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



AGENDA

Regular Meeting Board of Directors Monterey Peninsula Water Management District ***********

Monday, June 20, 2016

Closed Session, 5:30 PM

Regular Meeting, 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, June 17, 2016.

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

As permitted by Government Code Section 54956 et seq., the Board may adjourn to closed or executive session to consider specific matters dealing with pending or threatened
litigation, certain personnel matters, or certain property acquisition matters.

1. **Public Comment** – Members of the public may address the Board on the item or items listed on the Closed Session agenda.

2. Adjourn to Closed Session

- 3. Conference with Legal Counsel Existing Litigation (Gov. Code 54956.9 (a))
 - A. MPWMD v. SWRCB; Santa Clara 1-10-CV-163328 CDO (6th District Appellate Case #H039455)
 - B. Application of California American Water to CPUC Case No. A10-01-012 Monterey Peninsula Water Management District User Fee
 - C. Application of California American Water to the CPUC (No. 12-04-019) Monterey Peninsula Water Supply Project

Board of Directors

Jeanne Byrne, Chair – Division 4 Robert S. Brower, Sr., Vice Chair – Division 5 Brenda Lewis – Division 1 Andrew Clarke - Division 2 Molly Evans – Division 3 David Pendergrass, Mayoral Representative David Potter, 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, June 16, 2016. Staff reports regarding these agenda items will be available for public review on 6/16/2016, 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 <u>http://www.mpwmd.net/who-we-are/board-ofdirectors/bod-meeting-agendas-calendar/</u>. 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 July 18, 2016 at 7 pm.

4. Conference with Labor Negotiators (Gov. Code 54957.6) Agency Designated Representatives: David Stoldt; Suresh Prasad and Cynthia Schmidlin Employee Organization: General Staff and Management Bargaining Units Represented by United Public Employees of California/LIUNA, Local 792 Unrepresented Employees: Confidential Unit

5. Adjourn to 7 pm Session

7 PM Regular Meeting

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 of the May 16, 2016 Regular Meeting of the Board of Directors
- Consider Approval of 2016 Annual Memorandum of Agreement for Releases from Los Padres Reservoir among California American Water, California Department of Fish and Wildlife, and Monterey Peninsula Water Management District
- 3. Receive 2015 Monterey Peninsula Water Conservation Program Annual Report
- 4. Consider Expenditure for Temporary Agency Employee to Assist with Data Migration in the Water Demand Division During FY 2016-17
- 5. Consider Expenditure to Contract for Limited-term Field Positions during FY 2016-2017
- 6. Consider Expenditure to Contract for a Limited-term Project Manager in the Planning and Engineering Division during FY 2016-2017
- 7. Consider Renewal of Standard License Agreement With CoreLogic Information Solutions, Inc.
- 8. Consider Continuance of Contract with Zone 24x7 for Water Demand Database Improvement and Maintenance
- 9. Consider Adoption of Resolution 2016-11 Establishing Article XIII (B) Fiscal Year 2016-17 Appropriations Limit
- 10. Consider Adoption of Treasurer's Report for April 2016

GENERAL MANAGER'S REPORT

- 11. Status Report on California American Water Compliance with State Water Resources Control Board Order 2009-0060 and Seaside Groundwater Basin Adjudication Decision
- 12. Update on Development of Water Supply Projects
- 13. Report on Drought Response

ATTORNEY'S REPORT

14. Report on 5:30 pm Closed Session of the Board



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

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

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

- 16. Consider Approval of Amendment to California American Water Distribution System to Add Aquifer Storage and Recovery Facilities, including Phase 1 and Phase 2 Wells, the Proposed Hilby Avenue Pump Station and the Proposed Monterey Pipeline
 - A. Consider an Addendum for the Hilby Avenue Pump Station (Addendum to both the Aquifer Storage and Recovery Project Environmental Impact Report/Environmental Assessment and Pure Water Monterey/Groundwater Replenishment Project Environmental Impact Report)
 - B. Consider Application Submitted by California American Water to Amend its Water Distribution System

Action: The Board will consider approving both the Addendum for the Hilby Avenue Pump Station and an amendment to the California American Water Distribution System to incorporate facilities associated with Aquifer Storage and Recovery, including previously approved Phase 1 and Phase 2 wells, in addition to the proposed Hilby Avenue Pump Station and the Monterey Pipeline.

17. Consider Adoption of July through September 2016 Quarterly Water Supply Strategy and Budget

Action: The Board will consider approval of a proposed production strategy for the California American Water Distribution Systems for the three-month period of July through September 2016. The strategy sets monthly goals for surface and groundwater production from various sources within the California American Water systems.

18. Consider Adoption of Proposed FY 2016-2017 MPWMD Budget and Resolution 2016-10 Action: The Board will consider adoption of the Fiscal Year 2016-17 MPWMD Budget and the corresponding resolution that would confirm their action.

ACTION ITEMS

- 19. Consider Approval of Settlement Terms for Dismissal of Protests to Monterey County Water Resources Agency Water Rights Application for Pure Water Monterey Action: The Board will consider approval of the proposed settlement, subject to MCWRA discretion to resolve the dry year bypass flow/Salinas River lagoon management issue.
- 20. Consider Approval of Brine Discharge Settlement Agreement Under A.12-04-019 Action: The Board will consider authorization for General Counsel to sign the settlement agreement regarding discharges from the Monterey Peninsula Water Supply Project desalination project, and authorize the District to join in the motion to the California Public Utilities Commission to approve the Brine Discharge Settlement Agreement.
- 21. Consider Approval of Return Water Settlement Agreement Under A.12-04-019 Action: The Board will consider authorization for General Counsel to sign the proposed settlement agreement regarding return water from the Monterey Peninsula Water Supply Project desalination project, and authorize the District to join in the motion to the California Public Utilities Commission to approve the Return Water Settlement Agreement.

22. Consider Approval of General Manager's Contract

Action: The Board will consider adoption of an employment contract for the General Manager.

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. 23. Letters Received Supplemental Letter Packet



- 24. Committee Reports
- 25. Monthly Allocation Report
- 26. Water Conservation Program Report
- 27. Carmel River Fishery Report for May 2016
- 28. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

Board Meeting B	Board Meeting Broadcast Schedule - Comcast Channels 25 & 28			
Vi	ew Live Webcast at Ampmedia.org			
Ch. 25, Sundays, 7 PM	Monterey			
Ch. 25, Mondays, 7 PM	Monterey, Del Rey Oaks, Pacific Grove, 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, July 18, 2016	Regular Board Meeting	7:00 pm	District conference room		
Monday, August 15, 2016	Regular Board Meeting	7:00 pm	District conference room		
Monday, September 19, 2016	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 Thursday, June 16, 2016. 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.

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ITEM: CONSENT CALENDAR

1. CONSIDER ADOPTION OF MINUTES OF THE MAY 16, 2016 REGULAR MEETING OF THE BOARD OF DIRECTORS

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Arlene Tavani	Cost Estimate:	N/A
	el Review: N/A commendation: N/A ance: N/A		

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the May 16, 2016 Regular meeting of the Board of Directors.

RECOMMENDATION: District staff recommends approval of the minutes with adoption of the Consent Calendar.

EXHIBIT

1-A Draft Minutes of the May 16, 2016 Regular Meeting of the Board of Directors

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EXHIBIT 1-A

DRAFT MINUTES Regular Meeting Board of Directors Monterey Peninsula Water Management District May 16, 2016

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

CALL TO ORDER/ROLL CALL

Directors Present: Jeanne Byrne – Chair, Division 4 Robert S. Brower, Sr. – Vice Chair, Division 5 Molly Evans – Division 3 Andrew Clarke – Division 2 Brenda Lewis – Division 1(arrived at 7:15 pm) David Pendergrass – Mayoral Representative

Directors Absent: David Potter – Monterey County Board of Supervisors General

Manager present: Suresh Prasad, Administrative Services Manager/Chief Executive Officer

District Counsel present: David Laredo

The assembly recited the Pledge of Allegiance.

No action.

No comments were directed to the Board during Oral Communications.

On a motion by Brower and second of Evans, the Consent Calendar was adopted except for item 6 that was pulled for separate consideration. The motion was approved on a vote of 5 to 0 by Brower, Evans, Byrne, Clarke and Evans. Lewis and Potter were absent. Byrne noted that a revised version of Table 1 that was included in agenda item 4 was distributed at the meeting that evening. No comments were directed to the Board during the public comment period on this item.

Adopted

Adopted

PLEDGE OF ALLEGIANCE

ADDITIONS AND CORRECTIONS TO AGENDA

ORAL COMMUNICATIONS

CONSENT CALENDAR

- 1. Consider Adoption of Minutes of the April 18, 2016 Board Meeting
- 2. Authorize Submission of Grant Application with the Monterey Bay Air Resources District for Purchase of Electric Vehicle

Adopted

Approved increase from \$132,000 to \$246,000. Comprised of FY 2015-16 budget increase of \$11,000, and \$102,500 increase contingent upon approval of FY 2016-17 budget.

Approved

Received

Received

Received

Adopted

Received

Approved

The report was presented by Joe Oliver, Water Resources Manager/Senior Hydrogeologist. A summary of the report is on file at the agency office and can be viewed on the MPWMD website.

- 3. Consider Adoption of Resolution 2016-08 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges
- 4. Consider Expenditure for Additional Assistance with IFIM to Analyze Instream Flow Requirements for the Carmel River
- 5. Authorize Representative to Seaside Groundwater Basin Watermaster to Sign Letter of Support for Modification to Department of Water Resources Bulletin 118 Boundary to Recognize the Adjudicated Seaside Groundwater Basin
- 6. Receive and File District-Wide Annual Water Distribution System Production Summary Report for Water Year 2015
- 7. Receive and File District-Wide Annual Water Production Summary Report for Water Year 2015
- 8. Receive and File 2014-15 Annual Report for the MPWMD Mitigation Program
- 9. Consider Adoption of Treasurer's Report for March 2016
- 10. Receive and File Third Quarter Financial Activity Report for Fiscal Year 2015-16
- 11. Consider Approval of Third Quarter Fiscal Year 2015-16 Investment Report

GENERAL MANAGER'S REPORT

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



No report.

The report was presented by Stephanie Locke, Water Demand Manager. A summary of the report is on file at the agency office and can be viewed on the MPWMD website.

Director Lewis joined the meeting at 7:15 pm during Locke's presentation on item 14.

No report.

Clarke reported that on May 2, 2016, he attended the semiannual meeting of the Association of California Water Agencies Joint Powers Insurance Authority. He found the discussion on insurance issues to be very interesting and will attend next year if the meeting is conducted in Monterey.

On a motion by Brower and second of Clarke, Ordinance No. 170 was adopted on second reading with changes listed on the Ordinance No. 170 Errata Sheet submitted by staff at the meeting. The motion was approved on a roll-call vote of 6-0 by Brower, Clarke, Byrne, Evans, Lewis and Pendergrass.

The following comments were directed to the Board during the public hearing on this item. (a) Mark Cusenza urged the Board to adopt Ordinance No. 170. (b) Jamie Fields, resident of Del Monte Beach neighborhood, expressed support for adoption of Ordinance No. 170.

Pendergrass offered a motion to receive the Water Supply Forecast and adopt Resolution No. 2016-09. The motion was seconded by Lewis and approved on a vote of 6 - 0 by Pendergrass, Lewis, Brower, Byrne, Clarke and Evans. During the presentation on this item, Oliver noted that Exhibit 17-F would be corrected as follows: the number cited as 19,194 under Cal-Am Total Storage Required on May 1, would be changed to 18,099. No comments were directed to the Board during the public comment period on this item.

A summary of Prasad's report is on file at the agency office and can be viewed on the MPWMD website. <u>On a motion by</u> <u>Brower and second of Pendergrass, the report was received by</u> the Board on a vote of 6 - 0 by Brower, Pendergrass, Byrne, <u>Clarke, Evans and Lewis. Potter was absent.</u>

There was no discussion of the Informational Items/Staff Reports.

- 13. Update on Development of Water Supply Projects
- 14. Report on Drought Response

ATTORNEY'S REPORT

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

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

PUBLIC HEARINGS

16. Consider Second Reading and Adoption of Ordinance No. 170 – Amending Rules 11, 20, 21, 22, 23, 24, 25.5, 142 and 143

ACTION ITEMS

17. Receive and Confirm Water Supply Forecast for Period of May 1, 2016 -- September 30, 2017 --Adopt Resolution 2016 - 09 to Amend Table XV-4

DISCUSSION ITEMS

18. Review Proposed Fiscal Year 2016-2017 MPWMD Budget and Resolution 2016-10

INFORMATIONAL ITEMS/STAFF REPORTS 19. Letters Received



- 20. Committee Report
- 21. Monthly Allocation Report
- 22. Water Conservation Program Report
- 23. Carmel River Fishery Report for April 2016
- 24. Monthly Water Supply and California American Water Production Report

ADJOURNMENT

The meeting was adjourned at 7:50 pm.

Arlene M. Tavani, Deputy District Secretary

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ITEM: CONSENT CALENDAR

2. CONSIDER APPROVAL OF 2016 ANNUAL MEMORANDUM OF AGREEMENT FOR RELEASES FROM LOS PADRES RESERVOIR AMONG CALIFORNIA AMERICAN WATER, CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE, AND MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Aquatic Resources and Hydrologic Monitoring 2
Prepared By:	Kevan Urquhart	Cost Estimate:	N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: Consistent with SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.

ESA Compliance: Consistent with the September 2001 Conservation Agreement between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River.

SUMMARY: Representatives from the Monterey Peninsula Water Management District (MPWMD), California American Water (Cal-Am), the California Department of Fish and Wildlife (CDFW), and National Marine Fisheries Service (NMFS) met on June 14, 2016 to negotiate the terms and conditions for the 2016 Memorandum of Agreement (MOA) for releases and diversions from Los Padres Reservoir to the Carmel River. As has been the case annually since 2010, concurrence was provided only on the minimum low-flow targets for 2016. CDFW and Cal-Am have not yet concurred on additional operational notification language to the existing MOA and are still in negotiation over it. Based on current storage conditions and expected reservoir inflows, it was agreed that Cal-Am will maintain minimum flows in the Carmel River below Los Padres Dam (LPD) of 8.0 cubic feet per second (cfs) for June, 7.0 cfs for July and August, then 6.5 cfs for September through November, relying on the natural recovery of river base flows from above LPD, thereafter. Inflows to LPD for June through September were estimated from averages of actual flows in 2012 accelerated forward by 24 days in time to better match the current flow recession pattern seen to date in 2016, whereas October and November inflows were the actual numbers seen in 2012, and December flows were represented by the median inflow for a "below normal" Water Year Type. As was the case last year, it is infeasible to set targets maintaining minimum flows at the District's Sleepy Hollow Weir gaging station, due to the variable an unpredictable effects of riparian diversions and summer temperatures on river flow. Nevertheless, the aforementioned release targets below LPD are expected to potentially produce minimum flows at the Sleepy Hollow Weir of 5.7 cfs during July and August, followed by a reduction to minimum flows of 5.3 cfs for September, and a slight recovery to 5.7 cfs in October, potentially increasing slowly with the recovery of some base flow to 6.3 cfs in November, then potentially returning to estimated natural river flows of at

least 11.9 cfs in December 2016. The "dry" streamflow conditions of 2012 are projected to be representative of what can be expected for the remainder of the year, since 2016 is likely to end up being rated at the low end of the range of a 'normal' WYT, with flows that will be adversely depressed by the cumulative impacts of the prior four years of drought. Los Padres Reservoir (LPR) is still spilling as of June 14, 2016. The agency representatives agreed that due to the adversely dry nature of this year, the MOA signatories are likely to have to reconvene monthly in July and August to reconfirm whether predicted natural stream flows actually materialize. Cal-Am ceased diversions from its wells upstream of the Narrows by June 7th, when Carmel River flow at the District's Don Juan Bridge gaging station in Garland Park dropped below 20 cfs for five consecutive days. These actions conform to State Water Resources Control Board (SWRCB) Order 2002-0002 and the 2001 NMFS Conservation Agreement with Cal-Am. The Draft 2016 MOA is included as **Exhibit 2-A**.

RECOMMENDATION: Staff recommends that the Board approve the 2016 MOA and direct the General Manager to sign the agreement.

BACKGROUND: Past MOAs determined minimum flow releases to the Carmel River below San Clemente Dam during the low-flow period (i.e., generally May through December), and the District entered annually into an agreement with Cal-Am and CDFW. Historically, the MOA specified the minimum release that must be maintained from San Clemente Reservoir to the Carmel River and the maximum diversion that was allowed from San Clemente Reservoir to Cal-Am's Carmel Valley Filter Plant (CVFP).

Cal-Am's ability to divert surface flow at San Clemente Dam or control outflow at that point is precluded forevermore by the implementation of the final year of San Clemente Dam Removal and River Reroute Project completed in 2015. Absent a flow control structure at River Mile 18.61, the MOA must now be managed based on releases from Los Padres Dam at Rive Mile 24.80. Accordingly, the MOA title has been revised to reflect this change in location of managed releases

Based on current reservoir storage and projected "dry" LPR inflow conditions for most of the remainder of Calendar Year 2016, it was agreed by all parties at the June 14, 2016 meeting that Cal-Am would:

- a) follow the natural pattern of LPR inflow recession in June down to the minimum flow target of 8.0 cfs, then
- b) maintain a minimum flow of 7.0 cfs for July and August, then 6.5 cfs for September through November from LPD to the Carmel River (as measured at MPWMD's Below Los Padres Reservoir Gage), and
- c) rely on the natural recovery of river base flows from above LPR, thereafter, in order to return to estimated natural river flows of 11.9 cfs or more in December 2016 (as measured at MPWMD's Sleepy Hollow Weir Gage).

The projected monthly inflows, releases, diversions and storage values for the June - December 2016 period are shown on **Attachment A of Exhibit 2-A**. The parties will continue to monitor runoff throughout the year and will likely confer monthly in at least July and August to reconsider whether or not any further modifications are needed, if actual inflow and storage differ from the expectations. **Attachment A of Exhibit 2-A** also includes actual values for the October 2015 through May 2016 period, which are shown in bold type.¹

To maximize the instream flow benefits from the proposed releases, the 2016 MOA also includes a condition that limits the amount of water pumped from Cal-Am's production wells in the Upper Carmel Valley (i.e., above the Narrows) to levels required for maintenance of the wells (**Exhibit 2-B**). This limitation and schedule also applies to the former Water West wells that are now owned and operated by Cal-Am. Similarly, the MOA includes a provision that Cal-Am will make all reasonable efforts to operate its Lower Carmel Valley production wells beginning with the most downstream well and moving to upstream wells as needed to meet system demand. This provision is consistent with Condition No. 5 of SWRCB Order 95-10.

While all parties agreed to the minimum flow targets shown in **Attachment A of Exhibit 2-A**, CDFW and Cal-Am did not discuss or agree to additional language requiring faster notification of any operational changes to the Cal-Am system that could result in the need to accelerate or expand fish rescues. CDFW provided draft language in 2010 that Cal-Am rejected, which resulted in the 2010 through 2015 Low Flow MOAs not being signed by CDFW. Cal-Am complied with the Low-Flow MOA targets in 2010 through 2015. District staff provided alternative draft language at a January 26, 2011 meeting which Cal-Am rejected as overly specific and unworkable. Cal-Am's current position is that CDFW must demonstrate the legal nexus requiring that such additional language be included in future Low Flow MOAs. Even if the Low Flow MOA shown in **Exhibit 2-A** is only signed by the District and Cal-Am, and not CDFW, as was the case in 2010 - 2015, we expect Cal-Am will once again comply with the low-flow targets for 2016.

The proposed MOA may be modified by mutual consent of all the parties and will be monitored weekly by representatives of the three parties. It should be noted that the releases and operations specified in the MOA are consistent with the releases and diversions that were proposed in the Quarterly Water Supply Strategy and Budget for Cal-Am for the July-September 2016 period, on June 14, 2016. If approved, the 2016 MOA becomes effective June 14, 2016, and extends through December 31, 2016.

IMPACT ON STAFF AND FISCAL RESOURCES: Due to the current "dry" inflows that are likely to continue for the remainder of the year, the lower river is losing surface flow but has begun drying-up after the last significant storm of the year on April 23, 2016. Thus, roving steelhead rescue efforts in the tributaries began on May 25, 2016, and main-stem rescues began on June 13, 2016. District staff intend to operate the District's Sleepy Hollow Steelhead Rearing Facility (SHSRF) in 2016, since minimum flows foreseeable for the Water Year are predicted to be above 5.3 cfs in the remainder of 2016. The SHSRF cannot be reliably operated at flows below 4.0 cfs, which is what caused it to close earlier than planned in Fall 2013, and not be operated at all in 2014 and 2015.

¹ Bold type indicates final estimates and italic type indicates preliminary estimates.

