



Ordinance No. 152 Oversight Panel

Item 3: Update on User Fee and CPUC

March 15, 2017
David J. Stoldt

Postcard Notice Mailed February 18

DECISION AUTHORIZING CALIFORNIA-AMERICAN WATER COMPANY TO RESUME USER FEE COLLECTION AND REMITTANCES

Within the next 30 days, your bill from Cal-Am will include a User Fee imposed by the Monterey Peninsula Water Management District (“MPWMD”). While the amount of the User Fee MPWMD will assess to you will be equal to 8.325% of the water charges billed by Cal-Am, the User Fee is not a charge by Cal-Am but is a government fee collected by Cal-Am on behalf of MPWMD. The MPWMD User Fee previously appeared on Cal-Am bills from 1983 to 2009 but collection was interrupted between 2009–2016 due to regulatory and court proceedings. MPWMD employs revenues from the User Fee for a variety of programs, including funding its environmental mitigation, water supply, conservation and other activities. More information with regard to MPWMD and its User Fee may be found at www.mpwmd.net or by contacting Suresh Prasad at suresh@mpwmd.net or by telephone at **831-658-5600**.

Resumption of the MPWMD User Fee may result in a downward adjustment of the future rates charged by Cal-Am in amounts that are not presently known.

District Website Home Page

The screenshot shows a web browser window displaying the homepage of the Monterey Peninsula Water Management District. The browser's address bar shows the URL <http://www.mpwmd.net>. The website features a green header with navigation links for "Meeting & Events Calendar" and "Newsletter Signup". Below this is the district's logo and two buttons: "User Fee Information" and "Public Notices". A blue navigation bar contains links for "Home", "Who We Are", "Water Supply", "Environmental Stewardship", "Conservation", "Regulations", and "Resources". The main content area has a large background image of a river at sunset with the text "Providing and Protecting Our Region's Water Supply". Below this is a "Featured" section with two articles: "District User Fee to be Reinstated" and "Water Management District to Sponsor Landscape Irrigation Auditor Class".

Meeting & Events Calendar | Newsletter Signup


MONTEREY PENINSULA
WATER
MANAGEMENT DISTRICT


User Fee Information Public Notices

Home | Who We Are | Water Supply | Environmental Stewardship | Conservation | Regulations | Resources

Providing and Protecting Our Region's Water Supply

Featured

 District User Fee to be Reinstated

 Water Management District to Sponsor Landscape Irrigation Auditor Class

District User Fee to be Reinstated

The California Public Utilities Commission has ordered California American Water to resume collection of the MPWMD User Fee on Cal-Am bills and remit the proceeds to the MPWMD. The fee will pay for a variety of programs, including funding its environmental mitigation, water supply, conservation, and other activities. As a result, existing surcharges shown on your bill as “Carmel River Mitigation Surcharge” and “MPWMD Cnsvn Surcharge” will be removed from customer bills.


On February 18, 2017, Cal-Am will begin mailing [notice of the User Fee collection](#) to its customers.

For additional information regarding the User Fee, [please click here](#).





Timeline for User Fee

- 
- February 17th Advice Letter 1152 filed by Cal-Am
 - February 18th Notification sent to Customers
 - March 18th User Fee should begin to appear on bills; Two other surcharges removed
 - April 18th District submits final invoices for reimbursed expenses
 - May District receives User Fee revenues



