage treatment plant located in Marina. It claimed to be safe and fool-proof. MOW claims the unproven wastewater recycling technology is to be fool-proof and safe, but nothing is that safe.

However, a breakdown of the approved wastewater recycle facility(PWM) will be hundreds of times more dangerous and costly than this massive sewage spill, because the project will mix and treat human sewage and agricultural wastewater and then store it in the 54,000 sq.ft. Seaside Basin, which is the repository for ALL of our potentially potable water before it receives final treatment by Cal Am and is then sold to us as potable drinking water.

So a mechanical failure at the new recycling project will result in contaminated water entering and contaminating all of the water contained in the Seaside Basin at the time. How much risk is inherent in the MOW wastewater project? You be the judge: It is an experiment, there is no similar plant in the U.S; The legislature just refused to fund a scientific study to establish safety tests for such a facility; testimony before the legislature indicated that such an investment was pre-mature and recycled sewage water should be a last choice after desalinization. It was not aware of our attempt to drink recycled agriculture waste. Most importantly, there are NO recognized safety tests for recycled agricultural waste and importantly, no tests for a mix of human sewage and agricultural waste. The mixing will create high risk dynamics.

There is only one solution: modify the PWM project to use the treated waste where it may be used safely for some irrigation, car washes and other safe uses. Then create a "deep water" desalinization plant based upon the proven Israeli technology. As humans, we are entitled to a "no risk" water supply.

John M. Moore 836 2d street, Pacific Grove, Ca. 93950. [831-655-4540](tel:831-655-4540)

Arlene Tavani

From: John Moore <jmoore052@gmail.com>
Sent: Friday, January 19, 2018 11:27 AM
To: Arlene Tavani
Subject: Fwd: Press Release and to MBWMD Board

Please forward this e-mail to the board and to senior staff. JMM

----- Forwarded message -----

From: John Moore <jmoore052@gmail.com>
Date: Fri, Jan 19, 2018 at 9:45 AM
Subject: Press Release and to MBWMD Board
To: Jim Johnson <jjohnson@montereyherald.com>, Mary Duan <mary@mcweekly.com>, davids@mcweekly.com, "editor@cedarstreettimes.com" <editor@cedarstreettimes.com>
Cc: priso@mcwd.org

Mse Priso, please distribute this to the Monterey Bay Water Management District (MBWMD) Bd. and senior staff.

On Jan. 17, 2018, I sent an e-mail to Cal Am, pointing out that the Pure Water Monterey(PWM) water recycling project will mix human sewage wastewater with agricultural wastewater, treat the mix with state of the art processes, then pour it into the Seaside Basin to mix with water from other sources and then sold to CalAm for sale to its customers, including my family and me. Based upon over 100 hours of in depth research, I pointed out that recycled agricultural wastewater has NEVER EVER been recycled and resold for potable purposes, that the state legislature just once again refused to fund a study on the safety of such a process and that the current test for the process was not designed to identify pollutants unique to agricultural wastewater(The tests adopted for the PWM project are those of the Dept. of Drinking Water((DDW)) and are the tests used for all ordinary drinking water).

My inquiry was whether household and businesses(hospitals etc.) served by Cal Am will have an Option to purchase potable water that does not contain the agricultural wastewater.

About an hour ago, I received a telephone call from Mr. Jack Walsh of Cal Am([831-646-3269](tel:831-646-3269)). He and I carefully discussed the mechanics of the process and it is just as I have described above. But he informed me that those of us who object to exposing our families to the risks inherent in such a process will NOT have an option whereby we can purchase Cal Am potable water free from the risks of the PWM project, as described above.

The best research tool, to verify my findings, is at Google Scholar-Articles, type in "recycled water processes, california" and it will index every article ever written on the subject. You will note that no a single scientist supports a potable water supply based on the recycling of agricultural wastewater. In fact, they universally state that the risks are too great and have not been properly studied.

If consulted, local citizens would have declared for a larger deep water desalinization project based on the Israeli technology as also utilized in the La Costa desalinization project which produces potable water at a cost of about \$2250 per acre ft.(About \$5000 per acre-ft less than the current local desalinization project).

40 A local water solution is now in its tenth year and is now stuck, pushing for a desalinization project based upon an unproven slant well technique and a recycled water project that is based upon the quest of lay politicians, not science. (No qualified M.D. -infectious diseases-has been consulted-)

The only safe solution is to utilize the recycled water for irrigation(where safe),car washes and industrial purposes and replace the current desalinization process with a proven deep water project. But we need a leader. Oddly, MBWMD which is to protect us, is the villain, and Geo. O'Reilly head of Public Water Now, seems to be all-in for the current deadly and expensive water projects.

John M. Moore(JD Stanford School of Law, licensed, but retired lawyer). 836 2d st. Pacific Grove Ca. 93950 831-655-4540



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