EXHIBITS

- 2-A Draft 2016 Memorandum of Agreement between the State of California Department of Fish and Wildlife, California American Water, and the Monterey Peninsula Water Management District to Release Water into the Carmel River from Los Padres Reservoir
- **2-B** Maintenance and Water Quality Pumping Schedule, 2016

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EXHIBIT 2-A

2016 MEMORANDUM OF AGREEMENT AMONG THE CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE, CALIFORNIA AMERICAN WATER, AND MONTEREY PENINSULA WATER MANAGEMENT DISTRICT TO RELEASE WATER INTO THE CARMEL RIVER FROM LOS PADRES RESERVOIR

THIS AGREEMENT is made this 14th day of June, 2016, among the California Department of Fish and Wildlife, ("Department"), California American Water, ("Cal-Am"), and the Monterey Peninsula Water Management District, (the "District"), with respect to the following.

<u>RECITALS</u>

A. The Department is required to conserve and protect the fish and wildlife resources downstream of Los Padres Dam;

B. Cal-Am supplies water to the citizens of the communities of the Monterey Peninsula, Monterey County in accordance with SWRCB Order No. 95-10, as amended.

C. The District, through its rules and regulations, establishes a quarterly water supply strategy and budget for the Monterey Peninsula.

NOW THEREFORE, IT IS HEREBY AGREED:

DEFINITIONS

1. "Minimum pool at Los Padres Reservoir" means a surface water elevation of 980 feet above mean sea level, or 105 acre feet of storage.

2. "Water Release by Cal-Am at Los Padres Dam" into the Carmel River may occur from seepage through the dam, direct release from any discharge port, spillage over the crest of the dam, releases through the fish ladder or smolt emigration facility, releases from the lowest outlet at 980 feet NGVD, or any combination thereof.

DESIGNATION OF RESPONSIBILITIES

3. Cal-Am shall make water releases into the Carmel River channel below Los Padres Reservoir beginning June 2016 as follows and summarized in **Exhibit A**: Cal-Am shall maintain 8.0 cubic feet per second (cfs) for June, 7.0 cfs for July and August, then 6.5 cfs for September through November below Los Padres Reservoir, as measured at the District's Below Los Padres Reservoir Gage, relying on the natural recovery of river base flows from above the reservoir to sustain flows thereafter. 4. The Russell Wells shall be limited to a combined total instantaneous diversion rate of not more than 0.5 cfs during low-flow periods as set forth in ordering Paragraph No. 4 of SWRCB Order WRO-2002-0002 (**Exhibit B** hereto).

5. In the event that a significant change in projected runoff occurs in the basin during the duration of this Agreement, the parties will meet to discuss modifications to the scheduled reservoir releases and diversion.

6. Cal-Am shall limit operation of its wells in the Carmel Valley above the Narrows during low-flow periods as set forth in ordering Paragraph No. 2 of SWRCB Order WRO 2002-0002 (**Exhibit B** hereto). Cal-Am shall notify the District and the Department of its maintenance pumping schedule in advance.

7. Cal-Am shall make reasonable efforts to operate the Lower Carmel Valley production wells in the sequence from the most downstream well and progress upstream as wells are needed and available for production. Cal-Am shall notify the District and the Department before operating its Scarlett No. 8 Well.

8. Cal-Am shall provide, upon request by the Department or the District, records of the Carmel Valley Filter Plant operation showing compliance with the provisions of this Agreement.

9. Cal-Am shall notify the District and the Department when the water elevation reaches 990 feet at Los Padres Reservoir. Cal-Am shall not draw Los Padres Reservoir below minimum-pool elevation without obtaining specific written approval from the Department.

10. In the event that Cal-Am has not exceeded its annual production limit from both the Coastal Subareas of the Seaside Groundwater Basin and Carmel River sources, Cal-Am shall make every reasonable effort to produce water from the Coastal Subareas of the Seaside Basin before producing water from its Carmel River sources to preserve streamflow and instream habitat in the Carmel River for listed species, consistent with the production amounts specified in the Quarterly Water Supply Strategy and Budget for Cal-Am's main distribution system.

DISTRICT

11. The District shall take direct measurements of inflow to Los Padres Reservoir on a monthly basis through the duration of this Agreement.

ALL PARTIES

12. This Agreement is revocable upon ten days' written notice to all parties signatory to this Agreement.

13. This Agreement is entered into without prejudice to the rights and remedies of any party to the Agreement.

EFFECTIVE DATE AND TERM OF AGREEMENT

14. This Agreement is effective June 14, 2016 and shall remain in force until December 31, 2016. This Agreement may be modified or extended by mutual consent of all the parties.

EXECUTION

IN WITNESS WHEREOF, each party hereto has caused this Memorandum of Agreement to be executed by an authorized official on the day and year set forth opposite their signature.

California American Water	
By:	
511 Forest Lodge Road Pacific Grove, CA 93950	Date
Monterey Peninsula Water Management	
District	
By:	
P.O. Box 85	Date
Monterey, CA 93942-0085	*
California Department of Fish and	
Wildlife	
By:	Date
1234 East Shaw Avenue	Duit
Fresno, CA 93710	

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Exhibit A

			2016 La	ow Flow M	emorandu	m of Agre	ement & (Juarterly	Water Bu	dget						
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Assuming June - Novembe						,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~~			~~~~~	,		
······································		CritDry		AboveN	Dry	Wet	BelowN		Dry	Dry	Dry	Dry	Dry	Dry	BelowN	
Los Padres Reservoir	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	WY 2015
Estimated Inflow	72	224	937	7,108	2.722	14,537	2,707	1,357	482	235	94	65	183	525	1,510	30.540
	14		2	7,108	2,722	14,537		1,557	482	233	94 71	27	165	<u> </u>	1,510	50,540 404
Evaporation	14	3	Z	10	20		23	34	//	81	/1	27	10	/	8	404
Outflow as @ BLP Gage	0	0	0	5 512	1.0/0	12 501	1 701	401	0	0	0	0			0	23.155
Spillage Combined Release (Ladder/Trap/980')	185	0 175	342	5,513	1,869	13,581	1,791	401 922	0 506	428	0 428	0 387	0 400	0 400	0 751	23,153 6.943
				922	833	922	893					_				0,943
Actual Mean Daily in CFS @ BLP Gage	3.0	2.8	5.6	104.6	43.9	235.9	43.7	21.5	8.5	7.0	7.0	6.5	6.5	6.5		
Targeted Min. Mean Daily Flow in CFS									8.0	<u>7.0</u>	7.0	6.5	6.5	6.5	7.0	
Total Storage	<	10.0								1.684	1 400	00.5	5.1.5			
Beginning of Month	607	480	524	1,117	1,775	1,775	1,775	1,775	1,775	1,674	1,400	995	646	413	531	
End of Month	480	524	1,117	1,775	1,775	1,775	1,775	1,775	1,674	1,400	995	646	413	531	1,282	
Between Reservoirs													-			
Net Inflow from Tributaries	0	—	249	2,906	1,327	7,168	1,672	730	137	0			0	0	0	14,209
All Estimated Losses (Div. + E.T.)	52	0	0	0	0	0	0	0	0	79	79	69	52	23	18	279
Sleepy Hollow Weir																
Total Estimated Release	133	195	591	9,341	4,029	21,671	4,356	2,053	643	349	349	318	348	377	733	44,028
Estimated Mean Daily Flow in CFS	2.2	3.3	9.6	151.9	72.5	352.4	73.2	33.4	10.8	5.7	5.7	5.3	5.7	6.3	11.9	
In the minimum pool requirements at Los Padres R Projected inflows for the June - September 2016 a Projected inflows for October-November 2016 ar Projected inflows for December 2016 are the me Estimated evaporation from LPR in October-Dec 6. Estimated evaporation from LPR June - September	2.2 eservoir is period are b the month dian flows ember 2010	3.3 105 acre-fee based on act hly mean u @ Sleepy H 6 is based on	9.6 et at elevatio ual 2012 flow nimpaired m ollow Weir a average mo	n 980 ft. ws offset for onthly flow for a Below onthly reserv	72.5 ward in time s seen in 201 Normal W Y roir surface a	352.4 by 24 days 2. T based on	73.2 to match the	33.4	<u>10.8</u> lhydrology t	5.7 to date of 20	5.7 16 vs 2012.	5.3	5.7	6.3	11.9	

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Excerpt: Condition No. 1

STATE OF CALIFORNIA STATE WATER RESOURCES CONTROL BOARD

ORDER WRO 2002 - 0002

In the Matter of Reconsideration of WR Order 2001-04-DWR Implementing Condition 6 of Order WR 95-10 as Modified by Order WR 98-04 Regarding Diversions by California-American Water Company

SOURCE:	Carmel River
COUNTY:	Monterey

ORDER RECONSIDERING WR ORDER 2001-04-DWR

IT IS FURTHER ORDERED that Cal-Am shall comply with Condition 6 of Order WR 95-10, as

modified by Order WR 98-04 as follows:

1. Cal-Am shall immediately upon issuance of this order cease withdrawal of water from the San Clemente Dam during low flow periods except during an emergency. "Emergency" means a system failure such as a pump failure, main breaks or fires, that jeopardizes the public health and safety. Hot weather demand alone shall not per se be an "emergency," but it is recognized that after taking appropriate conservation measures, if levels in the Clear Well fall below nine feet from the bottom of the tank, an emergency may exist and diversions at San Clemente or the utilization of other facilities may be necessary. Nine feet from the bottom of the tank is a minimum requirement established by California Department of Health Services regulations. In all cases, diversions at San Clemente Dam or the utilization of other facilities shall be undertaken in a manner that is least damaging to the fishery resources, and these emergency operations shall be for the shortest practicable time. Cal-Am shall notify and consult with NMFS, FWS, DFG, and the District prior to implementation of emergency operations. If there is no time for consultation, Cal-Am shall notify NMFS, FWS, DFG, and the District of its emergency operation as early as practicable within eight (8) hours after Cal-Am first becomes aware of the emergency. Cal-Am shall notify, by telephone or telefax, the Chief of the Division of Water Rights within 24 hours of the emergency or by noon of the first business day following the incident. For the purpose of this Order, "low flow periods" are defined as times when stream flow in the Carmel River at the Don Juan Bridge (RM 10.8) gage is less than 20 cfs for five consecutive days. Pursuant to its continuing authority over the public trust, the SWRCB may amend this order to modify the definition of "low flow periods" or to add additional flow requirements to protect steelhead in the Carmel River. The Chief of the Division of Water Rights (Chief) is delegated the authority to modify the definition of "low flow periods" and the authority to add flow requirements based on new information, after finding that any proposed change to the order would better protect steelhead in the Carmel River. The Chief is also delegated the authority to modify the flow requirements of this order, in response to any changes in the requirements imposed under the Endangered Species Act, as necessary to prevent this order from being in violation of the Endangered Species Act or unreasonably interfering with efforts to comply with the Endangered Species Act. Prior to making the finding and prior to making any change to the order, the Chief shall provide notice to the parties to this hearing and give them an opportunity to comment on the proposed change.

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EXHIBIT 2-B

Maintenance Water Quality Pumping Schedule* 2016

Wells January February March April May June July Aug September October November December Los Laureles Well No. 5 1st Week 1st Week 1st Week 2nd Week 2nd Week 2nd Week 2nd Week 1st Week 2nd Week 2nd Week 1st Week 2nd Week Los Laureles Well No. 6 1st Week 1st Week 1st Week 2nd Week 2nd Week 2nd Week 2nd Week 1st Week 2nd Week 1st Week 2nd Week 2nd Week Garzas Well No. 3 Garzas Well No. 4 1st Week 1st Week 2nd Week 2nd Week 2nd Week 1st Week 2nd Week 2nd Week 1st Week 2nd Week 1st Week 2nd Week 2nd Week 2nd Week 2nd Week 3rd Week 3rd Week 2nd Week 3rd Week 3rd Week Panetta Well No. 1 3rd Week 3rd Week 3rd Week 2nd Week Panetta Well No. 2 2nd Week 2nd Week 2nd Week 3rd Week 3rd Week 2nd Week 3rd Week 3rd Week 3rd Week 3rd Week 3rd Week 2nd Week Robles Well No. 3

All wells to be run for 4 hrs per maintenance run day

Garzas Well #3 iand Robles Well #3 are currently out of service

Well sampling for Water Quality purposes may be in addition to above schedules and will be conducted after 10:30 a.m. and before 2:00 p.m. on a quarterly basis. The wells need to run for approximately 20 min for this sampling.

* When flow is < 20 cfs for 5 consecutive days at the Don Juan gauging station, or non-usage, the above schedule will be utilized.

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ITEM: CONSENT CALENDAR

3. RECEIVE 2015 MONTEREY PENINSULA WATER CONSERVATION PROGRAM ANNUAL REPORT

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt General Manager	Program/ Line Item No.:	N/A
Prepared By:	Stephanie Locke	Cost Estimate:	N/A
General Counse CEQA Complia			

SUMMARY: Attached as **Exhibit 3-A** is the 2015 Monterey Peninsula Water Conservation Program Report. The report is a joint effort between the District and California American Water to document programs and activities from the previous year. The report is prepared annually for the Public Utilities Commission as part of the Settlement Agreement that provides funding for local conservation programs.

RECOMMENDATION: The Board will receive the report with adoption of the Consent Calendar.

EXHIBIT

3-A 2015 Monterey Peninsula Water Conservation Program Report

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2015 Monterey Peninsula

Water Conservation Program Annual Report



PREPARED BY

CALIFORNIA AMERICAN WATER, COASTAL DIVISION

IN PARTNERSHIP WITH

THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT





EXECUTIVE SUMMARY

This report documents conservation efforts undertaken by California American Water's Coastal Division and the Monterey Peninsula Water Management District (MPWMD) during 2015 pursuant to the Partial Settlement Agreement between the Office of Ratepayer Advocates, the Utility Reform Network, and California American Water Company on Revenue Requirement as to the Conservation Budget for the Monterey District under the California Public Utilities Commission (CPUC) A.13-07-002 (July 1, 2013).

California American Water, in collaboration with MPWMD, has prepared this report to provide a record of the Coastal Division water conservation programs and activities implemented in 2015, as well as projected efforts for 2016. Reports for previous years are available by contacting either California American Water or the MPWMD.

For answers to questions regarding this report, please contact the following representatives from the compiling agencies:

Joe DiMaggio, Water Conservation Supervisor California American Water, Coastal Division Joe.DiMaggio@amwater.com 831-646-3228

Stephanie Locke, Water Demand Manager Monterey Peninsula Water Management District <u>S.Locke@mpwmd.net</u> 831-658-5630

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SUMMARY OF REPORTING REQUIREMENTS

The following are the mandatory Coastal Division reporting requirements. Additional information has been provided in this report to document other conservation efforts undertaken by California American Water and MPWMD during 2015. The report breaks out (1) conservation activities California American Water undertakes on its own, (2) conservation activities MPWMD undertakes from its own budget, (3) programs MPWMD undertakes that are funded through the California American Water conservation surcharge. The report includes:

- A brief explanation of the need for each activity, the nature of the activity, measurable goals, and the results and achievements for each program (including information such as number of units distributed or installed, estimated water—and energy if quantifiable – savings in water and dollars, etc.).
- A Summary of the conservation plan for the following year with timelines, implementation plans, whether to be implemented by California American Water or MPWMD and budgeted amounts for each type of activity.
- Electronic spreadsheets that include estimated water savings for each customer receiving an audit, a rebate or a retrofit for years 2014 & 2015.
- Estimated water savings for each device offered through California American Water and MPWMD's conservation programs funded through the California American Water's conservation surcharge. This information is confidential and is therefore provided under separate cover.
- An Evaluation of the effectiveness of the Outreach Program.
- An annual analysis of the weather-adjusted consumption in the Coastal Division.

ABBREVIATIONS USED THROUGHOUT THE REPORT

The following abbreviations are found throughout this report.

- CAW California American Water
- MPWMD Monterey Peninsula Water Management District
- AFA Acre-feet annually
- **BMP** Best Management Practice
- CHECW Commercial High Efficiency Clothes Washer
- CIMIS California Irrigation Management Information System
- CLIA Certified Landscape Irrigation Auditor
- CPUC California Public Utilities Commission
- CUWCC California Urban Water Conservation Council
- ORA Office of Ratepayer Advocates
- Eto Evapotranspiration
- GPF Gallons per Flush
- GPM Gallons per Minute
- GRC General Rate Case
- HECW High Efficiency Clothes Washer
- HET High Efficiency Toilet (1.28 GPF)
- IAHWS Instant-Access Hot Water System
- MCBC Monterey County Business Council
- RSOD Rain Sensor Shut Off Device
- SMS Soil Moisture Sensor
- UHET Ultra High Efficiency Toilet (0.8 GPF)
- ULFT Ultra Low Flush Toilet (1.6 GPF)
- WBIC Weather based (or "Smart") irrigation system controller

CALIFORNIA AMERICAN WATER, COASTAL DIVISION– 2015 PROGRAMS FUNDED BY THE CONSERVATION SURCHARGE

SUMMARY OF CALIFORNIA AMERICAN WATER PROGRAMS

The programs funded by the conservation surcharge during 2015 are summarized in <u>Table 2</u> and described following the table.

Program	Cost	Need For Program	Nature of Activity	Measurable Goal	Result of Achievements	Estimated Savings (AF)
Water Wise House Calls	None (funded by Labor budget)	Residential conservation including high use evaluations	Customers given assessment of indoor & outdoor water usage, recommended irrigation schedule, water saving devices including hourly usage data collection utilizing AMI meter reading system	Audits upon request and immediate investigation of high use	350 audits completed	2015 Estimated Savings 12.67 AF (Actual Savings for 2014 based on usage records for 345 Audits: 17.98 AF)
Residential Plumbing Retrofit	\$29,975	Provide conservation devices to customers to reduce consumption	Distribution of water saving devices at events, and walk ins.	Reduce waste water from high flow water fixtures	See Conservation Devices Section	40.40 AF
Rebates	\$522,388	Provide rebates to customers to encourage water reductions	Provide incentives to customers for upgrading to high efficiency/water saving fixtures and appliances	See MPWMD Section.	1,902 SF rebates; 104 MF rebates; 39 CII rebates.	32.07 AF
Public Outreach and Education	\$146,914	Promote Water Conservation , SWRCB Cease and Desist Order & California Drought	Promote quantifiable BMP programs, educate customers and communicate water issues and efforts needed for Monterey Peninsula	Support BMP programs, attend events, and reduce spring water usage.	Multimedia conservation campaign with community involvement	Not quantifiable

Table 1. California American Water 2015 Programs Funded by Conservation Surcharge

CII Audits	\$30,552	CII Audits by Water Wise Consulting	Water use survey includes: audit of water fixtures, water & behavior use patterns, report includes findings, recommended actions, and payback periods for retrofits and/or replacement of fixtures	Goal is 35 CII Audits	Completed 7 CII Audits	1 AF Estimate Savings Total 25 Audits for 2014 Based on usage records: saved 12 AF)
Rain Sensor Installation Program	\$7,715	Program for Residential Customers with high usage during spring and winter months	CAW (through contractor) installs free rain sensors for qualified customers	Goal is 50 Rain Sensors	Completed installation of 46 Rain Sensors	Not Quantifiable
Landscape Grant Program	\$30,000	Provide incentives for cities schools and parks to upgrade irrigation systems to encourage conservation	Grant funding for replacement of turf, upgrading of irrigation systems, installation of water saving technology.	Goal is 1 project	Completed the replacement of inefficient sprinkler heads to the efficient rotary nozzles for 9 schools of the Monterey Peninsula Unified School District	MPUSD Grant 3.06 AF per year Estimated Savings 2014 City of Monterey Landscape Grant – Actual Savings 1.53 AF

RESIDENTIAL AUDITS (WATER WISE HOUSE CALLS)

California American Water has been providing free Water Wise House Calls to its customers since 2008 and utilizes in-house trained audit staff at no cost to the Conservation Budget. The program is available to residents of single and multi-family properties and to owners and managers of apartments and condominiums, offering free residential audits to identify ways by which the customer can save water indoors and outdoors.

California American Water's conservation staff completed 350 Water Wise House Calls in 2015. In addition, conservation staff completed 790 high bill investigations where customers were assisted in identifying root causes of high water use

California American Water promoted the Water Wise House Call program specifically through bill inserts, rebate brochures, offering the service to customers who visited the office to make payments and by targeting customers who had received high water bills and had been billed in the higher tiers of CAW's inclining fivetiered rate design.

During the Water Wise House Calls (audits) & high bill investigations, California American Water identified common inefficiencies and water waste in some of the Monterey residences. The most common such occurrences were:

- Toilet and faucet leaks
- Irrigation controllers set to run too long resulting in water waste
- Misaligned and broken sprinkler heads
- Customer service line leaks

California American Water's conservation staff assisted customers by showing them how to read their water meters and convert cubic feet to gallons so that customers can better identify their daily usage and also compare the meter readings to the billing units identified on their water bills. In addition, conservation staff also assisted customers by properly adjusting their irrigation controllers to meet the plant water needs and to irrigate in compliance with MPWMD's two day a week watering schedule.