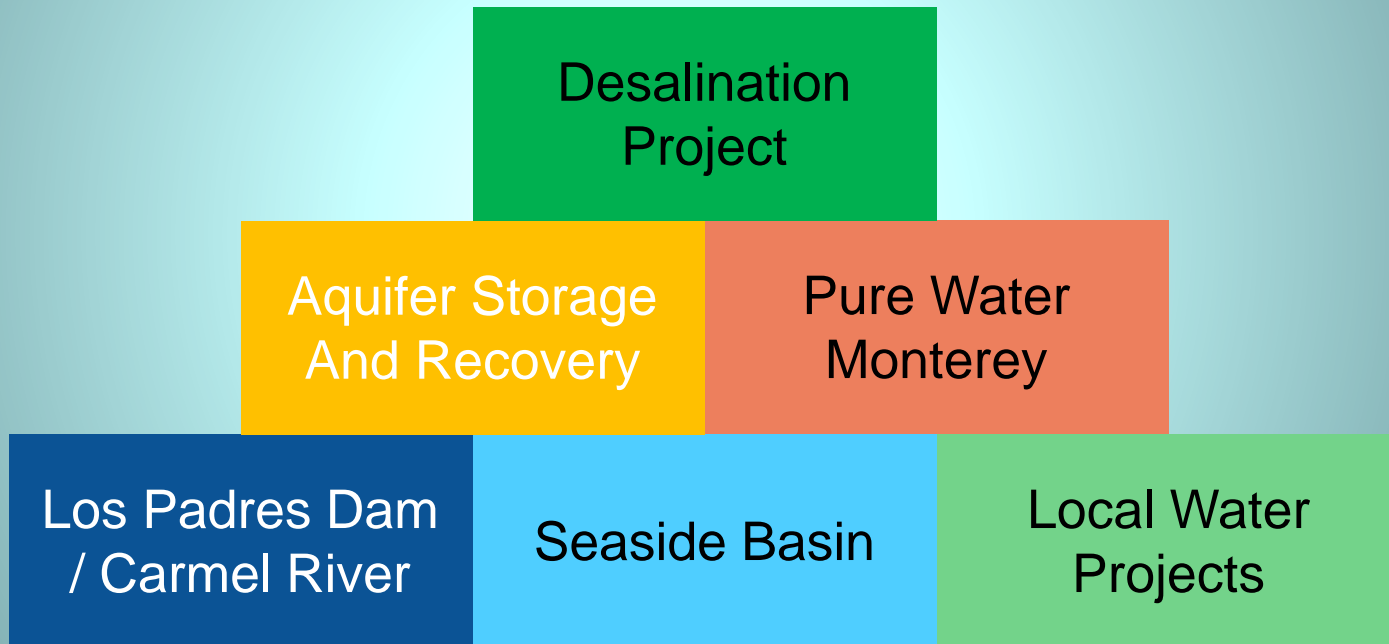
Ordinance 152 Citizens Oversight Panel

Update on Development of Water Supply Projects

March 15, 2017



The Water Supply Portfolio

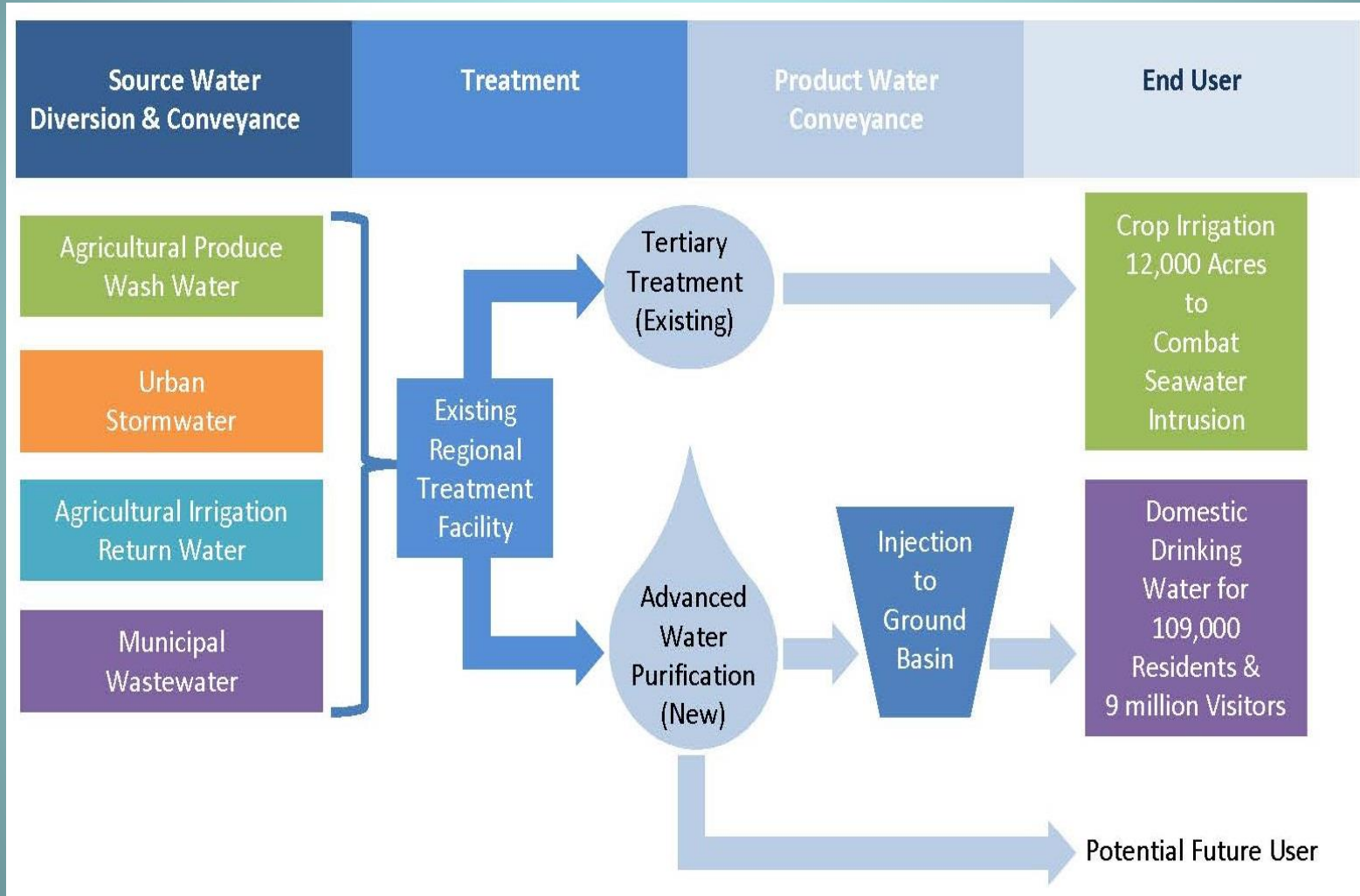


Project Sizing

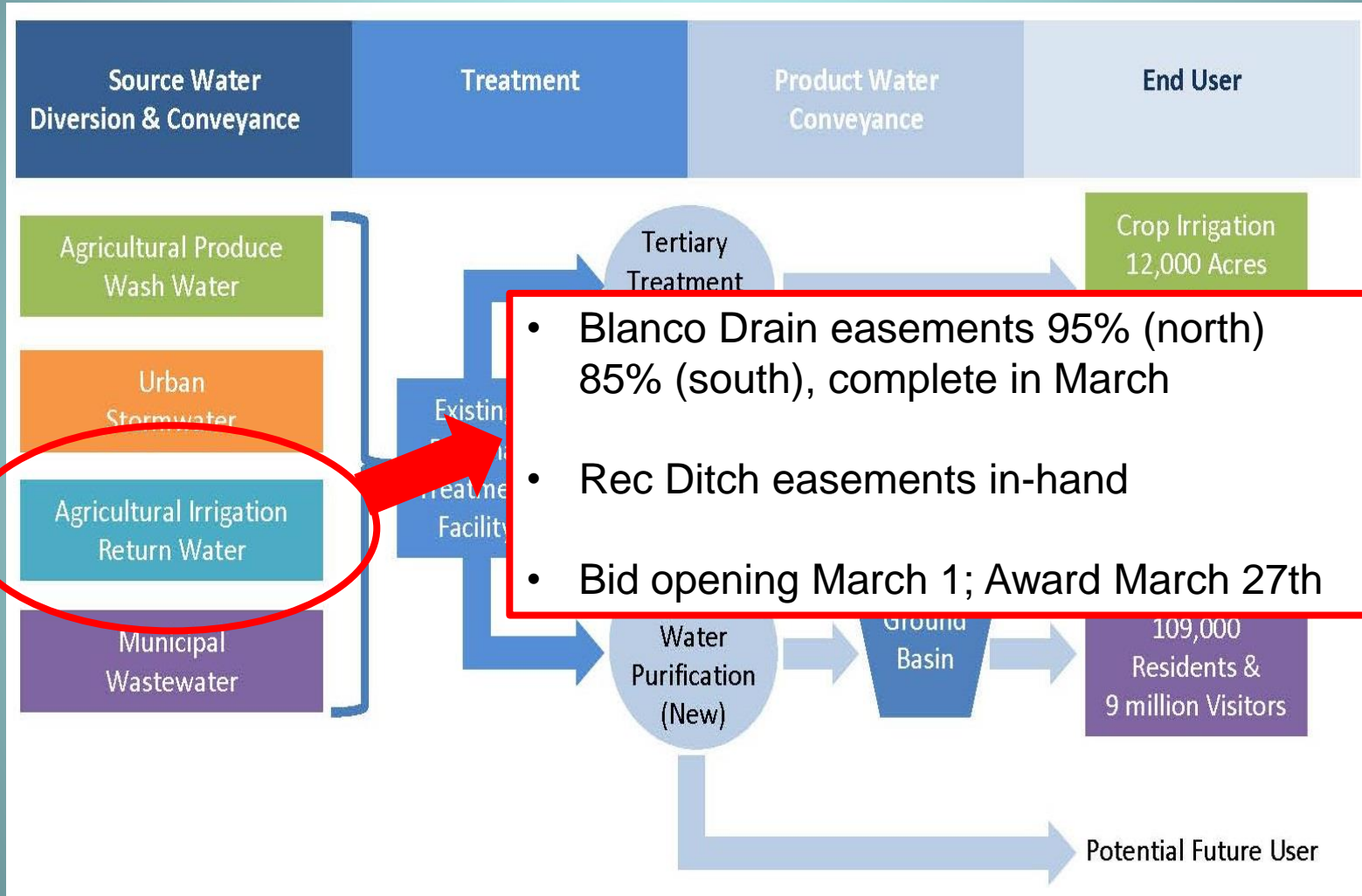
Demand	Supply
13,290 AF average customer demand	3,376 AF legally from Carmel River (2017)
500 AF for economic recovery	1,474 AF legally from Seaside Basin (2021)
325 AF for Pebble Beach buildout	(700) AF Cal-Am intends to leave in the Seaside Basin for recharge for 25 years
1,181 AF for legal lots of record	94 AF available from Sand City long term
-----	1,300 AF assumed available from ASR
15,296 AF total demand	3,500 AF from Pure Water Monterey
	6,252 AF from Desalination Plant