California American Water offers <u>free</u> Water Wise House Calls. A certified Conservation Specialist will visit your home, check for leaks, and identify ways you can save water both indoors and out. Our experts will teach you how to read your meter and help you develop an irrigation schedule based on your landscaping. We would like to help you save water and money by offering you a <u>free</u> Water Wise House Call. In addition to helping lower your water bill, you will also be helping to preserve our most precious resource: water.

A WATER WISE HOUSE CALL PROVIDES:

- Leak Detection: We will help you identify leaks inside and out. Leaks are not only big water wasters, they can also be very costly.
- Read Your Water Meter: We will show you how to read your water meter to find possible leaks. By monitoring your meter regularly, you can catch and fix leaks more efficiently.
- Free Plumbing Retrofit Materials: We will check your showerhead and faucet flow rates as well as toilet flush volumes. Free low-flow showerheads and faucet aerators for the bathroom(s) and kitchen will be provided where needed.
- Schedules and Tips: We will help you create appropriate landscape irrigation schedules and show you water saving tips. Resources on planting native and drought tolerant plants will also be provided.

WHO'S ELIGIBLE?

All residents in the California American Water Monterey District are eligible for a <u>free</u> Water Wise House Call. Residents of single-family homes, condominiums, town houses, apartments, and mobile homes are all welcome to participate.

MAKE WISE WATER USE PART OF YOUR DAILY ROUTINE

Inside

- Run dishwashers and clothes washers only when they are full. If you have a water-saver cycle, use it.
- Check for leaks in your toilet. Place a few drops of food coloring in the tank. If, after 10 minutes, color appears in the bowl, you have a leak.
- Turn off the tap while brushing your teeth or washing dishes in the sink.

Outside

- Make the most of your water by watering in the early morning. As much as 30 percent of water can be lost to evaporation by watering during midday.
- Use drip irrigation to water plants.
- Plant appropriately for your local climate. Check with local nurseries for non-invasive, drought-tolerant plants.



California American's Water Wise House Call program showed a 12-month water savings of 17.98 acre feet of water for participating customers in 2014 (year 2014 was used to provide a complete year of post-retrofit consumption). There were 340 audits and of those, 290 accounts showed water savings in the 12 months after the audit.

The audit reports also included recommendations on utilizing the rebate program for the replacement of specific appliances at customers' homes.

The effectiveness of the Water Wise House Call program was evaluated by inclusion of an evaluation survey form along with a pre-stamped envelope in the customer report package. 129 surveys were returned. The customer evaluation surveys received from the Water Wise House Call service showed high customer appreciation.

Comments included on the evaluation form acknowledged that the staff was courteous, helpful and knowledgeable:

- "Our CAW person was Ray and he did a fantastic job. Fantastic Job!!"
- "Thank you Kelly, I learned a lot and really appreciated the devices you provided."
- "Harriet helped and explained everything concerning water problem which put us at ease."
- "Melissa, I loved not only her knowledge, but her passion and enthusiasm for what she does. She is truly a star performer"
- "Ray was so professional and helpful. His follow up report and phone conversations were excellent"
- "Kelly was great! Spent enough time explaining everything clearly very."
- "My auditor Harriet was beyond wonderful and helpful!!!!"
- "This is an amazing service and I was very impressed by Melissa's expertise.

The Water Wise House Call program has been very successful in conserving water. Providing customers with an irrigation schedule, low flow devices, and recommendations for retrofits has been instrumental in saving 51.7 acre feet over a 5 year period, 2009 through 2014 and institute long lasting behavioral changes for participating customers. The savings are based on actual usage records, collected 12 months prior to the audit and 12 months after the audit. <u>Table 2</u> summarizes these findings.

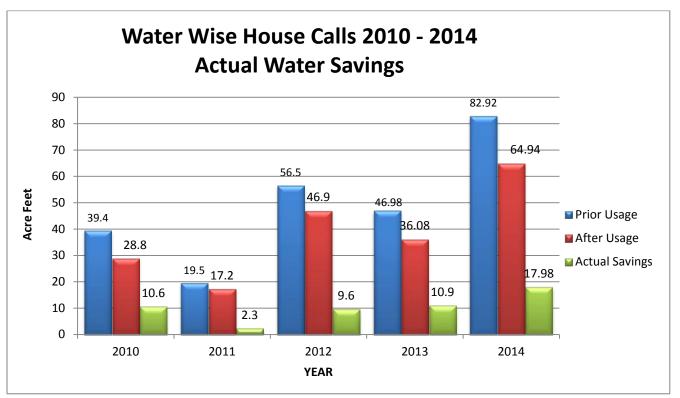


TABLE 2. 2010 THROUGH 2014 WATER WISE HOUSE CALLS PROGRAM

2010 - 2014 Residential Water Wise House Calls

Year	Prior Usage	After Usage	Actual Savings	Usage Reduction %	Number of Audits	Number Residents Using Less Water	Number Residents Using More Water	Residents Using Less Water %	Residents Using More Water %
2010	39.4	28.8	-10.6	26.9%	118	83	35	70.3%	29.7%
2011	19.5	17.2	-2.3	11.8%	75	35	40	46.7%	53.3%
2012	56.5	46.9	-9.6	17.0%	169	116	53	68.6%	31.4%
2013	46.98	36.08	-10.9	23.2%	206	163	43	79.1%	20.9%
2014	82.92	64.94	-17.98	21.7%	345	290	50	85.5%	15.9%

LEAK DETECTION

In addition, California American Water Conservation staff was able to identify root causes for leaks and difficult to diagnose high water bills by utilizing meter reading data logging software and downloading up to 180 days of usage, hour by hour from the company's AMI meters The data allows for the evaluation of hourly usage patterns that have aided in identifying the date range in which high usage occurred, and resulted in the identification of issues including improperly programmed irrigation controllers, leaks in the irrigation system, toilet leaks, service line leaks, and hoses left running

WATER WISE HOUSE CALLS PILOT PROGRAM UTILIZING IPAD TECHNOLOGY

California American Water's conservation staff in 2015 continued to use its new Water Use Efficiency Evaluation program for its Residential Water Wise House Call program utilizing tablet technology by Droplet Technologies. The program was piloted at the Monterey District in October of 2014 and due to its success was rolled out for all the California American Water Districts in 2015.

The new program has allowed us to increase our efficiency in how we conduct our on-site audits and also generate informative conservation reports to the customers. Working together with Droplet Technologies development staff and also the conservation staff from our other districts, we were able to add new functionalities, field test the program and make suggestions to enhance the program to fully meet our specific needs. These suggestions were well received and many were implemented by the Droplet staff, helping to increase functionality and enhance the overall program value.





California American Water's auditor conducting a Water Wise House Call

Prior to the change, conservation staff would record customer information in an excel template and then print the worksheets to be used in the field. Once the on-site evaluation was completed, the conservation specialist would return to the office and enter all recorded data in a spreadsheet template, provide recommendations for fixture replacement and outdoor water savings, suggest a watering schedule, and then print and mail the report to the customer. This process was very time and labor intensive.

This evaluation application increases efficiency, saves time and energy, and improves customer communication. With the use of iPads by the field staff, field data such as fixture flow rates, irrigation controller settings, photographs and details of identified issues is inputted during the audit. A water use/leak calculator is included in the program to aid the Conservation Specialist in obtaining needed information quickly and accurately. Data is analyzed and presented in an individualized, detailed and attractive report which helps to engage the customer with suggestions to improve water efficiency, thereby saving water and money.

Due to the success of utilizing this new technology, the program has now been rolled out statewide, and is providing a valuable tool in our effort to serve our customers' water usage and conservation needs.

This new program includes many new features which allow us to spend more time educating the customer and conducting more residential water wise house calls. Some of the highlights of this new technology include:

- Data is uploaded via wireless connection to a secured back-end database. Evaluation data is stored in a normalized data set that is used for reports, usage analysis and comparisons for future evaluations.
- Indoor components include washing machines, dishwashers, faucets, showers and toilets all with pre-configured and easy to select flow rates. Items can be marked as inefficient and customer will be prompted to upgrade and given applicable rebate information as well as general highlight information.
- Outdoor components include meters, irrigation controllers, landscape details, and current controller schedule documentation
- Creates custom controller schedules based on premise ET, plant type, soil, and microclimate
- Shows customers potential savings in gallons per year for all recommended indoor and outdoor upgrades and repairs
- Provides customer with a detailed list of issues and upgrades that can be provided to potential contractors for bid purposes
- Automatically promotes programs, rebates or specific messages to customers based on

actual site issues and recommendations

- Application is pre-populated with many standard issues and solutions including default highlight pages to educate the customer on recommendations and the benefits of compliance
- Quickly delivers detailed, accurate and easy to understand information to the customer while their interest is still high

RESIDENTIAL & COMMERCIAL PLUMBING RETROFIT

California American Water has been offering various free water savings devices for its residential and commercial customers including showerheads and kitchen faucet aerators with a flow rate of 1.5 gallons per minute, bathroom faucet aerators with a flow rate of 0.5 gallons per minute, leak detection tablets/kits and outdoor water saving tools such as soil moisture meters and hose nozzles that automatically shut off when not in use.

As per prior practice, California American Water tracked the distribution of the various water savings devices in 2015 to identify the total number of each device distributed The various devices were distributed to California American Water customers in a variety of means including but not limited to:

- Community events (at Company booth/display)
- California American Water front desk (walk-in customers)
- Residential Water Wise House Calls
- Commercial audits
- New customer welcome packets
- Upon customer request
- Special giveaway offer advertised in the residential customer's monthly water bills

In addition to the standard devices listed under the CUWCC's former BMP 2 requirements, California American Water also offered a variety of outdoor devices. The total number of each type of water saving device distributed in 2015 to California American Water's residential customers in Monterey are listed in <u>Table 3</u>. Water saving device distribution by MPWMD is discussed in the MPWMD section of this report.

	# of units/	Estimated water	Estimated
Water Saving Device	activities	savings per unit	Annual measure
		per year	savings (AFY)
Showerheads	2,850	0.0062	17.67
Handheld Showerheads	166	0.0062	1.02
Bathroom Faucet Aerators	4,600	0.0017	7.82
Kitchen Faucet Aerators	2,625	0.0017	4.46
Leak Detection tablets	1,900	0.0007	1.33
Leak Detection tablets	1,500	0.0007	1.00
Leak Detection Kits	2,620	0.0007	1.83
High Efficiency Pre Rinse Spray Valve	16	0.392	6.27
Shower Timers	2,568	unknown	unknown
Dish Squeegees	1,784	unknown	unknown
Hose Shut Off Nozzles	2,712	Varies	Varies
Moisture Meters	3,340	unknown	unknown
Total	25,181		39.38
	1	1	

TABLE 3. COASTAL DIVISION: RESIDENTIAL PLUMBING RETROFIT DETAIL

LARGE LANDSCAPE AUDITS AND WATER BUDGETS

Landscape water audits and budgets are required by MPWMD's Regulation XV, Rule 172 and California American Water's Conservation Plan Rule 14.1.1 for the main system including Ryan Ranch, Hidden Hills and the Bishop systems.

Each year, California American Water identifies new customers who require landscape water audits and budgets. Customers who require landscape water audits and budgets include large residential customers whose water usage averages 320 units (23,936 gallons) per month, dedicated irrigation meters, irrigation of areas greater than three acres, and irrigated open space. These select customers are required to adhere to their budgets during Stage 2 (and higher) Water Conservation under Rule 14.1.1.

California American Water's usage records indicate that the majority of customers who have established water budgets are well below the irrigation budgets that were established during the time the audits were completed which is mainly attributed to CAW's 5 tiered rate structure, turf removal, improvement and upgrading of irrigation systems, the installation of rain sensors, and customers taking advantage of the rebate program.

Since California American Water and the Monterey Peninsula Water Management are in the process of adopting a revised Conservation and Rationing Plan which does not mandate the requirement of landscape audits and budgets, it was decided to conduct landscape audits only as deemed necessary or by customer request.

Details of the large landscape audit program are described in MPWMD's Conservation Activities section.

LANDSCAPE GRANT PROGRAM

California American Water's successful landscape grant program, implemented in 2011, continued in 2015 to reduce the water demand of municipal properties by changing landscaping and upgrading irrigation systems. California American Water's large landscape grant program focuses on replacing turf on city properties and schools with low water use plants, and/or installation of water saving irrigation technology. The grant award is intended to provide funding for a demonstration project with high visibility, significant water savings, exemplary landscaping, and/or use of water-saving irrigation technology.

In the winter of 2014, California American Water awarded the Monterey Peninsula Unified School District \$30,000 to replace all high use sprinkler heads with the efficient rotary nozzles for nine of the school's athletic fields and turf areas. Rotary Nozzles deliver larger droplet streams of water at a lower application rate reducing wind deflection and increasing irrigation efficiency.. Because the water is applied more slowly, more water is able to soak into the soil. In addition, rotary nozzles' highly efficient water delivery reduces soil erosion and run off, saving water and money. The potential estimated annual water savings for this project amount to 1,000,000 gallons. The project began in December of 2014 and was completed in March of 2015.

Monterey Peninsula Unified School District

1,000,000 Gallons Estimated Water Savings for Nine Schools

Replacement of 1,100 High Use Inefficient Sprinklers to the High efficiency Rotary Nozzles



High Use Inefficient Fixed Spray Sprinklers

Low Water Use Efficient Rotary Nozzle Sprinklers

LANDSCAPE GRANT PROGRAM – WATER USE ANALYSIS

In 2014, California American Water awarded the City of Monterey \$50,000 to assist in the removal of approximately 20,000 square feet of turf at Monterey's Laguna Grande Park on Virgin Avenue in partnership with the city's Neighborhood Improvement Program and the Monterey Regional Park District, who provided further funding. The total estimated cost of the project was \$265,000 with estimated water savings of 500,000 gallons per year. Historically, over a five year period for years 2008 through 2012, a total of 7.2 acre feet of water were used to irrigate the athletic field. Starting in 2015, no irrigation was needed anymore, thus saving millions of gallons in future years.

City of Monterey – Landscape Grant Program

Before (Natural Turf)

After (Artificial Turf)



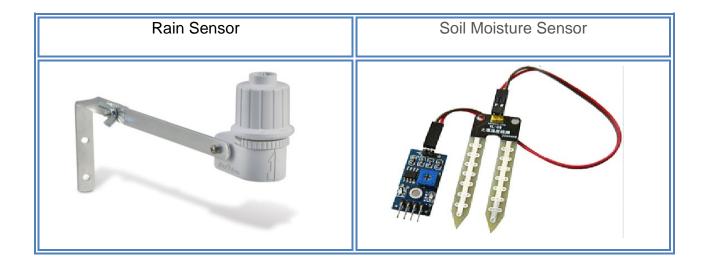


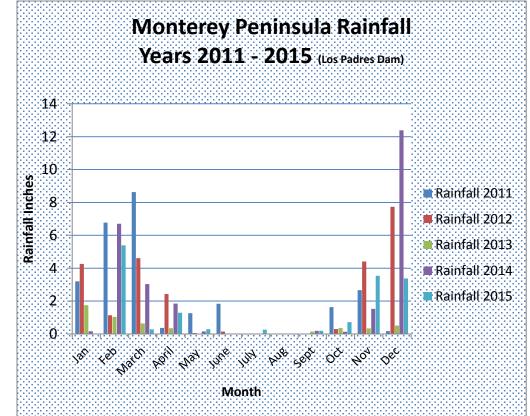
RAIN SENSOR & SOIL MOISTURE SENSOR INSTALLATION PROGRAM

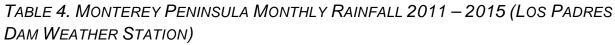
California American Water continued its Rain Sensor & Soil Moisture Sensor Installation Program through its contractor EcoTech and has installed 401 rain sensors since the program began in 2011 for residential and non-residential customers. In addition, soil moisture sensors were offered to select customers in 2015 that have landscapes which would benefit from this add-on to the Sensor Program. In 2015, there were a total of 46 rain sensors and 10 soil moisture sensors installed.

The rain sensor has a shut off device which automatically signals the irrigation controller to curtail irrigation when it rains, and allows watering to resume when needed. The rain sensor can be programmed to halt irrigation for up to 72 hours after a rainfall event. The soil moisture sensor can be used throughout the year to assist customers in monitoring their usage and eliminate overwatering their landscapes.

Potential candidates for rain and soil moisture sensor are customers who have been billed in the 4th and 5th tier of California American Water's five tiered residential rate structure during the months of January through April and during the months of November and December indicating possible over-irrigation occurring during those particular months. These customers would have exceeded their allotments during these particular months.







		Mont	hly Rair	n Fall f	or Yea	rs 201	1 throu	ugh 20)15 (Lo	os Pad	res Da	ım)	
Year	Jan	Feb	March	April	Мау	June	July	Aug	Sept	Oct	Nov	Dec	Totals
Rainfall													
2011	3.2	6.77	8.63	0.37	1.26	1.84	0	0	0	1.63	2.66	0.17	26.53
Rainfall													
2012	4.26	1.14	4.61	2.43	0.06	0.14	0	0	0	0.3	4.41	7.74	25.09
Rainfall													
2013	1.75	1.04	0.64	0.35	0	0	0	0	0.14	0.36	0.34	0.51	5.13
Rainfall													
2014	0.16	6.7	3.03	1.85	0.15	0	0	0	0.19	0.13	1.53	12.4	26.13
Rainfall													
2015	0	5.39	0.28	1.29	0.29	0	0.26	0	0.19	0.72	3.54	3.38	15.35

COMMERCIAL, INDUSTRIAL, INSTITUTIONAL (CII) AUDITS

California American Water continued its commercial audit program established in 2009 along with its contract with Water Wise Consulting to conduct commercial, institutional, and industrial audits during 2015. Water Wise Consulting completed 25 audits with an estimated potential savings of 60.99 acre feet following the implementation of the audit recommendations. Since the program began in 2009, over 257 commercial customers have participated in such survey and implemented significant water savings as a result.

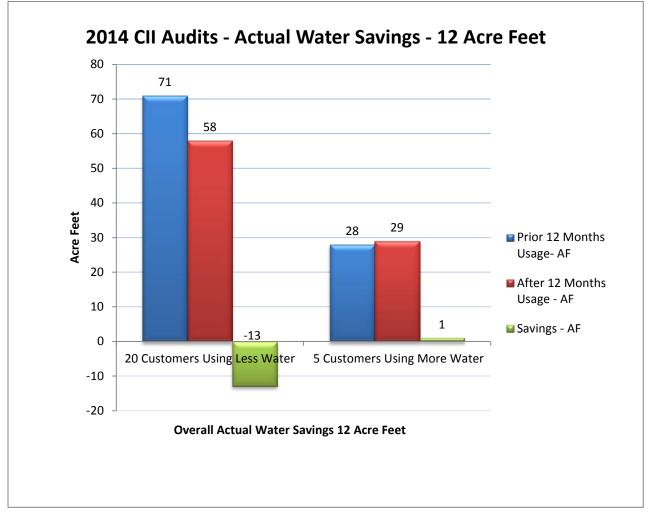
California American Water's conservation staff followed up with the customers on site and in person to review the audit reports and provide free devices, such as faucet aerators and prerinse spray valves. Customers were also requested to sign a statement confirming their receipt

of the report and their consent for MPWMD to receive a report copy.

Customers were given audit reports that focused on applicable water-saving devices, and estimated water and cost savings together with expected payback periods for such upgrades. The payback period calculations included the rebate incentives available to CII customers through the California American Water and MPWMD Rebate Program.

Conservation Specialist Harriet Fox reviews commercial audit report with the Asilomar Conference Grounds

The actual water savings for the audits shown here reflect year 2014 audit activity in order to show a full 12 months of post audit water usage as required. Comparing pre-audit and post-audit usage, there were a total of 12 acre feet of water savings, however, 20 of the 25 audits showed a savings of 13 acre feet, whereas 5 customers increased their usage by 1 acre foot during 2014. Many of these customers have water meters that serve not only indoor plumbing fixtures but also outdoor irrigation. Due to the continued drought, some customers had an increase in summer outdoor water usage to maintain their landscape which is a potential reason for the increase in consumption seen for these 5 customers.



	20 Customers Using Less Water (AF)	5 Customers Using More Water (AF)
Prior 12 Months Usage -		
AF	71	28
After 12 Months Usage -		
AF	58	29
Savings- AF	-13	1
Number of Audits	20	5
Increase or Decrease In		
Usage	-18%	4%

SCHOOL EDUCATION AND OUTREACH

In 2015, California American Water continued reaching its key objectives for ongoing school education and outreach in water conservation.

The key goals included:

- Ongoing relationship building with the Water Awareness Committee (WAC);
- Outreach to students at community events offering free educational materials;
- Outreach to students in-class and at afterschool activities to offer education





Zun Zun School Performances

California American Water, through the WAC, offered school presentations by the Zun Zun performance group. In 2015, Zun Zun provided fourteen 45-minute performances within California American Water's service territory. The performances reached a total of 1,489 students and covered topics such as the water cycle, watershed, indoor conservation and conservation tips, including information about fixing leaks.

Zun Zun Foothill Elementary School Performance - November 2, 2015

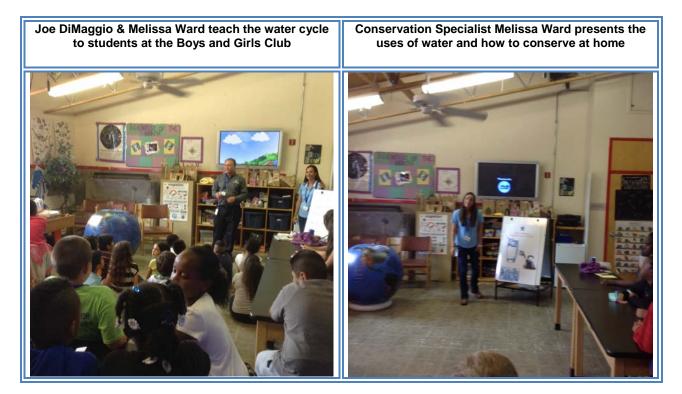
Eric Sabolsice, California American Water Director of Operations, and Stephanie Locke, Monterey Peninsula Water Management District's Water Demand Manager, spoke to students regarding the drought and the importance of practicing water conservation on a daily basis.

Students were encouraged to participate during the event through a song and dance presentation of the water cycle. Conservation tips were also presented to the students such as taking shorter showers, not letting the faucet run when brushing teeth, using a positive shut off nozzle at the end of a hose when watering the plants, and to notify their parents when they see leaks at home or their school teacher when they see leaks at school.

Date	School	Performances	Number of Students	City
1-9-15	Walter Colton School	1	275	Monterey
2-4-15	San Carlos School	2	296	Monterey
9-8-15	Highland Elementary School	2	398	Seaside
11-2-15	Foothill Elementary School	1	520	Monterey

TABLE 6. SCHOOL EDUCATION PROGRAM – ZUN ZUN PERFORMANCES

In addition to the Zun Zun performances, California American Water gave conservation presentations for summer students attending the YMCA in Monterey and the Boys and Girls Club in Seaside during the summer months. The attendees consisted of elementary and up to the 5th grade students and totaled approximately 200 students for both events. There were four 30 minutes presentations for each event where CAW conservation staff first presented a short video on the water cycle and then discussed how the students can save water at home and how to report leaks to their parents. Each student was given educational materials on conservation and water saving devices to take home to their parents.



WATER AWARENESS COMMITTEE ACTIVITIES

California American Water coordinated with the Water Awareness Committee education (WAC) to offer school opportunities and outreach. Activities included class presentations, as well as interactive school assemblies. Both California American Water and the MPWMD are founding members of WAC.

In addition to school education programs, WAC sponsored a Water Awareness Day Celebration at the Monterey County Fair in September. The event was held on Saturday, September 2, 2015. This familyfriendly event featured booths including

California American Water, MPWMD and Marina Coast Water District.

In addition, California American Water in partnership with Monterey Peninsula Water Management District also joined with WAC by participating in the City of Monterey's Cutting Day held in March and the annual Master Gardener Event held each April in Carmel.

Customers who visited the booth were given water conservation devices and tips on how to save water outdoors and encouraged to take advantage of the rebate programs.

WEATHER ADJUSTED CONSUMPTION IN THE COASTAL DIVISION

California American Water staff produced an analysis of weather-adjusted consumption in the Coastal Division by calculating the acre-feet consumed per rainfall inch. (This information is provided under separate cover.) As expected, overall consumption is highest during the summer months and lower during the winter months. Consumption also rises as rainfall decreases: from 2005 through 2015, consumption was highest when rainfall was lowest (2013) and conversely, consumption was lowest when rainfall was highest (2010).

TABLE 7. MONTEREY PENINSULA RAINFALL – 2005 – 2015 LOS PADRES DAM WEATHER

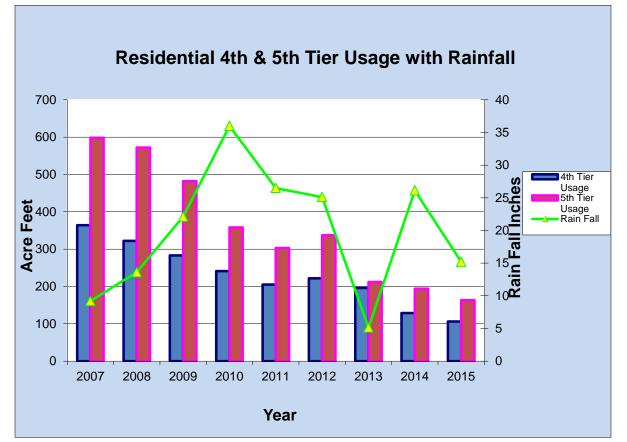
RESIDENTIAL FIVE-TIERED RATE DESIGN

California American Water's five-tiered residential allotment rate structure has also been instrumental in reducing overall outdoor water usage in addition to the aggressive conservation programs administered by CAW and the MPWMD. Each residential customer is allotted 1,122 gallons per tier each month for indoor and outdoor usage plus, during the summer months, May through October, an additional allotment at tiers 3 through 5 based on lot size. Current tiered rates are: \$0.6142, \$1.3229, \$3.4104, \$6.9296, and \$8.9870. Normally, the base allotment is enough to cover indoor usage and limited outdoor usage, which is billed at the first, second, and third tiers. The majority of outdoor usage for large residential water users is billed at the 4th and 5th tier.

There has been a significant reduction in fifth tier usage, dropping from 598 acre feet in 2007 to 163 acre feet in 2015, a percentage reduction of 73%. In order to monitor the effectiveness of programs offered by CAW and the MPWMD, since 2009, California American Water tracks actual usage of customers who receive residential and commercial audits, rebates, rain

sensors, or participate in other conservation programs. Customer usage records indicate a significant savings as explained in this report.

Rainfall during the winter and summer months also affects outdoor usage. Comparing rainfall records from 2007 to 2015; 4th and 5th tier usage normally decreased during years of high rain fall and increased during years of low rain fall.



<u>TABLE 8</u>. RESIDENTIAL 4^{TH} AND 5^{TH} TIER USAGE & 2015 RAINFALL - YEARS 2007 TO 2015

	Resident	iai 4th & 5	in Usage	ACTE FE	el with Ra	IIIIali			
Year	2007	2008	2009	2010	2011	2012	2013	2014	2015
4th Tier									
Usage	364	322	283	241	205	222	196	129	106
5th Tier									
Usage	598	572	482	358	303	337	212	194	163
Rain Fall inches	9.2	13.6	22.1	36	26.5	25.1	5.13	26.13	15.2

Residential 4th & 5th Usage Acre Feet with Rainfall

COMMERCIAL AUDIT TRAINING CLASS

California American Water and the Monterey Peninsula Water Management District joined together to offer a free CII Water-Wise Workshop for Water Conservation professionals. The workshop was held at the Asilomar Conference Center, and was attended by staff members from California American Water statewide, Monterey Peninsula Water Management District, Marina Coast Water District, Santa Cruz Water and San Jose Water.

This two-day class was facilitated by Maddaus Water Management, Inc., and focused on how to identify areas of potential water conservation in commercial, industrial and institutional properties. The workshop was designed to provide a comprehensive overview of the most common and key CII water uses and demonstrated both electronic and manual data collection techniques. The presentation included classroom training and hands-on facility tours, covering toilets, urinals, showers, faucets, cooling towers, thermodynamics, pools, wash down facilities, kitchens, laundry, recycling, greywater, water features, leak checks and site staff training. Attendees learned how to identify the types of appliances, efficiency ratings, and potential water and dollar savings and payback periods using technology developed by Maddaus Water Management, Inc.

This new training will greatly assist both California American Water and the Monterey Peninsula Water Management District with conducting CII audits in-house and with verifying compliance of non-residential customers with CAW's Rate Best Management Practices ("Rate BMPs") as well as MPWMD's water efficiency requirements. Compliance with these Rate BMPs places non-residential customers in one of four rate divisions that determine the customers' billed water

rates. .

WATER WASTE PREVENTION

Emergency drought restrictions from the State Water Resources Control Board ("SWRCB") continued in 2015 and on April 1, additional measures were implemented including a mandated 8% reduction in water use for California American Water customers in the Monterey Service area. As a result, California American Water updated its Water Conservation Plan Rule 14.1.1 for its main system including Ryan Ranch, Hidden Hills and Bishop, and also updated Rule 14.1 Water Conservation for Chualar, Toro, Ambler Park, Ralph Lane, and Garrapata. The updated plans include:

- Irrigation is limited to Wednesday and Saturday before 9 am and after 5 pm
- Sprinkler irrigation overseen by a professional gardener or landscaper who is available on site may occur between 9 a.m. and 5 p.m. but shall not exceed two watering days per week
- Irrigating of any lawn, landscape or other vegetated area with potable water using a device that is not continuously attended is limited to no more than 15 minutes per watering day per station.
- Watering during and for 48 hours after measurable precipitation: Water or irrigating of any lawn, landscape, or other vegetated area with potable water during and for 48 hours following measureable precipitation is prohibited.

In addition, a new water waste reporting and enforcement procedure was instituted at California American Water in August of 2015, in response to the SWRCB's Drought Restriction regulations. This procedure utilizes a new Violation of Drought Rules hang tag used by field service workers to notify residents of leaks and violations, with followup by Conservation staff and the Monterey Peninsula Water Management District in order to ensure that water waste is addressed within 72 hours of notification whenever possible.

Customers who received the 72 hour notification were those identified as having leaks through our meter reading billing edit system, customer initiated high bill investigations or violation of drought rules identified by customers and field staff. A total of 109 door tags were left with customers to inform them of the violation. Customers identified with leaks were then monitored to ensure timely repair.

CALIFORNIA AMERICAN WATER'S PILOT PROGRAM PROVIDES CUSTOMERS WITH OPPORTUNITIES FOR WATER SAVINGS

In February, California American Water launched a web-based pilot program aimed at conserving water and energy and helping customers detect leaks promptly. The online application monitors water use through a water meter fitted with a radio transmitter that collects water data. The data is sent to a web portal, U2You, where customers can monitor their daily

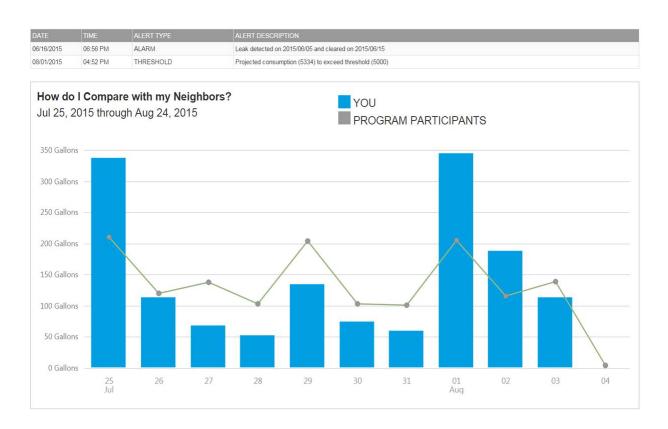


water consumption using a computer or smartphone.

Most excessive water use is traced to leaky toilets or irrigation systems. To catch leaks early, participants in CAW's pilot program are able to identify abnormally high water consumption and compare their water use to the average water usage in their area. The U2You website also allows participants to set up alerts that notify them by email or text messages if a leak is detected or their water use exceeds a specified amount. As a result,

they are able to avoid water waste while saving money on their bills.

Approximately 200 Monterey Peninsula business and residential customers were recruited to voluntarily participate in the pilot program, which will run for about one year. CAW's goal is to collect enough data to assess the application's feasibility and costs and identify features customers find most useful. If successful, the program may be rolled out to all CAW customers, pending the approval of the CPUC.



A sample of how customers can monitor their individual water use on a daily basis via a website which allows them to compare their water use to the average water user in the area. Consumption for all program participants is shown in a bar chart. As a customer hovers over the chart bars, a popup message displays the usage in gallons. Customers can also click on a bar in the chart to drill down into smaller time increments and also increase or decrease the time range.

MONTEREY COUNTY FAIR LANDSCAPE CONTEST

California American Water Conservation Staff was awarded Best of Show for their <u>Gardens of</u> <u>Monterey County: Featuring Native Plants</u> entry for the 2015 Monterey County Fair. The entry

> also was awarded First Place in the Water-Wise Landscape Design contest hosted by the Water Awareness Committee of Monterey County. This competition was developed to promote water conservation awareness in Monterey County. The campaign "encouraged the replacement of thirsty lawns with attractive. low maintenance, drought tolerant landscaping that reduces water use and protects water quality from harmful fertilizer and pesticide runoff." Garden displays were judged on the use of native and drought tolerant plants, water-wise irrigation technology, use of soil

conditioners, ease of garden maintenance, and overall design. Our entry featured native and drought tolerant plants and incorporated the use of mulch with a rain barrel and drip irrigation to maintain a healthy and attractive garden with minimal water usage. Conservation staff donated their \$800 winnings to the American Red Cross to support local recovery efforts after the Tassajara Wildfire.



Award for Best of Show Featuring NativeCAW ConsPlants, Rain to Water Catchment to LandscapeWinnings

CAW Conservation Staff donating \$800 Winnings to the American Red Cross Tassajara Fire Relief Fund

PUBLIC OUTREACH

All public outreach and educational efforts are managed by California American Water's local external affairs and conservation departments in cooperation with MPWMD's conservation department.

California American Water utilizes professional marketing and design services to develop professional and effective educational brochures, direct mailers, print media advertisements, and other marketing items. The company continued its proactive outreach campaign to help keep water consumption within production limits on the Seaside Basin and Carmel River.

This year's efforts were largely centered on drought mitigation and ensuring the district complied with the Governor's statewide cutback order. Due to its historic conservation efforts, the Monterey District was ordered to reduce its consumption only by 8 percent compared to 2013 levels – the lowest amount allowable under the order. Other areas in the state were ordered to cut back their consumption by more than 30 percent by comparison.

Numerous mailers were sent to customers reminding them of the drought restrictions and the Rule 14.1 and Rule 14.1.1 stages and rules. Radio and print ads were also leveraged for this campaign with similar messages. This included mailers about rebates, water schedules and specific watering restrictions.

The campaign was highly successful as Monterey cutback its water use by more than 18 percent in an area that already had some of the lowest per-capita water consumption in the state.

PUBLIC RADIO ANNOUNCEMENTS

California American Water sponsors the Monterey Peninsula's local public radio station and is featured on regular radio spots. This year the company made a major push for conservation by offering specific water saving tips for residents, which included information on rebates and recommended outdoor watering schedules. Themes included: promotion of general conservation tips and the company's Savings are in Season campaign. KAZU FM has a strong listenership within California American Water's Monterey Peninsula service territory. Informal customer feedback to the announcements has been overwhelmingly positive. Advertisement was also conducted in the Carmel Pine Cone, The Monterey Herald, and various other radio stations some of which included Spanish speaking audiences.

Annual conservation outreach radio underwriting expense: \$9,568

TELEVISION ADVERTISING

California American Water was unable to conduct any television advertisement regarding conservation.

Television advertising cost: \$0

PRINT ADVERTISING CAMPAIGN

California American Water, leveraging its discount, long-term print advertising contracts with local newspapers, managed to put out a robust print campaign of multiple and repeated messages of various conservation themes. This year the company's focus was the drought and the statewide water consumption cutback order. Ads were run in the Carmel Pine Cone and Monterey County Weekly all promoting conservation, Rule 14.1 and Rule 14.1.1 awareness and other drought related concepts. In addition, advertisements were purchased in both publications to run through the rest of 2015 in the Pine Cone and intermittently with the Herald. Each of these publications boasts a circulation of 30,000 to 35,000 on the Monterey Peninsula--which roughly equates to the number of California American Water residential service connections within the MPWMD boundaries. Ad themes centered on rebates and basic residential water conservation and drought messages.

Print advertising campaign cost: \$9,041

WEBSITE: MONTEREY WATER FACTS

California American Water and MPWMD continued supporting the shared website for the Monterey area, which was established in 2009. The site serves as a one-stop, user-friendly resource for local water users to access information on rebate programs, home water audits, regulated restrictions on the area's water supply and tips for saving water indoors and out.

The website has information for commercial and residential users and provides in-depth information on water wise landscaping. The web address is publicized through direct mail and print advertising efforts and periodically listed on California American Water customers' bills. The site additionally contains links to the Alliance for Water Efficiency, Water Sense and the American Council for a Water Efficient Economy. In addition, California American Water and the MPWMD continued to support their joint Facebook and Twitter pages. These pages are updated bi-weekly with quick tips about conservation and other important news happening in water on the Monterey Peninsula.

MONTEREY WATER CONSERVATION FACEBOOK PAGE

California American Water in partnership with MPWMD continued its Monterey Water Conservation Facebook page to keep local contacts informed about conservation efforts. The page provides timely conservation tips and news about upcoming events and local water issues.

MAILERS/BILL INSERTS

Throughout the year, the company included inserts on various subjects including water quality information, payment arrangements, rates and its low-income program. In 2013, California American Water customers received individual mailers and bill inserts about mandatory drought restrictions and Rule 14.1 and Rule 14.1.1 compliance as well as how residents can do their part to help meet these goals. Total Mailer cost: \$128,305

WATER ALERT: <u>EXTREME</u> DROUGHT IN CALIFORNIA

Saving for Earth Day (and Every Day)



April 22 is Earth Day. It helps us remember that we need to protect our natural resources every day. Due to the current drought, Californians have become keenly aware about the need to protect one vital natural resource: water.

Saving water is essential to ensure we have supplies for the future. <u>Saving water also saves energy and money</u>. This Earth Day, let's work together to renew our efforts to avoid water waste so we protect our water and energy resources every day.

Water Requires Energy





Delivering Water

Energy is needed to treat and deliver water. Every drop of water you use is pumped from miles away and then cleaned in an energy-intensive process.



Heating Water

It takes energy to heat water for showers, dishes, and washing clothes. Water heating systems are the second biggest user of energy in the home.

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Cleaning Wastewater

After water leaves your homes, it still needs to be pumped to and cleaned at a wastewater treatment plant, which requires large amounts of energy.

Did You Know?

Letting your **faucet** run for **five minutes** uses about as much energy as leaving on a 60-watt incandescent **light bulb** for **22 hours.**

Example of "Drought Alert" customer mailer sent in 2015

SOCIAL MEDIA

California American Water continued its social media support of conservation outreach by complimenting and echoing the same messaging produced in its print, radio and mailer campaigns. This includes routine updates to both the company's own Facebook page and the one it shares with MPWMD, which focuses on conservation.

California American Water also maintains a Twitter account, which it uses to inform its followers of various news items, including conservation tips and rebate offerings.

EARNED MEDIA CAMPAIGN

California American Water also worked with local media to promote participation in events as well as national programs such as the Environmental Protection Agency's Fix a Leak Week, National Drinking Water Week and National Water Awareness Month, during which California American Water authored Opinion Editorials on water conservation for the Monterey County Herald. Press releases were distributed to local media including the Monterey County Herald, Carmel Pine Cone, Monterey County Weekly, KAZU FM, KSBW TV, KION TV, KCBA TV, KSMS TV.



Example of "Water Schedule" customer mailer sent in 2015

COMMUNITY AND OUTREACH EVENTS

Each year, California American Water and MPWMD participate in various community fairs and events, staffing a conservation booth where California American Water customers can interact with water conservation experts, take advantage of free water saving devices and obtain information about indoor and outdoor water saving appliances and techniques. In 2014, California American Water and MPWMD participated in the following events: Pacific Grove Good Old Days, Earth Day, and through membership in the Water Awareness Committee of Monterey County, the Monterey County Fair.

Costs associated with attending such events included sponsorship fees and booth costs, marketing of event, materials and giveaways for customers visiting the booth, and booth displays pieces.



CAW maintains a consistent conservation platform on their Facebook page and other social media channels



CAW Director of Operations Eric Sabolsice interacting with a customer at the company's conservation booth that was present for the duration of the 2015 Monterey County Fair

CALIFORNIA AMERICAN WATER, COASTAL DIVISION -2016 PROGRAM GOALS

The 2016 California American Water programs funded by the Conservation Surcharge are summarized in the following table and described in detail in the narrative that follows.