	15,296 AF total supply

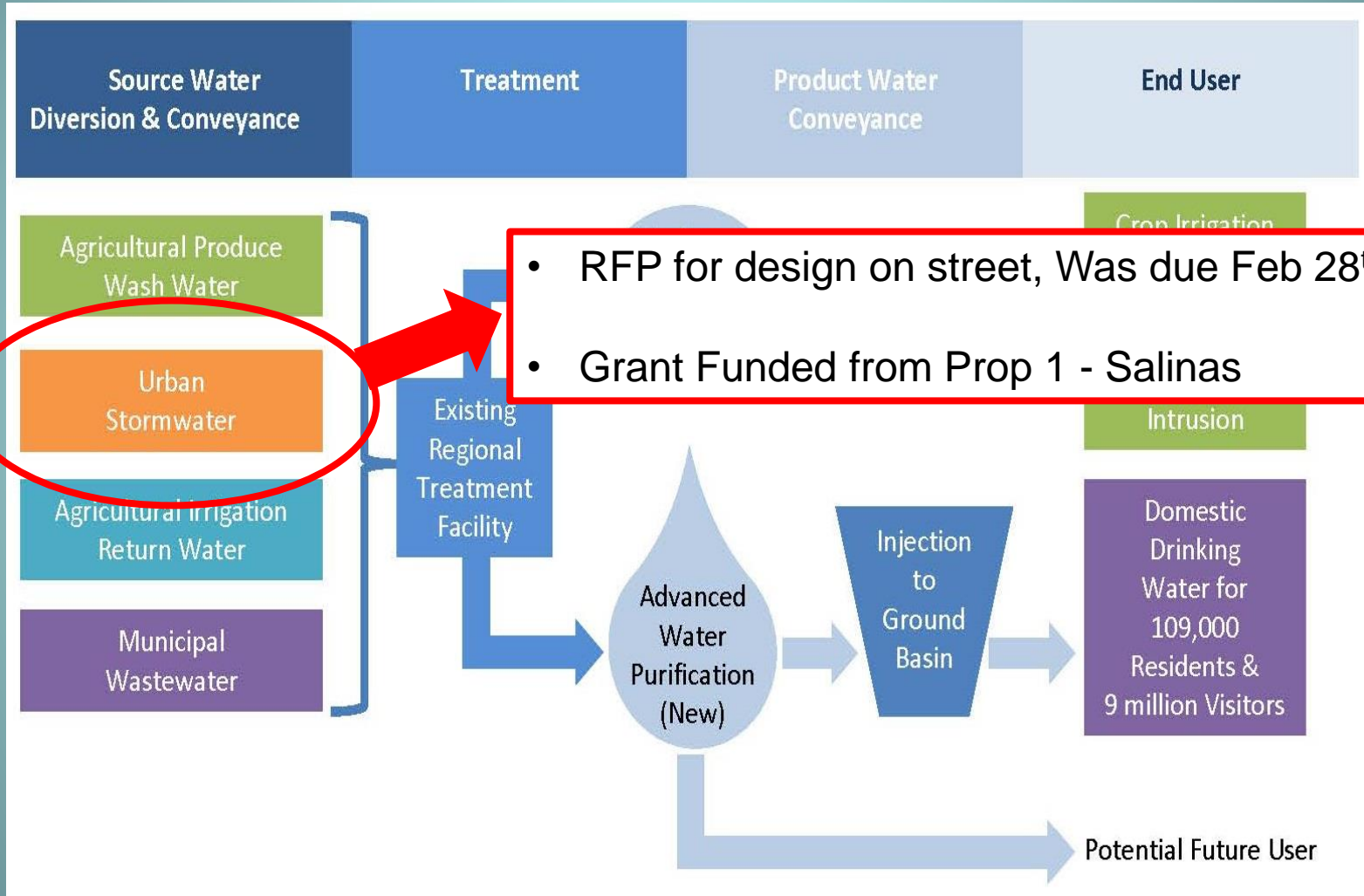
Pure Water Monterey



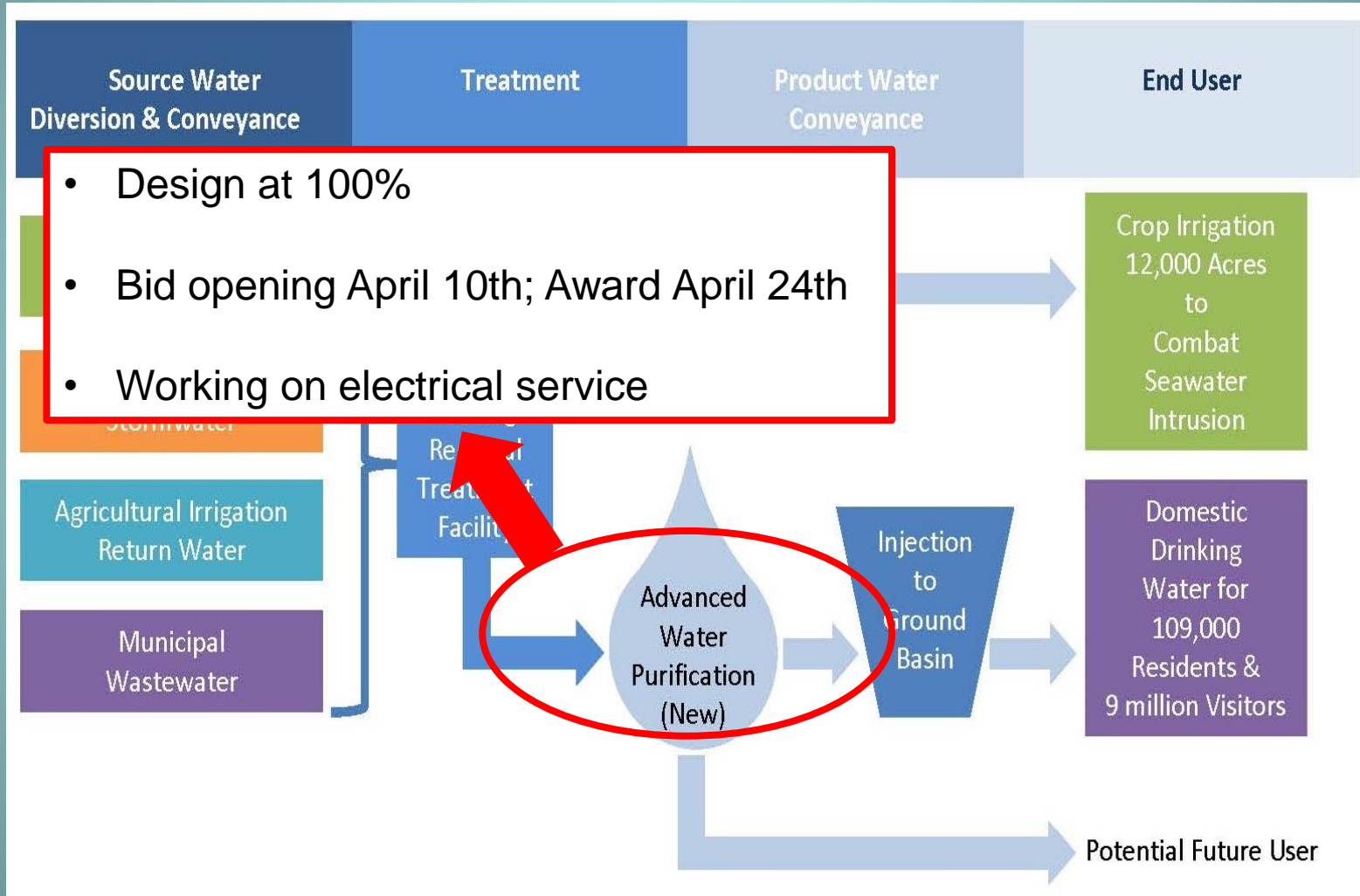
Pure Water Monterey



Pure Water Monterey

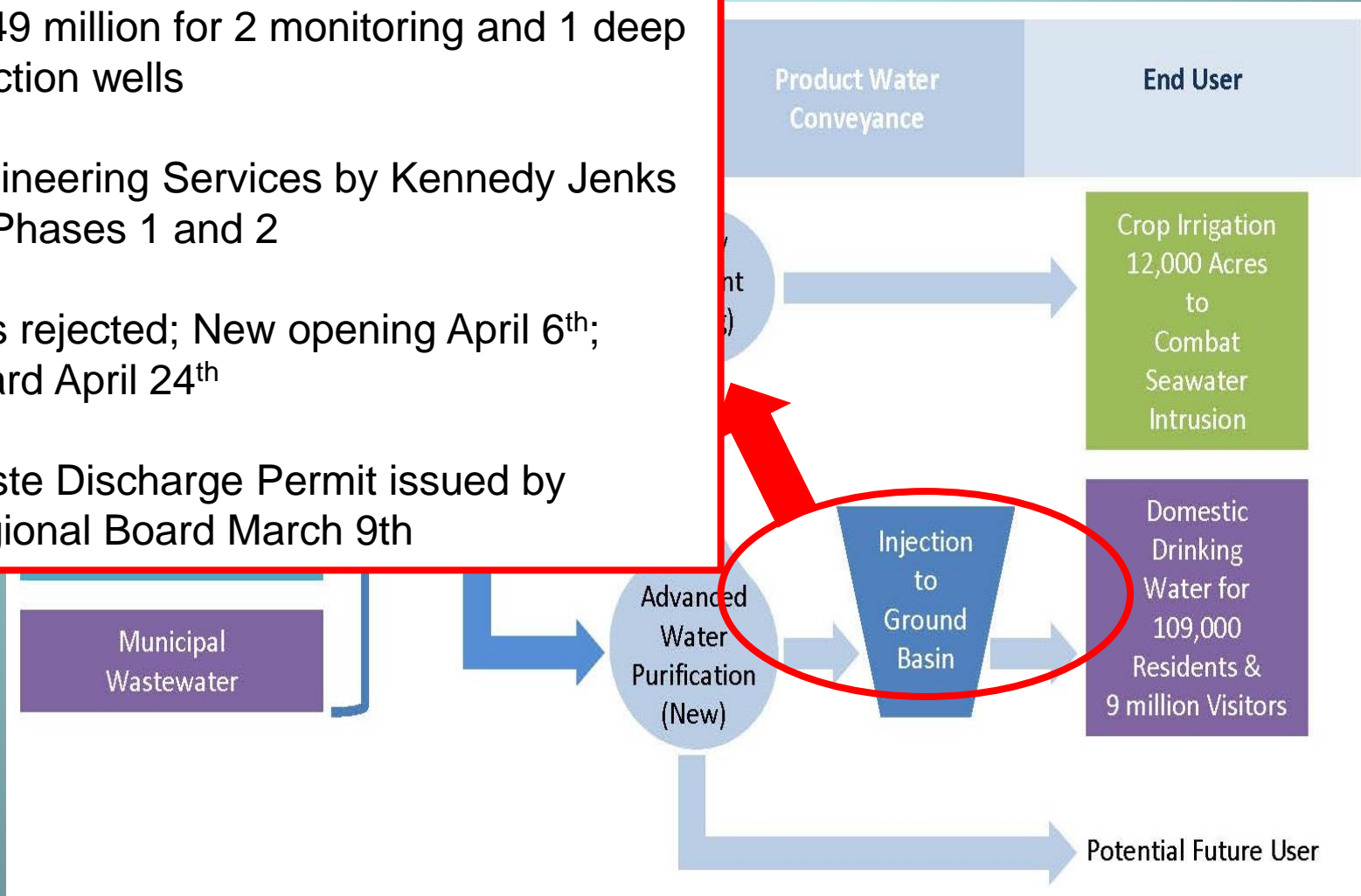


Pure Water Monterey



Monterey

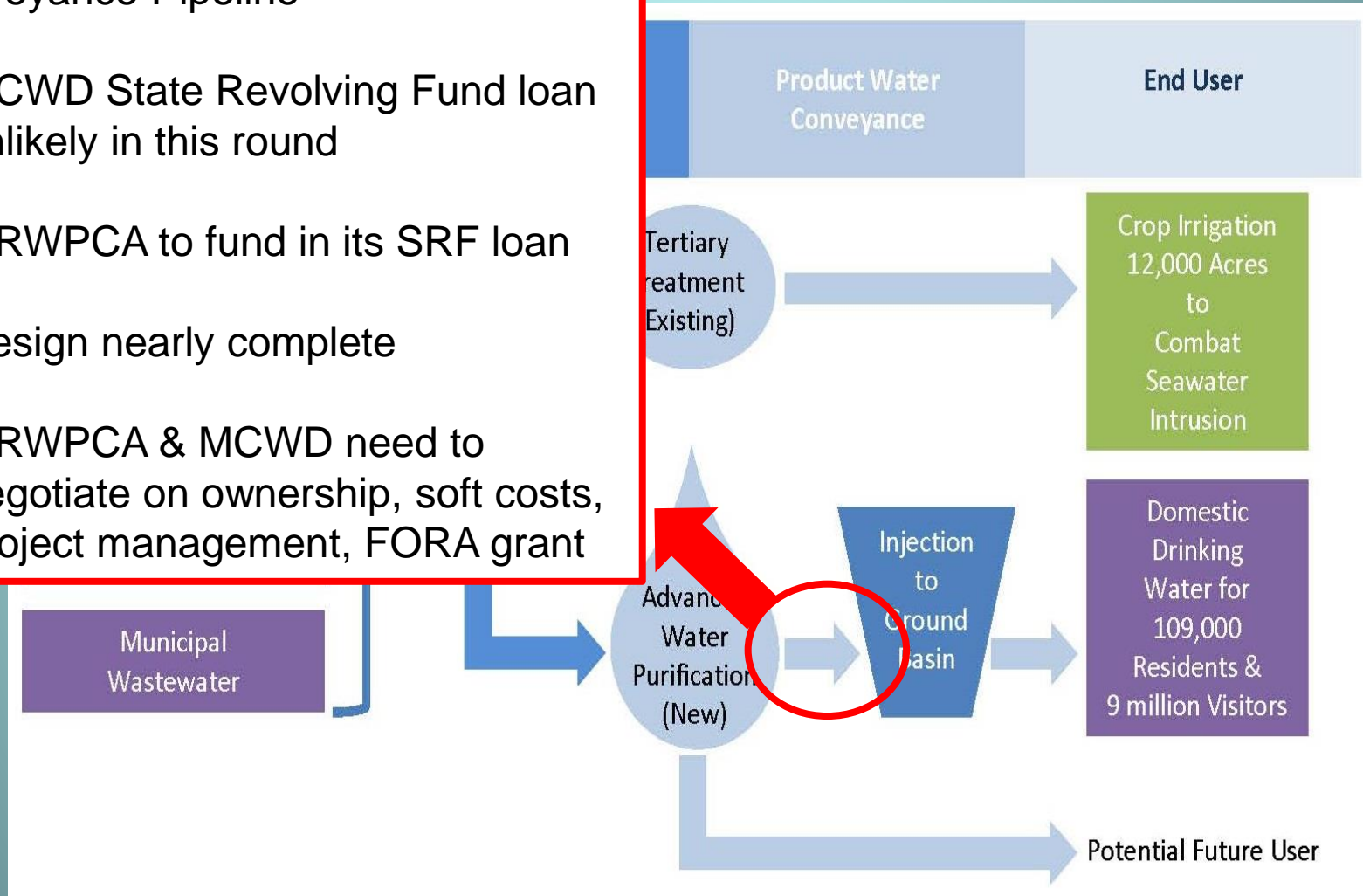
- Bid opened for Phase 1 on Feb 7th
- Recommend award to Zim Industries
- \$1.49 million for 2 monitoring and 1 deep injection wells
- Engineering Services by Kennedy Jenks for Phases 1 and 2
- Bids rejected; New opening April 6th; Award April 24th
- Waste Discharge Permit issued by Regional Board March 9th