Table 9. California American Water Coastal Division: Summary of 2016 Program Goals

Program	Budget	Implementation Plan	Timeline
Residential Audits	Budget	Complete 200 SF and 10 MF audits	Offer audits throughout 2016
Residential Plumbing Retrofit	\$8,200	Continue providing devices to residential and non-residential customers, walk-in, and events.	Residential Water Wise House Calls and efforts throughout the year at events, walk-ins, etc.
Rain Sensor Installation Program	\$8,000	Install 25 Residential Rain sensors and/or Soil Moisture Sensors	Jan through Dec 2016
Large Landscape Upgrade Grant Program	\$25,000 2015 - 2017	Provide grants for expenses for equipment, materials, and/or installation to upgrade to conservation friendly landscapes	Jan through Dec 2016
Public Outreach and Marketing Campaign	\$123,333	Continue to support public awareness and participation in the organizations' joint-conservation programs	Ongoing throughout 2016
Outreach and Education Seminars & Programs	\$10,000	Continue to partner with Water Awareness Committee, continue to offer Landscape Irrigation Workshops, create conservation booklet, offer in-class presentations	Ongoing throughout 2016

Zun Zun Performances and WAC Activities	\$5,000	Market to schools in Summer of 2016 with events in the fall.	Performances in 2016 WAC ongoing.
CII Rate BMP Survey Inspections	\$1,000	Inspect 500 non-residential properties for compliance with Rate Best Management Practices to determine rate category and collaborate with the MPWMD to complete indoor inspections & CAW complete outdoor inspections	Ongoing 2016
CII Audits	\$60,000	Offer CII Audits to 20 customers – greatest potential need & to comply with the new BMP Compliance Rate Structure	Ongoing 2016

RESIDENTIAL WATER WISE HOUSE CALLS

California American Water will continue to provide Residential Water Wise House Calls to its customers in 2016. With the continued drought and Governor Brown's Executive Order B-29-15, it is expected that the number of customer requests for this service will increase especially during the summer months when usage is highest as customers irrigate their landscapes. Additional efforts to promote customer participation will include offering Water Wise House Calls for customers with high water bills and promoting the program at events and through California American Water ads. California American Water's conservation staff set a target goal of 200 single family audits and 10 multi-residential audits to be completed in 2015 and actually surpassed its goal and completed 350 house calls in 2015. The expectation is to complete 200 Residential Water Wise House Calls in 2016.

RESIDENTIAL PLUMBING RETROFIT

California American Water will continue to provide low flow conservation devices and conservation kits to residential customers in the Monterey service area, and also require customers to sign up to receive devices at events, front desk, etc. so the company can log the information and identify how devices are distributed. The focus will be on the hospitality industry such as hotels and motels to convert hundreds of bathroom aerators from 1.5 GPM aerators to 0.5 GPM aerators. California American Water will also look for upgraded low flow devices and new technologies that provide greater water savings. Current devices include 1.5 GPM showerheads, 1.5 GPM kitchen faucet aerators, and 0.5 GPM bathroom aerators. In addition, California American Water will promote 1.5 GPM showerheads for customers who have retrofitted in past years with the 2.5 GPM. The company will continue to track the devices specifically given to single and multi-family residents.

LARGE LANDSCAPE UPGRADE GRANT PROGRAM

California American Water will continue its successful Large Landscape Grant Program developed and implemented in the fall of 2010 for large landscape customers including cities, schools and parks. In 2015, a total of \$30,000 was awarded to the Monterey Peninsula Unified School District to upgrade its sprinklers systems for 9 schools at annual estimated savings of 1,000,000 gallons per year.

The funding is to offer assistance to upgrade current landscape and irrigation systems to increase water efficiency, and to help cover the expenses for equipment, materials, and/or installation. Sites are specifically chosen for high visibility and visitor traffic in order to maximize educational value and promote similar retrofits at customer sites.

In 2016, California American Water's objective is to fund one landscape grant project at a cost of \$25,000 to a school district in the company's service area. The proposed sites will be selected based on projected potential water savings, cost to retrofit, educational value of site, project participation and engagement from the program partner and other criteria.

Each year, the sites will be reviewed identifying their actual usage compared to their expected usage and the actual water savings will be calculated. This information will be reported to the CPUC annually to monitor the success of the program.

RAIN SENSOR INSTALLATION PROGRAM

California American Water will continue the rain sensor installation program that began in November of 2011 which provides free direct installation of rain sensors to residential, commercial and public authority customers and will also start the installation of soil moisture sensors through its contract EcoTech. The focus will continue to be on customers who have the greatest potential need to reduce their water usage especially during the winter season.

Focus will continue to be on customers who are billed in the 4th and 5th tier of California American Water's five tier residential rate structure during the three consecutive winter months of December, January and February.

The estimated cost is \$150 per customer, which includes \$40/hour labor for 2.5 hours plus the cost of each rain sensor estimated at \$50.

CII AUDITS

California American Water will continue in 2016 to provide commercial, institutional and industrial audits, and plans to complete up to 25 CII audits in 2016 utilizing experienced contracted consultants.

The focus will continue to be on auditing customers who have the greatest need and potential to achieve significant water savings. California American Water will continue to meet with each customer who receives a CII audit and also offer rebates and any programs that may assist in reducing overall water usage.

RATE BEST MANAGEMENT PRACTICE SURVEY INSPECTIONS

California American Water in 2013 changed its non-residential rate structure that now places customers in one of four rate divisions based on compliancy with indoor and outdoor BMP's. Non-residential customers were required to complete a survey to determine their appropriate rate category.

In order to ensure that customers are complying with the BMPs that placed them in one of the four rate divisions, California American Water in partnership with the Monterey Peninsula Water Management District is inspecting non-residential properties.

Customers that are determined not to be in compliance with the indoor and/or outdoor requirements will have 30 days to make necessary corrections to avoid a potential change in rate classification. These customers are called by CAW conservation staff 30 days after the inspection to verify compliancy. If the customer is not compliant, the classification is changed to Rate Division 4, which is the non-compliant rate, until necessary corrections are being made. Customers are required to provide proof of corrections by providing a receipt to CAW and/or verification for indoor compliancy by the MPWMD.

WATER WASTE APP

California American Water has introduced a new app in 2016, available for download in the Apple and Android app stores, which allows customers and other concerned residents to report water waste when they see it. Photos will be geo-tagged and uploaded directly so that California American Water can investigate the leak or waste.

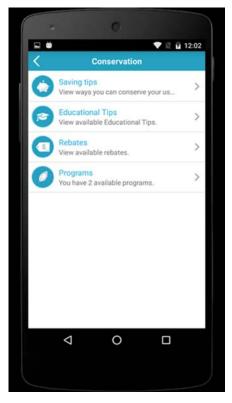
Through the app, California American Water customers will also learn about the conservation programs offered in each of our districts across the state. Raising awareness of our Water Wise House Calls rebates for water saving home appliances and free water smart devices will help customers control water use.



Home Screen

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Report Water Waste Screen



Conservation Tips Screen

Monterey Peninsula Water Management District – 2015 Programs Funded by the Conservation Surcharge

The 2015 MPWMD programs funded by the Conservation Surcharge are summarized in the following table and described in detail in the narrative that follows.

Program	Program Costs	Need For Program	Nature of Activity	Measurable Goal	Results	Estimate Savings
Water Conservation Representative	\$95,902 at actual cost	One staff position with focus on water waste enforcement and water efficiency.	Water waste enforcement and follow-up, public outreach events, property inspections, audits, etc.	Immediate response to water waste and 100% compliance within 1-30 days	4 fines issued for repeat failure to correct water waste within 72 hours. All water waste violations were corrected	Not quantifiable
Water Conservation Seminars	\$26,781	Provide education and hands-on learning. Focus is on reducing outdoor and CII water use.	Laundry to Landscape Workshops and CII efficiency requirements	Attendance by at least ten persons per event	Exceeded expectations	Not quantifiable
Water Wise Gardening for Monterey County	\$9,000, including upgrades to product	MPWMD has licensed product for web use, rather than reprinting CDs. Licenses for MPWMD and WACMC	Monterey area- specific interactive gardening software designed to assist customers with water efficient plant choices.	Provide notice of software availability at all events, on websites, social media, and through televised Board meetings	5,006 unique hits on software in 2015	Not quantifiable

Table 11. Monterey Peninsula Water Management District: Summary of 2015 Programs

Program	Program Costs	Need For Program	Nature of Activity	Measurable Goal	Results	Estimate Savings
Water Audits & Budgets	\$8,600	Required by MPWMD Regulation VX, although Regulation VX was revised in 2016 to change this requirement	Outdoor irrigation that meets certain specifications is required to obtain a landscape water audit and budget and to adhere to the budget during Stages 2-4.	Water use stays within budgeted amount	3 audits were conducted in 2015	N/A
Linen/Towel Reuse Program	\$0	Supports hotel room notification of linen and towel reuse program.	Customers encouraged to reuse towels and linens. Drinking water is to be provided only upon request.	Reduction in laundry, and water and energy consumption	Ongoing program	Up to 101 AFA @ 60% occupancy
CIMIS Station Maintenance	\$1,369	CIMIS data is used by weather- based irrigation controllers to schedule irrigation times.	MPWMD sponsors three CIMIS stations in Zone 2/3 and Zone 3. MPWMD maintains the stations.	Reduced outdoor water use during low ETo	Data is available on CIMIS website	Not quantifiable

Conservation Devices	\$42,044	Provide conservation devices to customers to reduce consumption	Provided showerheads, shower-savers, faucet aerators, hose nozzles, and other items	Reduce wasted water	See Conservation Devices Section	> 2 AFA
Conservation Printed Material	\$0	The printed material program acquires updates and distributes water conservation materials to the public via local retailers, organizations, and other means of notification.	Printed and distributed post cards to CII users promoting water efficiency requirements	Support BMP programs, provide at 3+ events, and reduce water usage.	MPWMD distributed conservation materials, including conservation program handouts at community events and meetings	Not quantifiable
Water Waste Prohibitions	N/A	Eliminate water running to waste and other forms of water waste.	Notification to property occupant and follow up to ensure corrections as needed.	Achieve compliance within reasonable time period	104 instances of Water Waste were compliant within reasonable time	Not quantifiable

Water Conservation Representative

The Conservation Representative position was included in MPWMD's budget request with the full support of California American Water and is an ongoing position. Funding for the position was included in the MPWMD portion of the conservation surcharge in the 2005 General Rate Case (D.06-11-050), the 2007 General Rate Case (D.09-05-029), the 2010 General Rate Case (D.12-06-016), the 2013 General Rate Case (D.12-06-016). The position is primarily responsible for water waste enforcement, including responding to reports of water waste and completing site investigations. The position also conducts conservation inspections and community outreach, provides information and educates the public on the need for water conservation and water demand management, assists other agencies and the general public in understanding MPWMD requirements and rules, performs inspections on properties to ensure compliance with water

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efficiency standards, rules and regulations, organizes and oversees water efficiency training and seminars, and assists in research, analysis, and reporting on water demand management and conservation programs.

Linen/Towel Reuse Program

The linen/towel reuse program provides cards giving guests the option of reusing or obtaining new linens and towels in hotel rooms, for restaurant "drinking water served only on request" tent cards, and for conservation message mirror clings. These programs are mandatory within the MPWMD. In September 2015, MPWMD began systematically verifying that all non-residential uses met the requirements. Non-compliant businesses were given 30 days to make corrections.

During 2015, MPWMD distributed the following:

- Towel Cards 1,400 pieces
- Water Service on Request Cards (see photo on right) 2,100 pieces
- Linen Reuse Pillow Cards 2,000 pieces
- Conservation Message Mirror Clings 2,300 pieces



The California Irrigation Management Information System (CIMIS)



During 2015, MPWMD staff continued its coordination with the California Department of Water Resources staff and local golf course operators, including Laguna Seca Golf Ranch and the City of Pacific Grove to maintain locations for CIMIS stations in ETo Zones 2 and 3. The locations provide full coverage ETo data for the Monterey Peninsula. MPWMD staff maintains the stations by cleaning the devices periodically.

Water Conservation Seminars/Workshops

MPWMD has focused its training agenda on helping provide the tools necessary for gardeners, landscapers, builders. homeowners, plumbers and others to maximize water efficiencies. During 2015, 19 educational workshops were held. Graywater Laundry to Landscape Systems and rainwater harvesting continued to be very popular. Graywater installation kits containing a three-way diverter valve, PVC connections, irrigation tubing, and other components were provided to participants that committed to installing a system in their homes the weekend following the class. During 2015, MPWMD hosted five



Rainwater Harvesting workshops included samples of various types of cisterns

greywater installation trainings and one live demonstration installation reaching 290 people. Four rainwater harvesting trainings and three live demonstration installations were conducted, reaching 288 people. MPWMD held one irrigation controller class with 15 attendees. One Commercial, Industrial and Institutional Water Efficiency class was held and reached 37 people. A deep root irrigation class was attended by 13 people. In total, 643 people attended a water efficiency training with MPMWD in 2015. The cost for all classes was \$26,781.

Graywater workshops were well attended.

Water Wise Gardening for Monterey County



Water Wise Gardening for Monterey County is a highly desirable landscape planning software that was designed specifically for Monterey County. The GardenSoft software was developed with sponsorships from California American Water and MPWMD through the WAC. It provides photos of various types of local gardens examples, including front and back yards, hillsides, raised planters, shrub and perennial borders, walkways, parking strips, patio areas, theme gardens, native gardens, decks, fences, gates, surfaces,

benches, trellises, low-maintenance gardens, and Mediterranean style gardens. There are hotlinks embedded within the garden images of plants which link to photography, plant or material identification, and related information. Users are able to search for plants relevant to specific Monterey County areas by botanical name or common name, by look or color, by general variety, and much more. A brief questionnaire leads the user to the appropriate plants to solve their gardening wants or needs. A series of information pages are provided that list watering tips on a month-by-month basis and general lawn and planting area instructions for each month of the year.

The software is available as a web application for an annual subscription of \$5,000 for unlimited access and that can be reached via links from the California American Water/MPWMD conservation website (www.monterey.watersavingplants.com/monterey.php) and from the WAC website (http://www.monterey.watersavingplants.com/monterey.php). During 2015, the web application had 4,207 unique hits on the websites. A breakdown of site hits by month is shown on www.monterey.watersavingplants.com/monterey.php). During 2015, the web application

Upgrades to the Water-Wise Gardening program were made in 2015. These upgrades added features such as a landscape watering schedule calculator and streamlined the site navigation for an improved user experience. The Water Calculator allows home owners to plug in their location, plant type, sprinkler type, slope, exposure and local watering restrictions to create an accurate watering schedule for their landscape. For a cost of \$4,000 the following changes were made:

- Rebuilt the cascading menu across all pages
- Built a Water Calculator based on local ETo Zones
- Reconstructed the message panel
- Added hotlink toggle switches
- Backgrounds were switched

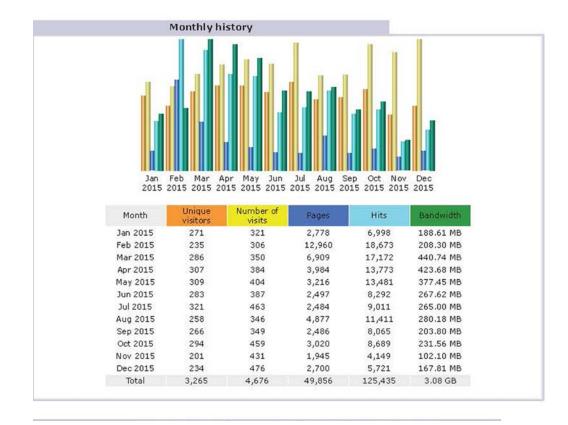


TABLE 12. WATER WISE GARDENING FOR MONTEREY COUNTY, WEBSITE HITS BY MONTH, 2015

Water Audits/Budgets

The Landscape Water Audits and Landscape Water Budgets program involves an on-site analysis of existing plant types and locations, soil types, existing irrigation and watering practices and equipment. The auditor determines a watering budget based on those factors and efficient water use. Stage 2 Water Conservation (and higher stages) implements enforcement of Landscape Water Budgets to maintain regulatory compliance. During Stage 2 (and higher stages), all water users required to have a landscape water budget must manage outdoor irrigation within their budget. Use in excess of the landscape water budget is considered water waste and is subject to water waste fees and enforcement. Every October (i.e., beginning of a new Water Year), California American Water reviews their customer consumption database to determine which customers are subject to the audit/budget requirement.

In 2015, WaterWise Consulting completed 3 landscape audits/budgets. The total cost of these audits was \$8,600. Each report has suggestions regarding retrofits or changes in controller settings to save water. The most common irrigation recommendations are replacing the irrigation controllers with weather based controllers, retrofitting spray heads with rotary nozzles, and fixing general problems with the irrigation system.

A minimum number of audits were conducted in 2015 as MPWMD was revising its Expanded Conservation and Water Rationing Plan. Revisions adopted in 2016 eliminated the requirement, as it had diminishing returns. Instead, audits are only being conducted for specific projects as needed.

Conservation Devices and Materials

MPWMD provided customers with various free water savings devices including 1.5 GPM showerheads and 0.5 GPM faucet aerators for the bathroom, 1.5 GPM aerators for the kitchen, leak detection tablets/kits and outdoor water saving tools. In 2015, MPWMD tracked the distribution of the various water savings devices to identify the total number of devices distributed and where or how they were distributed to customers. For all conservation related events, customers who received water conserving devices were verified as California American Water customers.

The various devices are distributed at a number of events, including but not limited to:

- Community events, including presentations
- MPWMD Front Desk (walk-in customers) and upon customer request
- On-site inspections
- During water waste enforcement visits

In addition to the standard devices listed under the CUWCC's BMP 2 requirements, MPWMD also offered a variety of devices to help improve water use efficiency. Items included in this list were funded by both the conservation budget and by MPWMD.

<u>Table 13</u> provides information for each type of water saving device (and estimated water savings when available) was distributed by MPWMD during 2013.

	Savings	Number	Savings
Showerheads	0.00616	2600	16.016
Hand Held Showerheads	0.00616	508	3.12928
Pistol Grip nozzles		320	
Moisture Meters		472	
Faucet aerators 0.5	0.0017	720	1.224
Faucet aerators 1.5	0.0017	225	0.3825
PRSV	0.3921	3	1.1763
Kitchen Squeegees		315	
Shower timer		400	
Rain Gauge		12	
Leak detector tablets	0.0007	650	0.455

TABLE 13. MPWMD CONSERVATION DEVICE DISTRIBUTION

Lawn Rebate Program

The Lawn Removal Rebate Program has been very effective since its redesign in 2012. The application process is straightforward and easy for applicants to understand. Very few applications are denied compared to before the program redesign because ineligible applicants weed themselves out. Because photos of the lawn and two years of water records are necessary to apply people with dead lawns or previously removed lawns no longer seek the rebate. The program could be better advertised possibly by targeted mailings. Many people find out about the program from a landscaper after hiring them to remove the lawn. Synthetic turf installers all encourage their clients to apply for the rebate. In summary, the program often reaches people who already planned to remove their lawn rather than helping people pay for the cost that might otherwise not remove it.

2013 – Nineteen properties removed some or all of their lawn in 2013. A total of 31,008 squarefeet of lawn was removed.

2014 – 43 properties removed 58,781 square feet of lawn in 2014. The average removal was 1,277 square feet per site. Lawn removal ranged from 380 to 4,200 square-feet.

2015 – 38 properties removed 56,805 square feet of lawn. The lawn rebate program paid out \$52,247 in 2015. The average size residential lawn removal project was 1,450 square feet.





Monterey Peninsula Water Management District – 2015 Programs Funded by MPWMD

The following projects and activities were funded during 2015 by MPWMD.

Mandatory Water Efficiency Requirements

A primary MPWMD responsibility is enforcement of its conservation and efficiency requirements for new construction, remodels/additions, change of ownership/use, expansion of use, visitor serving facilities, existing non-residential uses and water waste. MPWMD sends two to three inspectors into the field daily to conduct site inspections. Non-compliance is followed up with enforcement procedures until compliance is achieved.

MPWMD conducted 1,838 inspections of properties in 2015, 695 of which were inspected for change of title compliance (some properties required more than one inspection) and 539 were able to verify compliance through other methods. During 2015, 1,508 properties transferred ownership in the MPWMD.

Water Permit inspections were also conducted to verify that required retrofits were completed, although most Water Permits issued at this time do not result in significant water savings and are usually the result of offsets (credits) whereby the applicant has installed highly water efficient fixtures to offset new water fixtures. MPWMD staff conducted 820 inspections to verify either compliance with Water Permit conditions or to pre-inspect a property to document existing conditions prior to issuing a Water Permit.

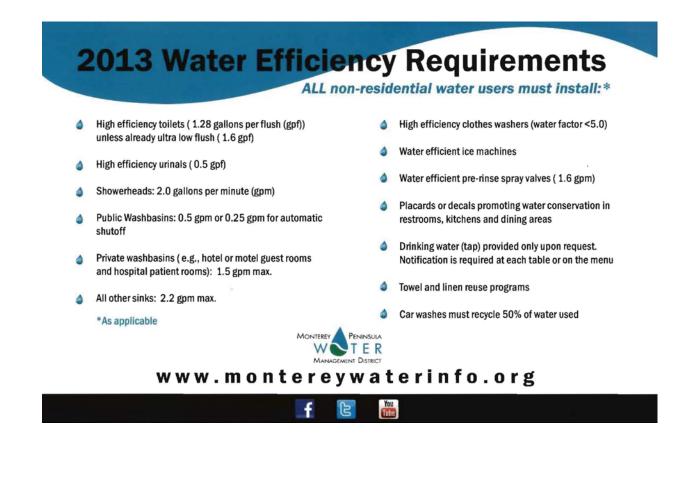
Water savings associated with the MPWMD's retrofit requirements that were verified by inspection in 2015 were estimated to add 22.3 AFA to annual conservation savings.

Water Permits have numerous water efficiency requirements attached as conditions of approval. MPWMD enforces these restrictions through recordation of deed restrictions that specify the requirements. Of the 682 Water Permits issued in 2015, all properties had a requirement for a deed restriction prior to issuance of the final permit. A portion of those properties had deed restrictions from a previous Water Permit that had to be updated. MPWMD's deed restrictions on the property title alert new owners to the MPWMD's regulations, making it easier to remove contingencies. Although deed restrictions do not guarantee that a property will exist continually in a state of compliance with the Water Permit, a deed restriction increases the probability that current and future property owners will be informed of the permit conditions.

Non-Residential Water Efficiency Requirements

In 2009, MPWMD adopted strict retrofit requirements for existing non-residential water users. The requirements included mandatory retrofitting of toilets, showerheads and faucet aerators, as well as other required actions. By the end of 2013, all non-residential customers were required to install High Efficiency Toilets (if the toilet was not already 1.6 gallons per flush), High Efficiency Urinals and other aggressive retrofits.

MPWMD staff began systematically canvasing neighborhoods during 2015 to verify compliance with the non-residential water efficiency requirements. The effort will continue through 2016. The process involves interior inspections, and properties with exterior use are referred to California American Water for their verification of compliance with the Rate Best Management Practices. A summary of the requirements are shown below on a postcard delivered to all non-residential customers and property owners:



Conservation Program Staffing

The Water Demand Division of the MPWMD employs a staff of seven (including one and onehalf positions funded by the conservation surcharge). MPWMD expended approximately \$628,000 in regular full-time labor costs for the conservation staff in 2015. Additional costs are associated with overhead costs (including staff time from other divisions of the MPWMD, including the General Manager's office and Support Services), transportation/vehicle expenses, office supplies, training, and travel.

MPWMD partially funds the administration costs of the Rebate Program, including an accountant who processes and issues the rebate checks, and an office specialist who opens mail, and who prepares the checks for mailing and delivers them to the postal service. During 2015, MPWMD continued employment of a temporary full-time employee at an additional cost of \$40,000 to assist with data migration from paper to electronic format. The MPWMD's direct involvement in the administration of the program ensures that program savings are tracked and are not double-counted in another MPWMD program or in any program administered by California American Water.

Water Conservation Website

The water conservation partnership website, <u>www.montereywaterinfo.org</u> is hosted on MPWMD's server, with full editing capabilities by both California American Water and MPWMD staff. As a quality control measure, there are a limited number of employees authorized to make changes to the website. The website is designed to provide factual information with a focus on the Monterey Peninsula's water conservation and efficiency programs. During 2015, MPWMD staff regularly provided time to update and maintain the information on the joint website.

Rebate Program

The Monterey Peninsula's Rebate Program continued through 2015. During 2015, 2,090 applications were received, of which 1,644 were approved. This is in keeping with the approval level of rebates from previous years. Between one-quarter to one-third of the applications are denied because of MPWMD permit or conservation requirements for the device(s) or because the device does not meet the standards for a rebate. During 2015, \$522,388 was refunded for purchase and installation of the many items covered by the Rebate Program.

Calendar 2015	Rebate Paid	Number of devices	Estimated AF	Gallons Saved (Approximate)
High Efficiency Toilet (HET)	33695.90	252	10.52	3.4 Million
Ultra-Low Flush to HET	37050.20	537	5.37	1.7 Million
Ultra HET	11445.42	84	0.84	374,000
High Efficiency Dishwasher	27750.00	224	0.672	219,000
High Efficiency Clothes Washer	310,934.60	623	10.030	3.3 Million
Instant-Access Hot Water System	5137.09	26	Varies	Varies
On Demand Systems	900	9	Varies	Varies
Zero Use Urinals	300	1	0.02	6,500
Pint Urinals	492.12	2	0.04	13,000
Cisterns	39367.89	70	Varies	Varies
Smart Controllers	1960.00	14	Varies	Varies
Rotating Sprinkler Nozzles	776.00	194	Varies	Varies
Moisture Sensors				
Lawn Removal & Replacement	52247.00	38	4.658	1.5 Million
Graywater	300	3	Varies	Varies
Total	522,356.22	2,077	>32.15	>24,965,158

TABLE 14. 2015 REBATE PROGRAM SUMMARY

Monterey Bay-Friendly Landscaping



Monterey Bay-Friendly Landscaping & Gardening programs are a collaborative effort between Ecology Action, MPWMD, CA Landscape Contractors Association (Central Coast Chapter), Ecological Landscaping Association, Monterey Bay Master Gardeners, Surfrider Foundation, Resource Conservation Districts, and more than 20 public agencies representing water utilities, solid waste and recycling, stormwater management. The primary goal of Monterey Bay-Friendly Programs is to encourage behavior changes that lessen the impact of conventional landscape practices on the local environment by providing home gardeners, landscape professionals, and local governments with the necessary skills and resources to create beautiful, healthy, and sustainable gardens, and landscapes. MPWMD staff certified 15 properties as Monterey Bay-Friendly Landscapes. Monterey Bay-Friendly Rated Landscapes is a rating system that recognizes excellence in sustainable landscape design, construction and maintenance practices in the Monterey Bay Area. This voluntary, third-party verified rating system applies to new construction or renovations of civic, commercial, institutional, single-family residential and multifamily property landscapes. It provides property owners and landscape professionals with a regionally consistent framework for creating healthy, environmentally sound landscapes. Property owners and landscape industry professionals that design and maintain a landscape to Monterey Bay Friendly standards are provided public recognition, educational signage and incentives.

Best Management Practices (BMPs)

By approving MPWMD Resolution 2012-12, the Board of Directors adopted three highly respected resources for information on water efficiency Best Management Practices or BMPs. BMP's include mandated retrofits of the District, as well as water efficiency retrofits and devices that go beyond the District's requirements. Adoption of these specific informational resources¹ allows the Non-Residential sector to have a consistent source of information that can be used to budget for and implement proven retrofit technology and programs to save water and money.

A Best Management Practice (BMP) is a conservation measure or device that results in proven, cost-effective water savings. BMPs normally result in significant water savings and are generally accepted among water efficiency experts. Examples include High Efficiency Toilets (HET) and High Efficiency Urinals (HEU). Industries such as food service, laundromats, medical and health care systems, and hotels and motels have BMPs specific to their end uses of water. In many cases, BMP implementation requires an initial expenditure with a reasonable return on investment.

The Rebate Program offers significant financial support to achieve BMPs. In addition, MPWMD and California American Water can assist with auditing businesses to identify potential retrofits and to document completed BMPs. Both the District and California American Water have other programs that can provide assistance to achieve BMP compliance for large irrigated areas and for local schools.

¹ East Bay Municipal Utilities District's WaterSmart Guidebook (http://www.ebmud.com/sites/default/files/pdfs/WaterSmart-Guidebook.pdf), Alliance for Water Efficiency's Resource Library (<u>http://www.allianceforwaterefficiency.org/resource-library/default.aspx</u>) and CUWCC's Resource Center Product Information (<u>http://cuwcc.org/docDetail.aspx?id=230</u>)

Save Water Go Blue!

SAVE WATER GO BLUE! MPWMD sponsored this 2014-2015 outreach program with its own funds. In August 2014, the Board of Directors dedicated \$65,000 of its drought reserve to fund the program in response to the State Water Board's conservation regulations implemented in August 2014. The campaign included radio, television and print ads, free public workshops, "Drive Thru Drought Days" conservation equipment distributions, rebate program outreach, and other activities.

MPWMD staff also attended numerous community events to promote water efficiency. As part of its drought response, MPWMD provided \$50 rain barrel "vouchers" to participants in is rainwater harvesting classes that could be redeemed at local retailers.

Other Conservation/Water Efficiency Activities

MPWMD participated with the State Water Board's informal workgroup on next steps for water conservation regulations. MPWMD staff also participated in the Association of California Water Agencies discussions on statewide drought response, and served on the Monterey County Drought Task Force. Presentations were made at the American Water Works Association conference and at WaterSmart Innovations, both in Las Vegas. MPWMD presented to the local Drought Task Force on the local conservation actions, as well as its SAVE WATER GO BLUE conservation outreach campaign.

MPWMD staff presented to conservation-related presentations to the hospitality industry and business coalition representatives, local service organizations, Monterev County Association of Realtors and individual realtor offices. homeowner's associations, local jurisdictions, and other groups. Specific training for hospitality industry managers and operators was help to acquaint them with cost-effective ways to reduce water and energy use in their businesses.



MPWMD General Manager Dave Stoldt and Water Demand Manager Stephanie Locke speak to the Monterey County Hospitality Association

MPWMD hosted several workshops on its new 2016 Monterey Peninsula Water Conservation and Rationing Plan prior to adoption. The "2016 Monterey Peninsula Water Conservation and Rationing Plan" replaced the former "Expanded Water Conservation and Standby Rationing Plan" in MPWMD Regulation XV on March 18, 2016. The Monterey Peninsula Water Conservation and Rationing Plan includes of four stages: The first stage focuses on water waste prohibitions and conservation. The second stage is a "call for action" or voluntary rationing whereby a target percentage reduction is determined and the community is asked to do their share to reduce use to meet the target. The third stage implements "conservation rates" in the California American Water system. Stage 4 rations households and implements mandatory restrictions on non-essential water use as the first water rationing measures (residential use is approximately 70 percent of total consumption). If household rationing does not work, nonresidential rationing would be implemented along with additional restrictions on non-essential water uses. There are variances available for hardship situations and for large households. A copy of the 2016 Monterey Peninsula Water Conservation and Rationing Plan is provided as <u>Appendix 1</u>.

Monterey Peninsula Water Management District – 2016 Program Goals

In 2016, MPWMD will continue to focus its efforts to develop and implement regulations and strategies to reduce non-residential and outdoor consumption. The current efforts of MPWMD and California American Water have been quite successful in reducing upper tier (i.e., Tier 4 and Tier 5) and non-residential water use. Outdoor water use continues to receive recognition as the most likely place to achieve significant water savings on the Monterey Peninsula. MPWMD will continue enforcing water efficiency requirements for all non-residential users, and educating these customers about other potential and cost-effective retrofits. Finally, MPWMD will implement a water pressure education program and campaign to replace failed pressure reducing valves.

Program	Funding	Budget	Implementation Plan	Timeline
Pressure Reducer Pilot Program	CAW	\$35,000	Offer installation of pressure reducing valves at high pressure single family homes that have water efficient appliances to determine water savings	Summer 2016
In-Line Meter Pilot Program	CAW	\$35,000	Purchase in-line meters and allow them to be "checked out" for CII monitoring of water using equipment	Fall 2016
Rebate Program	CAW	N/A	Rebate program for cost-effective retrofits. MPWMD provides administration—Rebate fund by California American Water	Ongoing
Water efficiency training and education	CAW and MPWMD	\$25,000	Sponsor workshops, trainers, speakers and other community and industry-specific events	Through Dec 2016
CII water efficiency requirement verification	MPWMD		Site inspect CII sites to verify compliance with water efficiency requirements	Ongoing
Sponsor and/or participate in community	MPWMD	\$5,000	Provide sponsorship and staff outreach at local water efficiency- related events and conferences	Annually

TABLE 15. 2016 MPWMD CONSERVATION PROGRAMS

Program water efficiency events	Funding	Budget	Implementation Plan	Timeline
Linen and Towel Program	CAW	\$5,000	Continue supporting program with existing inventory and outreach	As needed
Water Wise Gardening for Monterey County (Garden Soft)	CAW	\$5,000	Annual license for web-based software	Annually
Conservation devices	CAW and MPWMD	\$50,000	Purchase water conservation and efficiency devices to provide to customers free or at reduced charge	As needed
CIMIS stations	CAW	\$2,400	Maintain three CIMIS stations on the Monterey Peninsula.	Ongoing
Enforcement of MPWMD regulations	MPWMD	N/A	Implementation and enforcement of MPWMD policies and regulations	Ongoing

Pressure Reducer Pilot Program

This program would provide information and reimbursements for pressure regulator valve replacements/installations on the customer's side of the meter at Residential and Non-Residential Sites throughout the California American Water Service Area. The impetus for this program involves pressure data collected during 140+ home inspections conducted by Peninsula Home Inspections LLC in the California American Water system between 2012 and 2015. The testing identified a high percentage of homes that had water pressure levels that

exceeded 60 pounds per square inch ("psi"), and there was also a high incidence of nonfunctioning pressure reducing valves. MPWMD staff conducted its own pressure testing at homes in an area of Monterey (Alta Mesa Circle) and determined that pressure in that Residential neighborhood exceeded 145 psi: Approximately half of the homes tested had failed pressure reducing valves. In one case, the homeowner said her freezer's ice maker broke due to pressure. In another, an Irrigation System was not functioning properly, with emitters popping off as the result of the high pressure and no pressure reducer on the Irrigation System.

Private pressure reducing valves have a lifetime of approximately ten years. Most customers know little about the device's function or that it must be periodically checked to be sure it is operational. Low Water Use Plumbing Fixtures are designed to achieve specific flow rates at a set water pressure, usually 60-80 psi. Higher water pressure results in higher than designed flow rates and in leaks and other problems. Pressure Regulator Program participant's water use will be tracked to measure the reduction in water use achieved by installation of a pressure regulator valve. A similar successful program is in place Austin, Texas. A budget for this project is \$35,000.

In-Line Metering Pilot Program

This program involves water use on the CII customer's side of the meter. It will provide in-line meters at no cost for application on water lines serving high use appliances or other uses. For example, an in-line meter could be installed on the water service to a cooling tower. By metering the use, the customer is able to identify inefficiencies or leaks in the system and is able to determine appropriate retrofits to significantly reduce water use. A similar concept applies to commercial kitchen appliances (i.e., wok stoves, dishwashers, steam ovens, etc.), medical equipment (i.e., sterilizers) and to high use facilities such as laundromats, commercial laundry rooms, health clubs, etc. The pilot program would involve the installation of approximately 50 in-line meters per year, and would include tracking of water use before and after retrofits. Depending on the circumstances (e.g., if outdoor water use has not been stopped), in-line metering would also prove useful in identifying irrigation system leaks and inefficiencies. The budget for this project is \$35,000.

Rebate Program

MPWMD will continue to promote and administer the Rebate Program. MPWMD will provide information about rebate opportunities via industry newsletters and email blasts, through District newsletters and speaking engagements, and through the local media.

Water Efficiency Training and Education

MPWMD will work with California American Water and other interested agencies to sponsor training and workshops that benefit California American Water's customers. The goal of any training conducted on the Monterey Peninsula is to attract local professionals and gardeners who do business on the Peninsula. In addition, other workshops and courses will be targeted to the homeowner or business owner to help them with water efficiencies on their own properties.

Currently planned workshops/classes include:

- May 14[:] Rainwater Class (repeated in the Fall)
- May 14[:] Garden Tour @ Jewell Park
- May 21: Graywater Class (repeated in the Fall)
- June 4: Irrigation Efficiency Class (repeated in the Fall)
- June 4: Get to Know Your Irrigation Controller (repeated in the Fall)
- June 12: Rainwater Harvesting System Demo Install at Garland Ranch
- June 25: Convert Thirsty lawn to a Drought Tolerant Garden
- June/July: MWELO is Here to Stay
- TBD: Certified Landscape Irrigation Auditor Training
- TBD: Mini-workshops at the Monterey County Fair

CII Water Efficiency Requirement Verification

MPWMD will continue to prioritize its inspection efforts to verify installation of mandated water efficiency equipment in non-residential properties. MPWMD will support the efforts to achieve BMPs for the various businesses and industries on the Peninsula.

Sponsor and/or Participate in Community Water Efficiency Events

MPWMD frequently participates in community events, most of which are summarized under California American Water's Outreach section of this report. MPWMD will provide staff to educate the public about its programs and will offer free water saving devices. A key reason for both MPWMD and California American Water's participation in these events is that each has expertise in their area and can respond to different questions from the public. For example, questions about rates are referred to California American Water staff and questions about regulations are referred to MPWMD staff.

In addition to outreach events, MPWMD water efficiency staff will be making presentations to area business groups to promote water efficiency practices during the drought. These presentations will take place throughout 2016. Along with speaking, MPWMD will be providing mailing information to owners/tenants of non-residential properties through direct mail pieces.

Linen and Towel Program

CONSERVING WATER is a shared responsibility

Please use only what you need.

For information about conservation efforts undertaken by this facility, please inquire.

MPWMD will continue to support distribution of mirror clings and other visitor-serving commercial signage that promotes water conservation during 2016.

Water Wise Gardening for Monterey County (GardenSoft)

MPWMD will renew the web license annually during this rate cycle and will promote the

availability of the software through social media, televised board meetings and other outreach opportunities.

Conservation Devices and Publications

During 2016, MPWMD will coordinate with California American Water to acquire and distribute devices and publications to help customers reduce water consumption. Brochures will be updated and reprinted. In addition, MPWMD staff will be preparing a comprehensive brochure to inform the public about the conservation and water efficiency requirements of the MPWMD.



CIMIS Stations



MPWMD will continue to maintain three CIMIS stations on the Monterey Peninsula during 2016. The Carmel Station (at Rancho Canada) will need to be moved, and MPWMD will work with DWR to find a suitable location, ideally in the vicinity of the Quail Lodge. MPWMD staff will continue performing periodic maintenance at the stations to clean the equipment for optimal performance. Costs associated with the CIMIS stations are only for cellular lines to transmit data to the Department of Water Resources.

Michael Boles demonstrates the CIMIS station maintenance procedure for new MPWMD Conservation Representative Maryan Gonnerman (2015)

Enforcement of MPWMD Regulations

MPWMD will continue its inspection and enforcement procedures to achieve compliance with its water efficiency rules and will help the public achieve compliance with the various rules. MPWMD will also be focusing on documenting compliance with commercial BMPs, including enforcement of requirements that will eliminate Division 4 customers under the current BMP rates. Inspectors will continue enforcement of water waste rules.

MPWMD Rules and Regulations can be found on the District's website: <u>www.mpwmd.net</u>.

ITEM: CONSENT CALENDAR

4. CONSIDER EXPENDITURE FOR TEMPORARY AGENCY EMPLOYEE TO ASSIST WITH DATA MIGRATION IN THE WATER DEMAND DIVISION DURING FY 2016-2017

Meeting Date:	June 20, 2016	Budgeted:	Included in Proposed FY 2016-2017 Budget
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Temporary Personnel
Prepared By:	Cynthia Schmidlin Stephanie Pintar	Cost Estimate:	\$40,154

General Counsel Approval: N/A Committee Recommendation: The Administrative Committee reviewed this item on June 13, 2016 and recommended approval. CEQA Compliance: N/A

SUMMARY: As part of the water demand database project, all documents in the paper files of the Water Demand Division have been scanned and uploaded into the District's computer system by a temporary worker employed by a local staffing agency. Since January, 2012, there has been a process to move all of those documents and the information contained therein into the database itself. This process, known as data migration, is a necessary component of the database project, which has been a significant District investment.

RECOMMENDATION: Authorize the expenditure of funds for a local staffing agency to provide an individual, or successive individuals if necessary, to perform data migration duties in the Water Demand Division for 1,980 hours from July 1, 2016 through June 30, 2017. Approval of this item will be contingent upon final adoption of the FY 2016-2017 budget.

BACKGROUND: The Windows-based database contains more than 30,000 individual property files that have multiple associated data and documents compiled by the District. Data includes information relevant to transfers of title, water fixtures and uses, rebates issued, water credits and permits, rationing, etc. Data migration from multiple sources into the new database is a critical component for its success. It must be done prior to conducting inspections or issuing Water Permits, and is necessary for enforcement of the District's Rules and Regulations. Data migration requires an average of 45 minutes per file, depending on the extent of information available.

The assistance of a temporary worker allows staff to efficiently conduct their regular daily tasks of inspections, walk-in traffic, phone calls and essential follow-up. Since 2012, with the assistance of the temporary worker, staff estimates that approximately 67% of files have been migrated into the database. Each file contains an average of 8 documents. The temporary worker would continue to focus on data migration during the time of his assignment and would not provide other clerical or office assistance.

IMPACTS TO STAFF/RESOURCES: The cost of a temporary agency employee at \$20.28 per hour for 1,980 hours would be \$40,154. The FY 2016-2017 budget includes \$40,300 for temporary help in the Water Demand Division.

EXHIBITS

None

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ITEM: CONSENT CALENDAR

5. CONSIDER EXPENDITURE TO CONTRACT FOR LIMITED-TERM FIELD POSITIONS DURING FY 2016-2017

Meeting Date:	June 20, 2016	Budgeted:	Included in Proposed FY 2016-2017 Budget
From:	David J. Stoldt, General Manager	Program/	Aquatic Resources Fisheries
	C	Line Item No.:	2-3-2 B, C, F & 2-3-3 B,
			C; 2-3-4 B & 2-3-7 /
			Hydrologic 2-5-1 F
Prepared By:	Cynthia Schmidlin	Cost Estimate:	Up to \$81,647
General Counsel A	Approval: N/A		
Committee Recom	mendation: The Adminis	trative Committee re	viewed this item on June
13 ^h and recommen	nded approval.		
CEQA Complianc	e: N/A		

SUMMARY: The District has funded limited-term positions to assist District staff in the completion of field activities for many years. These positions are not on the District organization chart and their incumbents are not included in the District bargaining units. The schedules for these positions are part-time and largely seasonal in nature. Contracts are for six-month periods of time or less. However, limited-term employees may be offered subsequent contracts. Funding for these positions is included in the proposed 2016-2017 Fiscal Year (FY) budget.