Pure Water Monterey

Conveyance Pipeline

- MCWD State Revolving Fund loan unlikely in this round
- MRWPCA to fund in its SRF loan
- Design nearly complete
- MRWPCA & MCWD need to negotiate on ownership, soft costs, project management, FORA grant



Desalination Plant and Pipeline

- DEIR comments due February 27th
- Addenda to ASR and Pure Water Monterey EIRs for pipeline realignment
- Costs and Expenditures to Date (12-31-16)

Intake System and Return Facilities: \$79M (24% spent)

Desalination Plant: \$115M (14% spent)

Pipeline Facilities: \$128M (13% spent)

Pre-Construction Cost*: \$8M (100% spent)

*NOTE: These figures are based on a 6.4 MGD desalination facility.
Pre-construction costs are included in the \$322-million project total.*



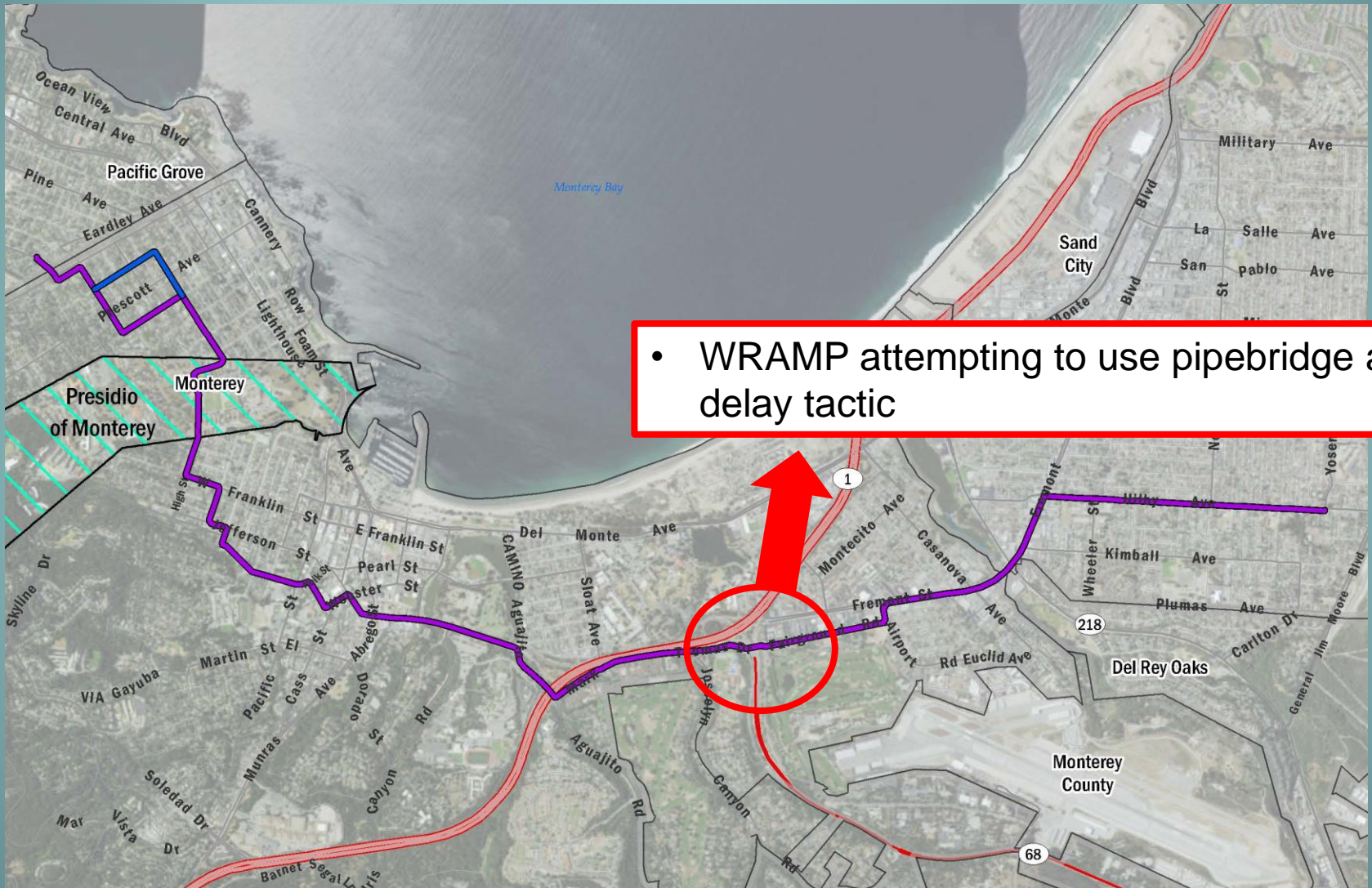
Cal-Am Monterey Pipeline



7 MILES OF PIPE

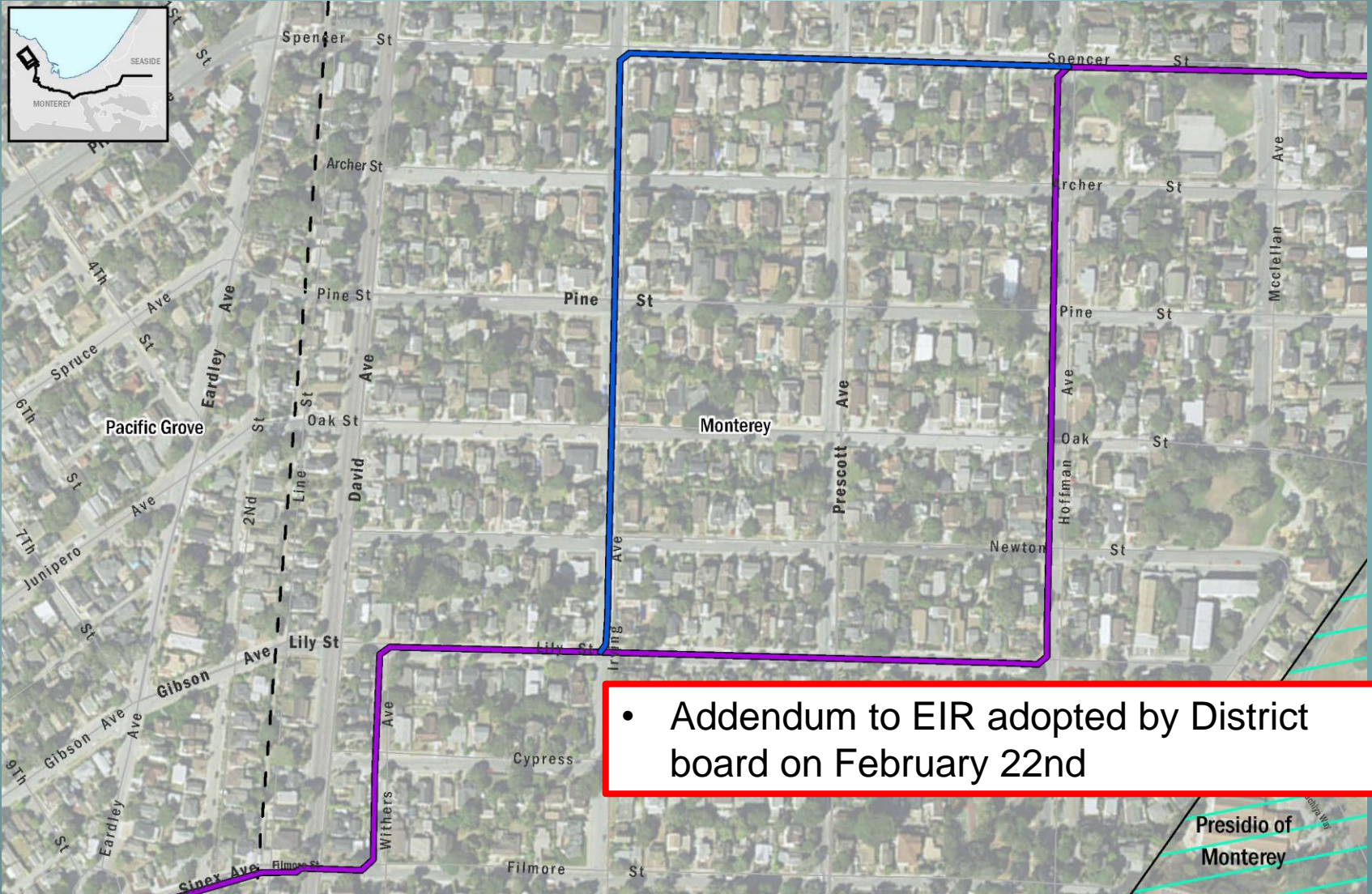
INSTALLATION OF 36-INCH MAIN UNDERWAY

Pipeline Realignment

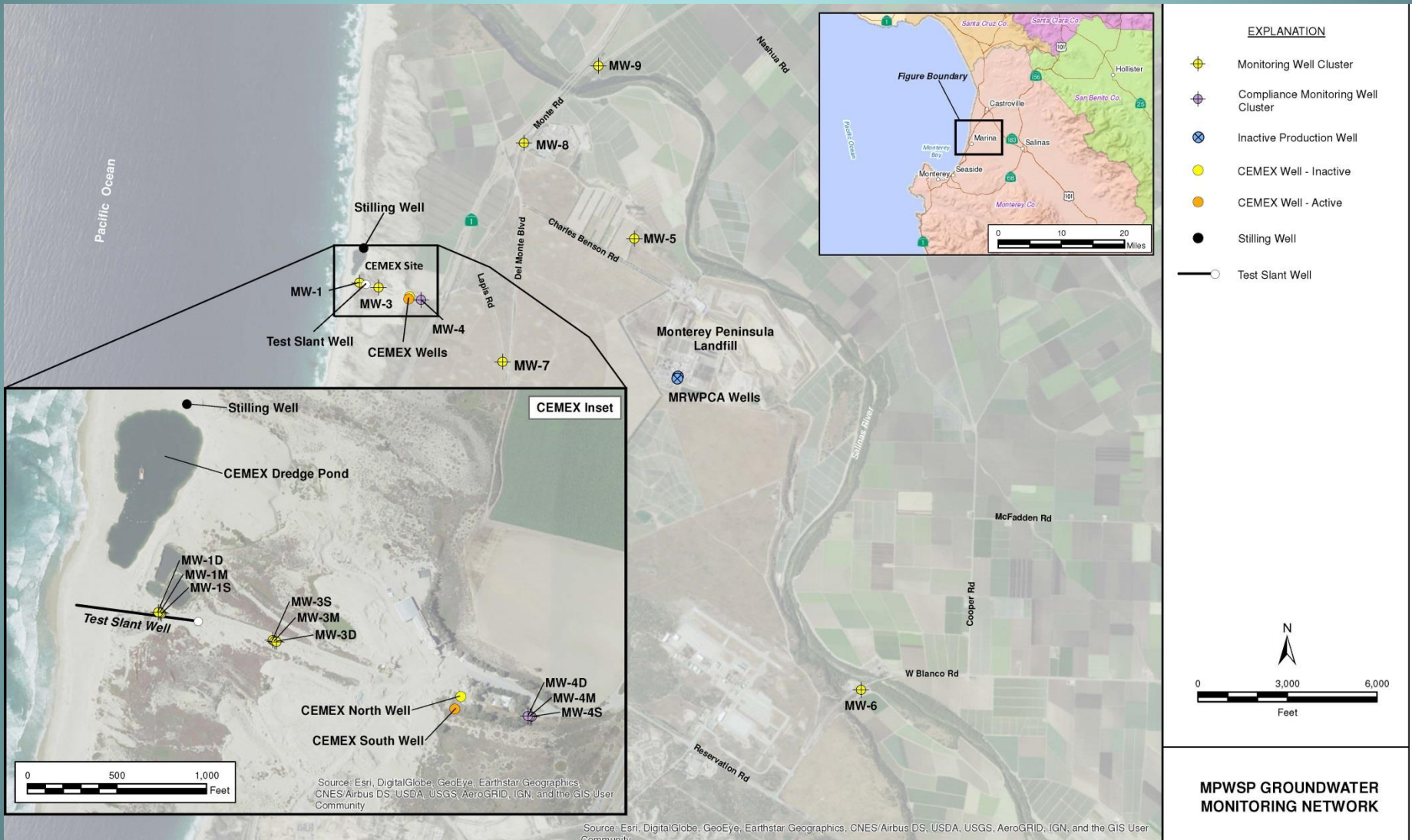


- WRAMP attempting to use pipebridge as delay tactic

Pipeline Realignment

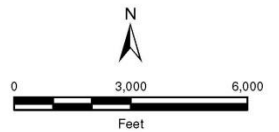


Test Slant Well



EXPLANATION

- Monitoring Well Cluster
- Compliance Monitoring Well Cluster
- Inactive Production Well
- CEMEX Well - Inactive
- CEMEX Well - Active
- Stilling Well
- Test Slant Well



**MPWSP GROUNDWATER
MONITORING NETWORK**

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, and the GIS User Community

Test Slant Well

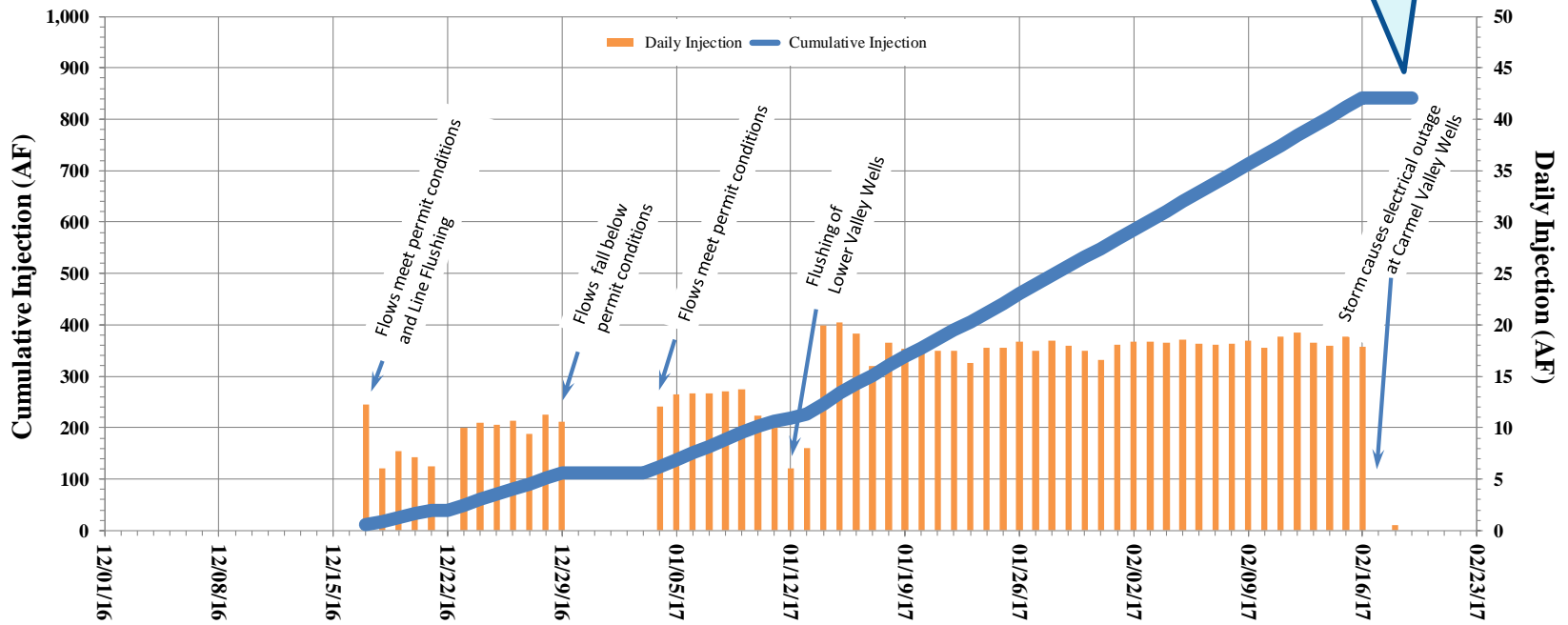
- Groundwater elevation and TDS changes in the compliance well (MW-4S and MW-4M) show no measurable impact that can be attributed to test well pumping
- Well has periodically and unexpectedly stopped pumping due to a PG&E low voltage issues in the immediate area
- The well has been off as a precaution during recent storm events. For example, the well remained off from December 24, 2016 through January 11, 2107
- 6-week rolling average shows 8% fresh water ratio

Aquifer Storage and Recovery



1,196 AF
Thru
3/14/17

ASR Injection Summary WY 2017



Aquifer Storage and Recovery Seaside Middle School Last Storm



Aquifer Storage and Recovery – New Sign Last Fall



Cease and Desist Order

**Condition 2
Guidance**

**Motions for
Reconsideration**

**Meeting the
Milestones**

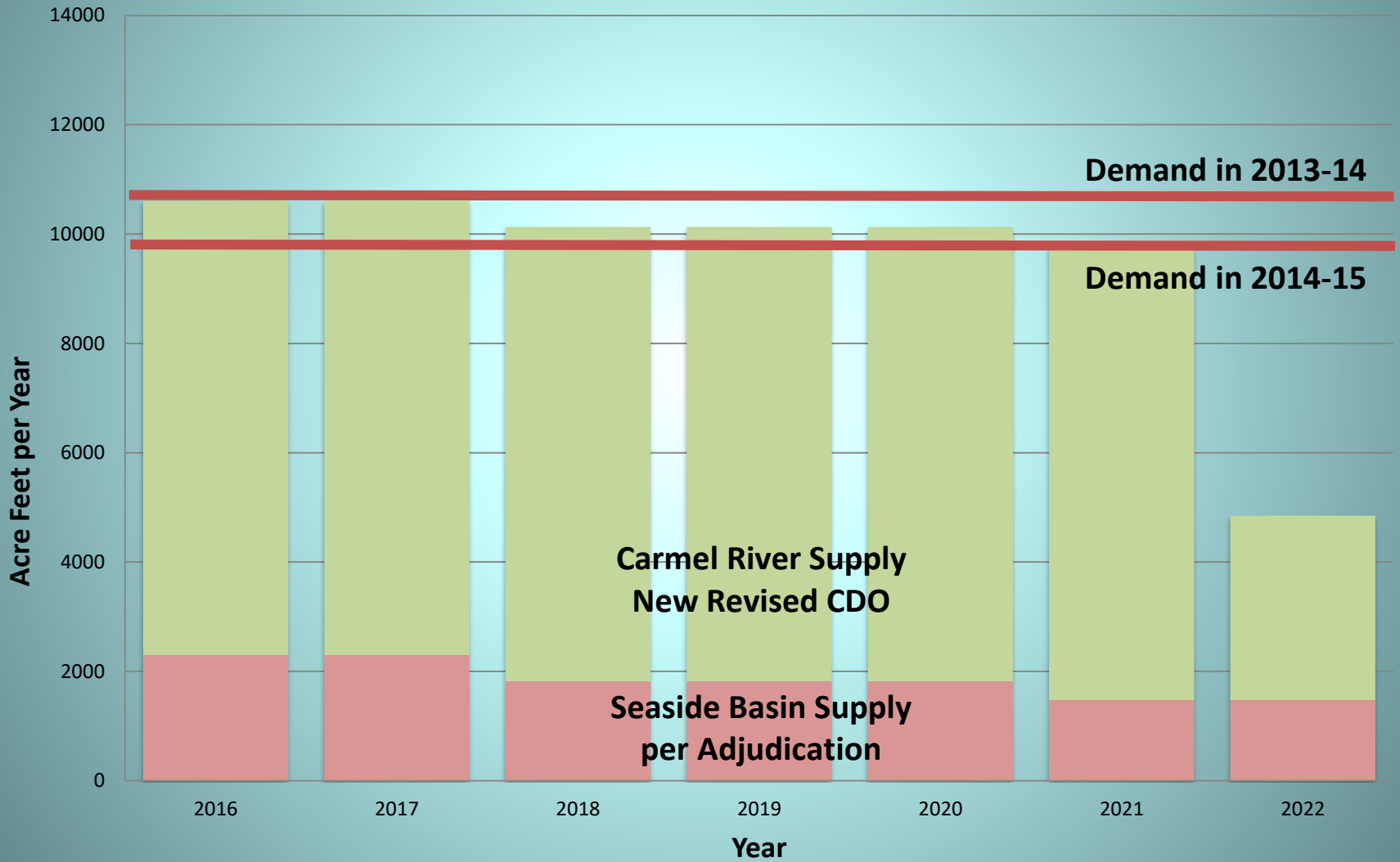
**Staying w/in the
Diversion Limit**



Legally Available Water Supply in MPWMD Territory

Compared to

Consumer Water Demand in MPWMD Territory



Condition 2 Guidance

Cal-Am shall not divert water from the Carmel River for new service connections or for any increased use of water at existing service addresses resulting from a change in zoning or use.