Authorization is requested to hire several part-time limited-term *Water Resources Assistants* for a total of 2,580 hours. These hours will primarily be divided as follows: 850 hours will be used for juvenile fish rescues and rearing, fish tagging and fall population surveys. 560 hours will be devoted for the rescue and transport of steelhead smolts. 998 hours will be for the monitoring of adult steelhead counts, 292 hours will be for Carmel River and Lagoon water quality monitoring, and 292 hours would be for compiling well production and groundwater quality historical data. These positions would prevent the accrual of excessive compensatory time and overtime for higher level regular full-time positions. The Water Resources Assistants would be paid \$14.25 to \$14.75 per hour and cost up to \$47,034.

Authorization is also requested to hire several part-time limited-term *Fisheries Aides* for up to a total of 1705 hours of work during FY 2016-2017. These individuals will assist staff with basic labor tasks in the intensive rescues of steelhead juveniles and smolts in the lower Carmel River, as well as performing other fisheries tasks required to prepare for rescues. They may also assist in the release of reared fish from the Sleepy Hollow Steelhead Rearing Facility later in the year. The Fisheries Aides would be paid \$13.75 to \$14.00 per hour and cost up to \$26,223.

Additionally, authorization would be for an on-call Fish Rescue Crew Leader for up to 130 hours. The position, requiring a biologist with fish rescue experience and knowledge of electro-fishing technology is necessary for the District to be able to perform crucial weekend fish rescues. The Fish Rescue Crew Leader would be paid \$44.00 per hour and cost up to \$6,400.

RECOMMENDATION: Authorize the expenditure of funds to hire several limited-term Water Resources Assistants for up to a total of 2,872 hours of work, several Fisheries Aides for up to 1,705 hours, and one on-call Fish Crew Leader for up to 130 hours, from July 1, 2016 through June 30, 2017. Approval of this item will be contingent upon final adoption of the FY 2016-2017 budget.

IMPACTS TO STAFF/RESOURCES: The total cost of the limited-term contracts described above would not exceed \$81,647. Hourly rates are the same as the past fiscal year. It should also be noted that limited-term employees receive no District benefits in addition to their hourly wages, and additional costs to the District are limited to legally mandated payroll taxes and workers compensation insurance premiums. The FY 2016-2017 budget includes \$82,400 for these limited-term field positions. They are listed in the Project Expenditures section, under the Aquatic Resources Fisheries and Hydrologic Programs.

BACKGROUND:

- Water Resources Assistants: This job classification was created in December 1998 to assist A. staff in the Water Resources Division with field and administrative tasks, including rescuing of juvenile steelhead in the lower Carmel River, surveying of steelhead spawning habitat, and monitoring of groundwater and surface water resources within the Monterey Peninsula Water Resource System. It is needed to help ensure that tasks for the District's Fisheries Mitigation Program are completed on schedule. They have also been integral in conducting the California Stream Bioassessment Procedure (CSBP), developed by the Department of Fish and Game as a rapid bioassessment protocol and method to track overall stream health. Without the assistance of limited-term help, the ability to conduct these tasks would be severely impacted. Additionally, the Water Resources Assistants will support regular staff with lagoon water quality monitoring, well production and groundwater quality historical data compilation, and grant projects. The duties of the Water Resources Assistants are listed in the job description attached as Exhibit 5-A. These employees will work in the Water Resources Division and be supervised by the Senior Fisheries Biologist and Senior Hydrogeologist.
- C. <u>Fisheries Aides</u>: Over the past two decades, District staff has initiated rescues when streamflow receded below ten cubic feet per second at Highway One. This has occurred anytime between March and September. Rescues of steelhead in the tributaries began in late May this year. The District will be rescuing and transporting three groups of steelhead, including smolts, kelts (spawned-out adults) and juveniles. The smolts and kelts will be transported downstream to the lagoon or ocean, while juveniles will be transported upstream to permanent habitats above the Narrows. Additional help is needed to successfully perform this critical function. If staff attempted to conduct rescues with fewer workers, more fish would be lost because a smaller crew cannot effectively keep up with

the number needing rescue and cannot work fast enough to keep up with the retreating river front. It would also increase the risk of on-the-job injuries for people working too strenuously as they attempt to complete two critical jobs in the same period of time. The duties of the Fisheries Aides are listed in the job description attached as **Exhibit 5-B**. The incumbents of this position will work in the Water Resources Division and be supervised by the Senior Fisheries Biologist.

D. <u>Fish Rescue Crew Leader</u>: The Fish Rescue Crew Leader position was created in 2009, when the District began weekend fish rescues. The regular crew leader and other fisheries staff members qualified for this role are not able to work full-time during the week and also on the weekends. The duties of the Fish Rescue Crew Leader are listed in the job description attached as **Exhibit 5-C**.

EXHIBITS

- **5-A** Water Resources Assistant Job Description
- **5-B** Fisheries Aide Job Description
- **5-C** Fish Rescue Crew Leader Job Description

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EXHIBIT 5-A

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

WATER RESOURCES ASSISTANT

Part-time Limited-term Position

Class specifications are intended to present a descriptive list of the range of duties performed by employees in the class. Specifications are not intended to reflect all duties performed within the job.

DEFINITION

The Water Resources Assistant aids District staff in the implementation of various aspects of the fisheries and aquatic resources program on the Carmel River, Monterey County. The Water Resources Assistant will collect ecological and physical information on the fisheries resources of the Carmel River, assist in seasonal fish rescues during spring and summer, maintain field equipment used in the fisheries program, and assist District staff in the construction, operation and maintenance of steelhead restoration projects. Responsibilities will also include assisting staff in groundwater and surface water monitoring and vegetation monitoring around the Carmel River Lagoon.

SUPERVISION RECEIVED

Receives immediate supervision from higher level District staff.

ESSENTIAL FUNCTION STATEMENT

Under staff direction, this position is responsible for accomplishing monitoring tasks in the MPWMD Fisheries Mitigation Program, including:

- 1) Collection of field data on water temperature, fish population numbers distribution, vegetative distribution, percent cover, groundwater and surface water levels, and other ecological parameters.
- 2) Maintenance of technical equipment for fish rescue activities.
- 3) Entering and retrieving data using computer database.
- 4) River reconnaissance and habitat surveys.
- 5) River cross section and profile surveys.

The Water Resources Assistant will also work, as needed, on fisheries restoration projects, general maintenance, and other special projects.

QUALIFICATIONS

Knowledge of:

Basic computer database management technique Biological sciences Physical sciences Basic principles of field data collection

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT Water Besources Assistant (Continued)

Water Resources Assistant (Continued)

Ability to:

Participate in a variety of biological and environmental work and studies Record clear and accurate field notes Perform work which involves lifting, pushing and /or pulling and of objects which may weigh approximately 50 to 100 pounds Assist with river management and fisheries restoration projects Understand and follow oral and written instructions Communicate clearly and concisely, both orally and in writing Establish and maintain effective working relationships with those contacted in the course of work Maintain mental capacity which allows for effective interaction and communication with others Maintain effective audio-visual discrimination and perception needed for making observations, communicating with others, reading, writing and operating assigned equipment. Maintain physical condition appropriate to the performance of assigned duties and responsibilities

Experience and Training Guidelines

Experience:

Some experience in field biology and data collection and reporting is desirable

Training:

Equivalent to the completion of the twelfth grade, supplemented by at least two years of college level course work in environmental science, biology, ecology, forestry, the physical sciences, or a related field.

License or Certificate:

Possession of, or ability to obtain, an appropriate, valid driver's license

WORKING CONDITIONS:

Environmental Conditions:

Office and field environment; work in and around water; exposure to electricity and atmospheric conditions

Physical Conditions:

Essential functions of the job require maintaining physical condition necessary for moderate to heavy lifting and carrying; standing and walking for prolonged periods of time; operating motorized equipment and vehicles.

Vision:

See in the normal visual range with or without correction; specific vision abilities required by this job include close and distance vision, color perception and depth perception.

Hearing:

Hear in the normal audio range with or without correction.

EXHIBIT 5-B

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

FISHERIES AIDE

Part-time Limited-term Position

DEFINITION

The Fisheries Aide will assist District fisheries staff in capturing steelhead from the Carmel River, transporting the fish to the Sleepy Hollow Steelhead Rearing Facility and placing the steelhead in quarantine tanks, as well as performing other fisheries tasks required to prepare for rescues.

SUPERVISION RECEIVED

Receives immediate supervision from the Senior Fisheries Biologist and other District fisheries staff.

ESSENTIAL FUNCTION STATEMENT

Under staff direction, this position is responsible for:

- 1) Removing electro-fished steelhead from the Carmel River with nets and buckets.
- 2) Carrying buckets of captured steelhead to the fish transport vehicle and transferring fish into holding tanks.
- 3) Removing steelhead from the fish transport tanks and placing them in fish quarantine tanks.
- 4) May assist fisheries staff in basic maintenance of fish transport vehicle, rescue equipment, and Sleepy Hollow Steelhead Rearing Facility equipment.

QUALIFICATIONS

Fish Rescue Workers must be have experience performing strenuous physical labor in an outdoor environment.

Environmental Conditions:

Field environment; work in and around water; exposure to atmospheric conditions

Physical Conditions:

Essential and marginal functions may require maintaining physical condition necessary for bending, lifting and carrying fish buckets up to 50 pounds; walking with buckets over uneven ground, sense of touch; finger dexterity and gripping with fingers and hands; limited repetitive motion.

Vision:

See in the normal visual range with or without correction; specific vision abilities required by this job include close and distance vision, color perception and depth perception.

Hearing:

Hear in the normal audio range with or without correction.

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EXHIBIT 5-C

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

FISH RESCUE CREW LEADER

Part-time Limited-term Position

DEFINITION

The Fish Rescue Crew Leader will supervise District staff in the capture of steelhead from the Carmel River, transportation of the fish to the Sleepy Hollow Steelhead Rearing Facility and placement of the steelhead in quarantine tanks, as well as performing other fisheries tasks required to prepare for rescues.

SUPERVISION RECEIVED

Receives general direction and training from the Senior Fisheries Biologist and Associate Fisheries Biologists.

ESSENTIAL FUNCTION STATEMENT

This position is responsible for directing District staff in the following tasks:

- 1) Removing electro-fished steelhead from the Carmel River with nets and buckets.
- 2) Carrying buckets of captured steelhead to the fish transport vehicle and transferring fish into holding tanks.
- 3) Removing steelhead from the fish transport tanks and placing them in fish quarantine tanks.
- 4) May assist fisheries staff in basic maintenance of fish transport vehicle, rescue equipment, and Sleepy Hollow Steelhead Rearing Facility equipment.

QUALIFICATIONS

Fish Rescue Workers must have at least one year experience directing fish rescues and hold a current training certification in Electro-fishing Technology and Principles.

Environmental Conditions:

Field environment; work in and around water; exposure to atmospheric conditions

Physical Conditions:

Essential and marginal functions may require maintaining physical condition necessary for bending, lifting and carrying fish buckets up to 50 pounds; walking with buckets over uneven ground, sense of touch; finger dexterity and gripping with fingers and hands; limited repetitive motion.

Vision:

See in the normal visual range with or without correction; specific vision abilities required by this job include close and distance vision, color perception and depth perception.

Hearing:

Hear in the normal audio range with or without correction.

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ITEM: CONSENT CALENDAR

6. CONSIDER EXPENDITURE TO CONTRACT FOR A LIMITED-TERM PROJECT MANAGER IN THE PLANNING AND ENGINEERING DIVISION DURING FY 2016-2017

Meeting Date:	June 20, 2016	Budgeted:	Included in the Proposed FY 2016-2017 Budget			
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Water Distribution Permitting 2-8-1 and 2-8-6			
Prepared By:	Cynthia Schmidlin	Cost Estimate:	\$34,976			
General Counsel Approval: N/A Committee Recommendation: The Administrative Committee reviewed this item on June 13, 2016 and recommended approval. CEQA Compliance: N/A						

SUMMARY: The Planning and Engineering Division has employed a limited-term Project Manager since January 2016 to provide training to Water Demand Division staff on the Water Distribution System permit process, as well as for providing assistance to the public regarding more complex permits. The need for this training and support will continue in FY 2016-2017. Additionally, the limited-term employee is needed to complete the Planning and Engineering file room reorganization project that involves going through file cabinets and determining those documents that will be selected to be converted digital format, streamlining the reference process and eliminating unnecessary and redundant materials. The contract would be for up to 644 hours at \$50.22 per hour. The limited-term employee would not receive any benefits, other than those mandated by state and federal law.

RECOMMENDATION: Authorize the expenditure of funds to hire a limited-term Project Manager for up to 644 hours of work from July 1, 2016 through June 30, 2017. Approval of this item will be contingent upon final adoption of the FY 2016-2017 budget.

IMPACTS TO STAFF/RESOURCES: The cost to the District for the limited-term contract described above would not exceed \$34,976. Funding for this position is included in the proposed FY 2016-2017 budget. Some of the work on water distribution system permits would be reimbursable from the applicants.

EXHIBIT

None

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ITEM: CONSENT CALENDAR

7. CONSIDER RENEWAL OF STANDARD LICENSE AGREEMENT WITH CORELOGIC INFORMATION SOLUTIONS, INC.

Meeting Date:	June 20, 2016	Budgeted: Yes					
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	Services & Supplies 26-05-761000				
Prepared By:	Stephanie Locke	Cost Estimate:	\$13,500.00				
General Counsel Approval: N/A Committee Recommendation: The Administrative Committee reviewed this item on June 13, 2016 and recommended approval.							

CEQA Compliance: N/A

SUMMARY: The District has contracted with CoreLogic Information Solutions to license its online RealQuest Professional services since 2001. The RealQuest service supports the District's programs by providing property information needed for noticing, deed restriction preparation and enforcement of the District's water efficiency standards. The service is utilized daily by the Water Demand Division, and occasionally by the Water Resources Division and the Planning and Engineering Division. There are no other reasonably accessible alternative sources for the information provided by RealQuest at this time.

The RealQuest license includes:

- Property Profile/Reports
- Street Map Search
- Parcel Maps
- Street Maps Plus
- User sign-on and passwords for eight staff (six in Water Demand; one in Water Resources and one in Planning and Engineering)
- Access to recorded documents and associated document imaging

Staff is requesting authorization to spend \$13,500.00 to continue the license for RealQuest services. Funding for this expenditure is included in the Fiscal Year 2016-2017 budget.

RECOMMENDATION: Staff recommends the Administrative Committee ratify this item with a recommendation that the Board authorize staff to expend up to \$13,500.00 for the standard license agreement and deposit.

EXHIBIT

None

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ITEM: CONSENT CALENDAR

8. CONSIDER CONTINUANCE OF CONTRACT WITH ZONE 24X7 FOR WATER DEMAND DATABASE IMPROVEMENTS AND MAINTENANCE

Meeting Date:	June 20, 2016	Budgeted:	Yes
From:	David J. Stoldt General Manager	Program: Line Item No.:	Water Conservation 6-7811.80
Prepared By:	Mark A. Dudley	Cost Estimate:	\$60,000

Administrative Services Division Manager/Chief Financial Officer Review: Yes Committee Recommendation: The Administrative Committee reviewed this item on June 13, 2016 and recommended approval. CEQA Compliance: N/A

SUMMARY: Staff is requesting authorization to expend budgeted funds to continue software programming needs related to the District's Water Demand Division Database (WDD-DBS). The WDD-DBS was deployed in October 2009. Due to the complexity of the integrated database system and changes to District policy, additional programming is necessary to address refinements and conflicts related to the various processes. Since the October 2009 launch date, WDD-DBS support has been provided by *Zone 24x7* (the contractor and designer of the system) and District staff.

RECOMMENDATION: Staff recommends the Board authorize expenditure of budgeted funds in an amount not-to-exceed \$60,000 for programming changes to the WDD-DBS to accommodate functionality improvements and database support/maintenance.

IMPACT TO STAFF/RESOURCES: The FY 2016-2017 Water Demand Division Project budget includes \$60,000 for this support.

BACKGROUND: As staff has worked with the system, it has been determined that some of the items originally programmed can be improved to provide better functionality, flexibility, responsiveness and ongoing maintenance of the database. These functional requirements are based on staff feedback on the original design of the database system. In addition, implementation of water demand-related ordinances has complicated programming and functionality, as each change potentially affects more than one module in the WDD-DBS. Additionally, the existing database is in the process of migration to the latest version of Microsoft SQL Server as the current version is under extended support by Microsoft as of July 2015. These funds will continue the ongoing migration process and regression testing by the software vendor and staff.

EXHIBITS

None

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ITEM: CONSENT CALENDAR

9. CONSIDER ADOPTION OF RESOLUTION 2016-11 ESTABLISHING ARTICLE XIII (B) FISCAL YEAR 2016-2017 APPROPRIATIONS LIMIT

Meeting Date:	June 20, 2016	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 reviewed this item on June 13, 2016 and recommended approval. CEQA Compliance: N/A

SUMMARY: Article XIII (B) of the California Constitution requires that an appropriations limit be calculated on an annual basis. Attached as **Exhibit 9-A** is Resolution 2016-11, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Establishing an Appropriations Limit for Fiscal Year 2016-2017. The resolution establishes an appropriations limit of \$1,586,660 for fiscal year 2016-2017 as calculated on the Property Tax Appropriations Limit worksheet, which is **Attachment 1** to the resolution. The worksheet also shows that District estimates that it will receive \$1,600,000 in property tax revenues during that fiscal year. After subtracting exempt appropriations of \$4,237,900 from the estimated property tax revenues, the appropriations subject to the limit are (\$2,637,900), which is under the appropriations limit calculated under the provisions of Article XIII (B), resulting in estimated excess tax revenue of \$0.00.

RECOMMENDATION: Staff recommends adoption of Resolution 2016-11, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Establishing an Appropriations Limit for Fiscal Year 2016-2017 in the amount of \$1,586,660. The Administrative Committee reviewed this item at its June 13, 2016 meeting and voted 3 to 0 to recommend approval.

EXHIBIT

9-A Resolution 2016-11

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EXHIBIT 9-A

RESOLUTION 2016-11

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2016-2017

WHEREAS, Article XIII (B) of the California Constitution requires that each local government agency annually establish an appropriations limit; and

WHEREAS, the Monterey Peninsula Water Management District desires to establish its appropriations limit for the purpose of setting its budget;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Monterey Peninsula Water Management District hereby determines that the 2016-2017 appropriations limit for the District is \$1,500,098 based on a 2016-2017 multiplier of 1.0577, as shown on **Attachment 1**.

On motion of Director _____, and second by Director _____, the foregoing resolution is duly adopted this 20th day of June 2016 by the following votes:

AYES: 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 20th day of June 2016.

Witness my hand and seal of the Board of Directors this _____ day of June 2016.

David J. Stoldt, Secretary to the Board

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ATTACHMENT 1

PROPERTY TAX APPROPRIATION LIMIT 2016-2017 BUDGET

Appropriations Limit for 2015-2016	\$1,500,098		
Multiplier		1.0577	note 1
Appropriations Limit for 2016-2017		\$1,586,660	
Appropriations Subject to Limit:			
Property Tax		\$1,600,000	note 2
Exempt Appropriations		(\$4,237,900)	
Total		-\$2,637,900	
Appropriations Limit for 2016-2017		\$1,586,660	
Estimated Excess Tax Revenue		\$0	
NOTES:			
1. Source: Price and Population Data for Lo Department of Finance, May 2016	cal Jurisdictions		
Price 1.0537 x Population 1.0038 =	1.0577		
Price Population Ratio of change	1.0537 1.0038 1.0577		

2. Property tax revenue estimate \$1,600,000

ITEM: CONSENT CALENDAR

10. CONSIDER ADOPTION OF TREASURER'S REPORT FOR APRIL 2016

Meeting Date:	June 20, 2016	Budgeted:	N/A			
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A			
Prepared By:	Suresh Prasad	Cost Estimate:	N/A			
Conoral Councel Deviews N/A						

General Counsel Review: N/A Committee Recommendation: The Administrative Committee considered this item on June 13, 2016 and recommended approval. CEQA Compliance: N/A

SUMMARY: Exhibit 10-A comprises the Treasurer's Report for April 2016. **Exhibit 10-B**, **Exhibit 10-C** and **Exhibit 10-D** are listings of check disbursements for the period April 1-30, 2016. Check Nos. 25420 through 25714, the direct deposits of employee's paychecks, payroll tax deposits, and bank charges resulted in total disbursements for the period in the amount of \$825,895.11. That amount included \$44,240.68 for conservation rebates. **Exhibit 10-E** reflects the unaudited version of the financial statements for the month ending April 30, 2016.