Meeting held December 13th

Proposal made January 3

Much back-and-forth since

Local Water Projects

Project	Status
Pacific Grove \$200,000	First \$100,000 spent; Anticipate construction start this fall; Will save 88 AFY
Old Del Monte Golf Course \$80,000	Two wells completed; Pebble Beach Company put storage project on temporary hold
Monterey Regional Airport \$30,000	Completed study; Identified 104 AFY of non-potable supply; Will attempt to find users in FY 2016-17
City of Monterey \$85,000	Storm water capture study; No expenditures to date; Trying to obtain state grant moneys
City of Seaside \$106,900	Laguna Grande non-potable well; No expenditures to date
Monterey County Fairgrounds \$75,000	Agreed to forego project

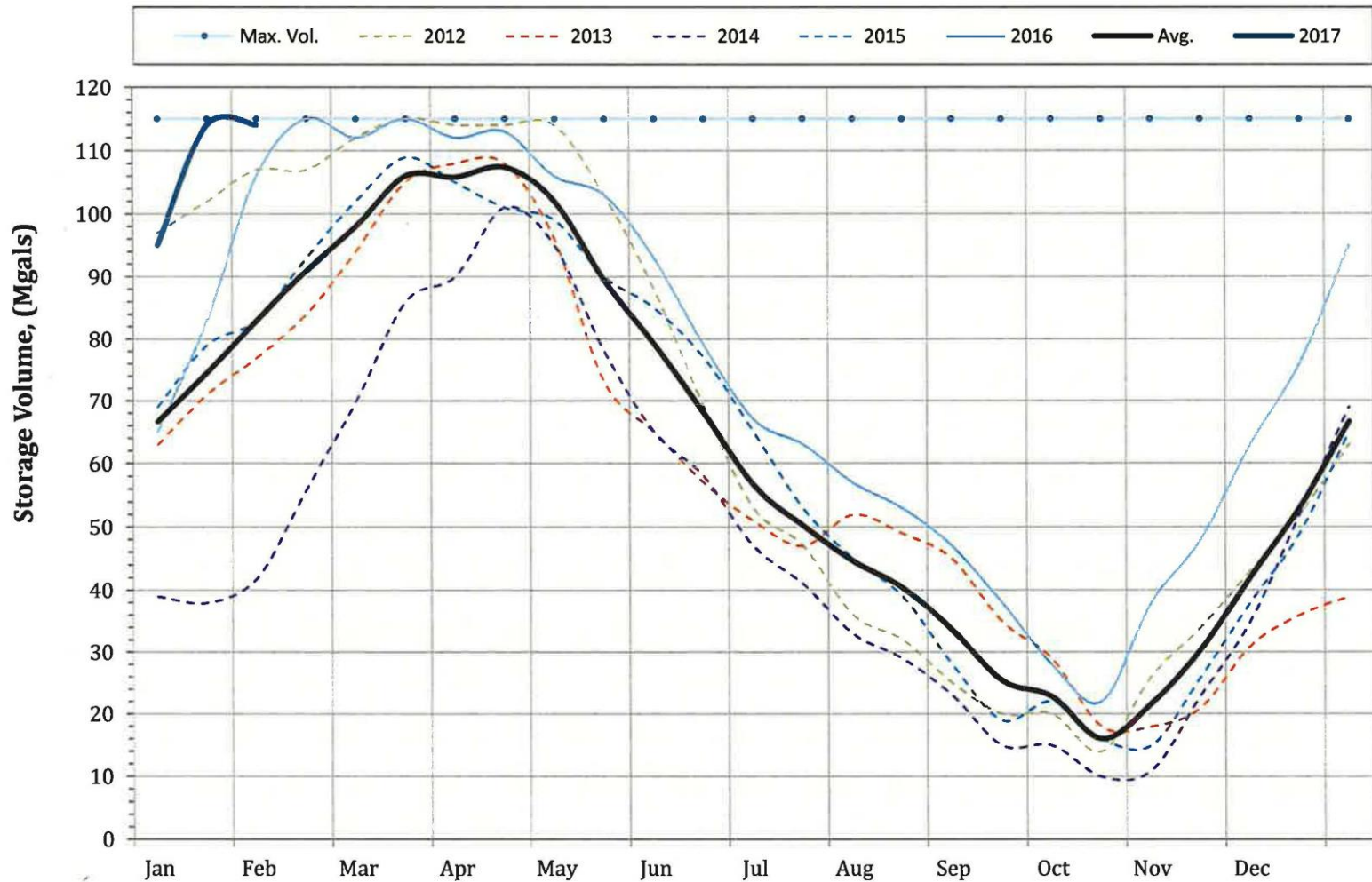
Malpaso (Odello) Water

- 80 AF available
- 22.84 AF sold thru 12/31/17
- 112 separate purchases
- 1.052 AF have come to District for permits

Reclamation Project

Forest Lake Reservoir Storage Volume Current vs Historic

Current Volume: 114

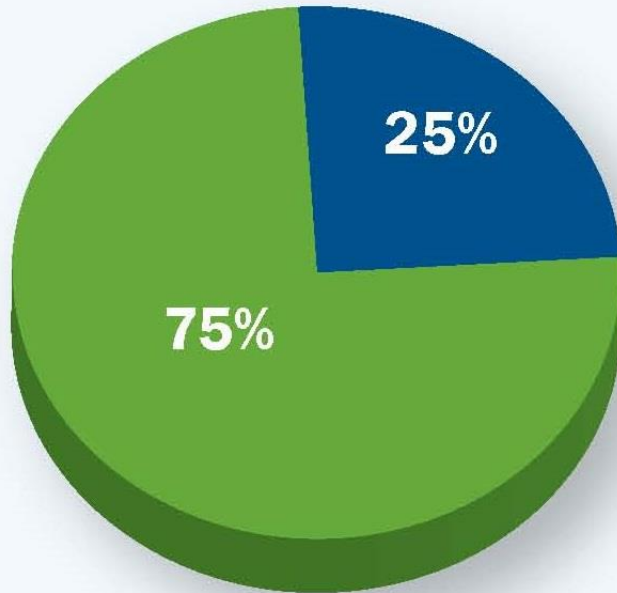


Reclamation Project – Recycled Water Deliveries

2016 Calendar Year	5 Year Average	21 Year Average
929 AF	978 AF	983 AF

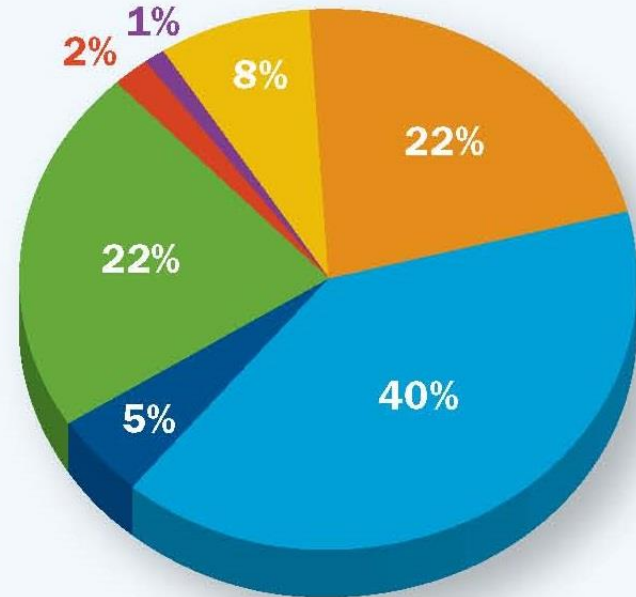
Changing Sources of Supply on the Monterey Peninsula

Traditional Sources



- Seaside Basin
- Carmel River

Proposed Water Sources



- Groundwater Replenishment
- Desalination
- Seaside Basin
- Carmel River
- Sand City
- Pacific Grove
- Aquifer Storage Recovery

The Water Supply Project will diversify the Monterey Peninsula's water supply portfolio. These new sources of water will be sustainable and help protect against drought while also protecting the natural resources of the Carmel River.