RECOMMENDATION: District staff recommends adoption of the April 2016 Treasurer's Report and financial statements, and ratification of the disbursements made during the month. The Administrative Committee reviewed this item at its June 13, 2016 meeting and voted 3 to 0 to recommend approval.

EXHIBITS

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

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MONTEREY PENINSULA WATER MANAGEMENT DISTRIC TREASURER'S REPORT FOR APRIL 2016

Description	<u>Checking</u>	MPWMD <u>Money Market</u>	<u>L.A.I.F.</u>	Wells Fargo <u>Investments</u>	MPWMD <u>Total</u>	PB Reclamation <u>Money Market</u>
Beginning Balance	(\$54,786.09)	\$20,897.96	\$1,896,918.00	\$2,009,367.75	3,872,397.62	\$14,967.88
Transfer to/from LAIF		400,000.00	(400,000.00)		0.00	
Fee Deposits		2,737,759.18			2,737,759.18	306,703.21
Interest		9.45	2,132.78	2,059.13	4,201.36	3.27
Transfer-Money Market to Checking	\$1,200,000.00	(1,200,000.00)			0.00	
Transfer-Money Market to W/Fargo					0.00	
Transfer-W/Fargo to Money Market		511,426.88		(511,426.88)	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	(310,000.00)
Voided Cks					0.00	
Bank Corrections/Reversals/Errors					0.00	
Bank Charges/Rtn'd Deposits/Other	(\$390.99)	(47.85)			(438.84)	(30.00)
Payroll Tax Deposits	(43,814.14)				(43,814.14)	
Payroll Checks/Direct Deposits	(194,966.77)				(194,966.77)	
General Checks	(586,723.21)				(586,723.21)	
Bank Draft Payments					0.00	
Ending Balance	\$319,318.80	\$2,470,045.62	\$1,499,050.78	\$1,500,000.00	\$5,788,415.20	\$11,644.36



PENINSULA Monterey Peninsula Water Management Dist

119 Check Report

By Check Number

Date Range: 04/01/2016 - 04/30/2016

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK	-Bank of America Checking					
00254	MoCo Recorder	04/01/2016	Regular	0.00	32.00	25420
00254	MoCo Recorder	04/07/2016	Regular	0.00	61.00	25421
00254	MoCo Recorder	04/07/2016	Regular	0.00	29.00	25422
00254	MoCo Recorder	04/07/2016	Regular	0.00	61.00	25423
00254	MoCo Recorder	04/07/2016	Regular	0.00	29.00	25424
00254	MoCo Recorder	04/07/2016	Regular	0.00	38.00	25425
00254	MoCo Recorder	04/07/2016	Regular	0.00	29.00	25426
00254	MoCo Recorder	04/07/2016	Regular	0.00	29.00	25427
00254	MoCo Recorder	04/07/2016	Regular	0.00	61.00	25428
00254	MoCo Recorder	04/07/2016	Regular	0.00	32.00	25429
00254	MoCo Recorder	04/07/2016	Regular	0.00	29.00	25430
00254	MoCo Recorder	04/07/2016	Regular	0.00	14.00	25431
00254	MoCo Recorder	04/07/2016	Regular	0.00	61.00	25432
00254	MoCo Recorder	04/07/2016	Regular	0.00	61.00	25433
00249	A.G. Davi, LTD	04/07/2016	Regular	0.00	395.00	25441
00253	AT&T	04/07/2016	Regular	0.00	860.77	25442
00253	AT&T	04/07/2016	Regular	0.00	499.62	25443
04042	Cabelas Government Outfitters	04/07/2016	Regular	0.00	302.44	25444
00252	Cal-Am Water	04/07/2016	Regular	0.00		25445
00252	Cal-Am Water	04/07/2016	Regular	0.00	92.95	25446
00224	City of Monterey	04/07/2016	Regular	0.00	697.75	
08109	David Olson, Inc.	04/07/2016	Regular	0.00	842.08	
00046	Delay & Laredo	04/07/2016	Regular	0.00	34,371.75	
04717	Inder Osahan	04/07/2016	Regular	0.00	1,149.00	
00769	Laborers Trust Fund of Northern CA	04/07/2016	Regular	0.00	26,664.00	
10965	Molly Evans	04/07/2016	Regular	0.00	642.46	
00274	MRWPCA	04/07/2016	Regular	0.00	146.11	
00225	Palace Office Supply	04/07/2016	Regular	0.00	274.00	
00154	Peninsula Messenger Service	04/07/2016	Regular	0.00	843.00	
00256	PERS Retirement	04/07/2016	Regular	0.00	13,878.77	
07627	Purchase Power	04/07/2016	Regular	0.00	500.00	
00262	Pure H2O	04/07/2016	Regular	0.00		25458
04046	Safeguard Business Systems	04/07/2016	Regular	0.00	397.80	
03979	Special Districts Association of Monterey County	04/07/2016	Regular	0.00		25460
00207	Universal Staffing Inc.	04/07/2016	Regular	0.00	811.20	
08105	Yolanda Munoz	04/07/2016	Regular	0.00	540.00	
00254	MoCo Recorder	04/14/2016	Regular	0.00		25467
00254	MoCo Recorder	04/14/2016	Regular	0.00		
00254	MoCo Recorder	04/14/2016	Regular	0.00		25469
00254	MoCo Recorder	04/14/2016	Regular	0.00		25470
00254	MoCo Recorder	04/14/2016	Regular	0.00		25471
00254	MoCo Recorder	04/14/2016	Regular	0.00		25472
00254	MoCo Recorder	04/14/2016	Regular	0.00		25473
00254	MoCo Recorder	04/14/2016	Regular	0.00		25474
00254	MoCo Recorder MoCo Recorder	04/14/2016	Regular	0.00		25475
00254	MoCo Recorder	04/14/2016 04/14/2016	Regular	0.00 0.00		25476 25477
00254			Regular			25477
00254	MoCo Recorder	04/14/2016	Regular	0.00		
00254	MoCo Recorder Bill Parham	04/14/2016 04/15/2016	Regular	0.00 0.00	29.00	25479 25592
00036 00243	Bill Parham CalPers Long Term Care Program	04/15/2016	Regular	0.00		25592
01001	CDW Government	04/15/2016	Regular	0.00	40.56 1,816.84	
03968	Contral Coast Fly Fishing	04/15/2016	Regular Regular	0.00		25594 25595
04041	Cynthia Schmidlin	04/15/2016	Regular	0.00	89.95	
	Cynthia Schnham	J7/ 1J/ 2010	подини	0.00	002.34	23330

Check Report

спеск кероп				l	Date Kange: 04/01/20	10 - 04/ 50/ 20
Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
08109	David Olson, Inc.	04/15/2016	Regular	0.00	434.84	
07632	Debra Martin	04/15/2016	Regular	0.00	72.76	25598
00761	Delores Cofer	04/15/2016	Regular	0.00	405.00	
00267	Employment Development Dept.	04/15/2016	Regular	0.00	4,580.86	
07624	Franchise Tax Board	04/15/2016	Regular	0.00		25601
07624	Franchise Tax Board	04/15/2016	Regular	0.00		25602
00285	Gabby Ayala	04/15/2016	Regular	0.00	110.11	
04367	Jeanne Byrne	04/15/2016	Regular	0.00	1,059.66	
00094	John Arriaga	04/15/2016	Regular	0.00	2,500.00	
00259	Marina Coast Water District	04/15/2016	Regular	0.00		25606
00259	Marina Coast Water District	04/15/2016	Regular	0.00	261.78	
00242	MBAS	04/15/2016	Regular	0.00	245.00	
00118	Monterey Bay Carpet & Janitorial Svc	04/15/2016	Regular	0.00	1,000.00	
08006	Monterey County Sheriffs Office	04/15/2016	Regular	0.00	148.13	25610
00274	MRWPCA	04/15/2016	Regular	0.00	191,544.65	
00755	Peninsula Welding Supply, Inc.	04/15/2016	Regular	0.00	139.27	
00282	PG&E	04/15/2016	Regular	0.00		25613
04736	Pitney Bowes Global Financial Svc, LLC	04/15/2016	Regular	0.00	387.79	25614
00752	Professional Liability Insurance Service	04/15/2016	Regular	0.00	36.02	25615
00159	Pueblo Water Resources, Inc.	04/15/2016	Regular	0.00	16,368.79	25616
00283	SHELL	04/15/2016	Regular	0.00	507.33	25617
04709	Sherron Forsgren	04/15/2016	Regular	0.00	637.86	25618
01351	Staples Credit Plan	04/15/2016	Regular	0.00	71.13	25619
00286	Stephanie L Locke	04/15/2016	Regular	0.00	67.87	25620
00258	Thomas Brand Consulting, LLC	04/15/2016	Regular	0.00	10,100.00	25621
00269	U.S. Bank	04/15/2016	Regular	0.00	1,777.65	25622
00207	Universal Staffing Inc.	04/15/2016	Regular	0.00	811.20	25623
00271	UPEC, Local 792	04/15/2016	Regular	0.00	1,013.74	25624
00254	MoCo Recorder	04/20/2016	Regular	0.00	32.00	25625
00254	MoCo Recorder	04/20/2016	Regular	0.00	61.00	25626
00254	MoCo Recorder	04/20/2016	Regular	0.00		25627
00254	MoCo Recorder	04/20/2016	Regular	0.00	29.00	25628
00254	MoCo Recorder	04/20/2016	Regular	0.00	26.00	25629
00254	MoCo Recorder	04/20/2016	Regular	0.00		25630
00254	MoCo Recorder	04/20/2016	Regular	0.00		25631
00254	MoCo Recorder	04/20/2016	Regular	0.00		25632
00254	MoCo Recorder	04/20/2016	Regular	0.00		25633
00010	Access Monterey Peninsula	04/25/2016	Regular	0.00	-200.00	
00010	Access Monterey Peninsula	04/25/2016	Regular	0.00	200.00	
00763	ACWA-JPIA	04/25/2016	Regular	0.00	469.60	
00763	ACWA-JPIA	04/25/2016	Regular	0.00	-469.60	
00760	Andy Bell	04/25/2016	Regular	0.00	-810.00	
00760	Andy Bell	04/25/2016	Regular	0.00	810.00	
01347	ARC	04/25/2016	Regular	0.00	215.51	
01347	ARC	04/25/2016	Regular	0.00	-215.51	
00253	AT&T	04/25/2016	Regular	0.00	-76.02	
00253	AT&T	04/25/2016	Regular	0.00		25638
00253	AT&T	04/25/2016	Regular	0.00	714.65	
00253	AT&T	04/25/2016	Regular	0.00	-714.65	
00253	AT&T	04/25/2016	Regular	0.00	324.75	
00253	AT&T	04/25/2016	Regular	0.00	-324.75	
04351	Carmel Chamber of Commerce	04/25/2016	Regular	0.00		25641
04351	Carmel Chamber of Commerce	04/25/2016	Regular	0.00	-20.00	
00028	Colantuono, Highsmith, & Whatley, PC	04/25/2016	Regular	0.00	5,336.75	
01352	Dave Stoldt	04/25/2016	Regular	0.00	212.48	
10966	DocuWare Corporation	04/25/2016	Regular	0.00	6,000.00	
11620	Economic Research Institute	04/25/2016	Regular	0.00	2,789.00	
00758	FedEx	04/25/2016	Regular	0.00	225.02	
02660	Forestry Suppliers Inc.	04/25/2016	Regular	0.00	263.64	
00986	Henrietta Stern	04/25/2016	Regular	0.00	1,149.00	
00277	Home Depot Credit Services	04/25/2016	Regular	0.00	307.80	25649

Check Report

Check Report				D	ate Range: 04/01/20	16 - 04/30/20
Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
06999	KBA Docusys	04/25/2016	Regular	0.00	1,214.40	25650
01002	Monterey County Clerk	04/25/2016	Regular	0.00	50.00	25651
07417	Monterey County Elections Department	04/25/2016	Regular	0.00	44,605.94	25652
00275	Monterey County Herald	04/25/2016	Regular	0.00	175.65	25653
00257	Pacific Grove Chamber of Commerce	04/25/2016	Regular	0.00	580.00	25654
00256	PERS Retirement	04/25/2016	Regular	0.00	13,878.80	25655
00282	PG&E	04/25/2016	Regular	0.00	29.77	25656
00282	PG&E	04/25/2016	Regular	0.00	3,693.78	25657
06000	Potter's Electronics	04/25/2016	Regular	0.00	44.76	25658
02838	Solinst Canada Ltd	04/25/2016	Regular	0.00	2,489.96	25659
00766	Standard Insurance Company	04/25/2016	Regular	0.00	1,563.63	25660
01351	Staples Credit Plan	04/25/2016	Regular	0.00	100.85	25661
09351	Tetra Tech, Inc.	04/25/2016	Regular	0.00	22,147.24	25662
00229	Tyler Technologies	04/25/2016	Regular	0.00	6,258.50	25663
00207	Universal Staffing Inc.	04/25/2016	Regular	0.00	811.20	25664
11451	Western Weather Group	04/25/2016	Regular	0.00	558.04	25665
00754	Zone24x7	04/25/2016	Regular	0.00	3,362.00	25666
00254	MoCo Recorder	04/28/2016	Regular	0.00	14.00	25674
00254	MoCo Recorder	04/28/2016	Regular	0.00	29.00	25675
00254	MoCo Recorder	04/28/2016	Regular	0.00	61.00	25676
00254	MoCo Recorder	04/28/2016	Regular	0.00	61.00	25677
00254	MoCo Recorder	04/28/2016	Regular	0.00	26.00	25678
00254	MoCo Recorder	04/28/2016	Regular	0.00	29.00	25679
00254	MoCo Recorder	04/28/2016	Regular	0.00	14.00	25680
00254	MoCo Recorder	04/28/2016	Regular	0.00	61.00	25681
00254	MoCo Recorder	04/28/2016	Regular	0.00	29.00	25682
00254	MoCo Recorder	04/28/2016	Regular	0.00		25683
00254	MoCo Recorder	04/28/2016	Regular	0.00	32.00	25684
00010	Access Monterey Peninsula	04/28/2016	Regular	0.00	200.00	25685
00763	ACWA-JPIA	04/28/2016	Regular	0.00	469.60	25686
01188	Alhambra	04/28/2016	Regular	0.00	158.39	25687
04732	AM Conservation Group, Inc.	04/28/2016	Regular	0.00	25,461.64	
00760	Andy Bell	04/28/2016	Regular	0.00	810.00	
01347	ARC	04/28/2016	Regular	0.00	215.51	
00263	Arlene Tavani	04/28/2016	Regular	0.00	107.00	
00253	AT&T	04/28/2016	Regular	0.00	324.75	
00253	AT&T	04/28/2016	Regular	0.00	714.65	
00253	AT&T	04/28/2016	Regular	0.00		25694
04351	Carmel Chamber of Commerce	04/28/2016	Regular	0.00		25695
00024	Central Coast Exterminator	04/28/2016	Regular	0.00	104.00	
00046	Delay & Laredo	04/28/2016	Regular	0.00	23,416.12	
00267	Employment Development Dept.	04/28/2016	Regular	0.00	3,940.35	
00192	Extra Space Storage	04/28/2016	Regular	0.00	716.00	
07624	Franchise Tax Board	04/28/2016	Regular	0.00		25700
07624	Franchise Tax Board	04/28/2016	Regular	0.00		25701
00072	Goodin,MacBride,Squeri,Day,Lamprey	04/28/2016	Regular	0.00	7,297.25	
09927	Hach Company	04/28/2016	Regular	0.00	6,705.24	
00768	ICMA	04/28/2016	Regular	0.00	5,380.41	
03969	Jonathan Lear	04/28/2016	Regular	0.00	1,090.79	
08006	Monterey County Sheriffs Office	04/28/2016	Regular	0.00	148.13	
00282	PG&E	04/28/2016	Regular	0.00	4,793.11	
00282	PG&E	04/28/2016	Regular	0.00	9,997.34	
06000	Potter's Electronics	04/28/2016	Regular	0.00	-	25709
00251	Rick Dickhaut	04/28/2016	Regular	0.00	1,023.00	
00176	Sentry Alarm Systems	04/28/2016	Regular	0.00	1,023.00	
03973	Stephanie Kister	04/28/2016	Regular	0.00		25711
00269	U.S. Bank	04/28/2016	Regular	0.00	5,283.56	
50205	O.J. Dalik	07/20/2010	negulai	0.00	5,263.30	

Check Report Date Range: 04/01/2016 - 04/30 Vendor Number Vendor Name Payment Date Payment Type Discount Amount Payment Amount Number 00254 MoCo Recorder 04/29/2016 Regular 0.00 32.00 32.00 25714

	Bank Code APBNK	Summary		
Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	207	165	0.00	545,313.06
Manual Checks	0	0	0.00	0.00
Voided Checks	0	8	0.00	-2,830.53
Bank Drafts	0	0	0.00	0.00
EFT's	0	0	0.00	0.00
	207	173	0.00	542,482.53

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: REBATES-0	2-Rebates: Use Only For Rebates					
11501	AKSHAI PATEL	04/15/2016	Regular	0.00	200.00	25480
11464	ALBERT NICORA	04/15/2016	Regular	0.00	200.00	25481
11470	ALBINA KHAYMS	04/15/2016	Regular	0.00	183.69	25482
11594	BEN JAYO	04/15/2016	Regular	0.00	500.00	25483
11588	Bert Lapena	04/15/2016	Regular	0.00	500.00	25484
11461	BETH & STEVE GRIFFITH	04/15/2016	Regular	0.00	425.00	25485
11579	BETTY A SPROULE	04/15/2016	Regular	0.00	125.00	25486
11498	BILL POTTER	04/15/2016	Regular	0.00	500.00	25487
11463	BONNIE KRONE	04/15/2016	Regular	0.00	100.00	25488
11605	BRADFORD BAER	04/15/2016	Regular	0.00	500.00	25489
11616	BUENA VISTA LAND COMPANY	04/15/2016	Regular	0.00	98.00	25490
11504	BURFORD CARLSON	04/15/2016	Regular	0.00	2,575.00	25491
11474	CAROLYN J SHORT	04/15/2016	Regular	0.00	125.00	25492
11589	CAROLYNN L AMORIN	04/15/2016	Regular	0.00	600.00	25493
11460	CHARITY GEORGE	04/15/2016	Regular	0.00	100.00	25494
11454	CHARLES & NORMA JEAN PELUSO	04/15/2016	Regular	0.00	100.00	25495
11593	CHRIS & JENNIFER CRYNS	04/15/2016	Regular	0.00	500.00	25496
11455	Christine Hart	04/15/2016	Regular	0.00	100.00	25497
11481	CHRISTINE SINNOTT	04/15/2016	Regular	0.00	125.00	25498
11586	CHRISTOPER BARTOS	04/15/2016	Regular	0.00	125.00	25499
11489	CHRISTOPHER D AYALA	04/15/2016	Regular	0.00	500.00	25500
11473	CRAIG LOVELL	04/15/2016	Regular	0.00	125.00	25501
11456	CYD LOVE	04/15/2016	Regular	0.00	100.00	25502
11509	Dan Baron	04/15/2016	Regular	0.00	100.00	25503
11471	DAVID & SUSAN LEONARD	04/15/2016	Regular	0.00	100.00	25504
11475	DAVID SCOPP	04/15/2016	Regular	0.00	125.00	25505
11505	Del Mesa Carmel Community Assoc	04/15/2016	Regular	0.00	216.25	25506
11458	Dirk Oldenburg	04/15/2016	Regular	0.00	100.00	25507
11597	DONALD KIRK	04/15/2016	Regular	0.00	500.00	25508
11483	ELIZABETH GRAMMATICO	04/15/2016	Regular	0.00	125.00	25509
11576	EMILIA E MOORE	04/15/2016	Regular	0.00	100.00	25510
11578	Eric Lomonaco	04/15/2016	Regular	0.00	100.00	25511
11485	EVERETT COONEY	04/15/2016	Regular	0.00	500.00	25512
11580	FLOYD R B VIAU & ELAINE OTIS TRS	04/15/2016	Regular	0.00	125.00	25513
11467	FRANK CRIVELLO	04/15/2016	Regular	0.00	100.00	25514
11500	GARY & LYNN LAMAR	04/15/2016	Regular	0.00	500.00	25515
11495	GEOFF & REBECCA ARNOLD	04/15/2016	Regular	0.00	500.00	25516
11479	GEORGANNE M THURSTON	04/15/2016	Regular	0.00	125.00	25517
11602	GEORGE DASKALOFF	04/15/2016	Regular	0.00	500.00	25518
11508	Gloria Bindel	04/15/2016	Regular	0.00	500.00	25519
11468	GREG HANLON	04/15/2016	Regular	0.00	100.00	25520
11574	HARUNO ITO FUKUI	04/15/2016	Regular	0.00	100.00	25521
11493	Isabel Mendez	04/15/2016	Regular	0.00	500.00	25522
11497	JAMES W MENENDEZ	04/15/2016	Regular	0.00	500.00	25523
11484	JASON WORCESTER	04/15/2016	Regular	0.00	500.00	25524
11469	JEANETTE TARANTINO	04/15/2016	Regular	0.00	100.00	25525
11477	JEFF CONDIT	04/15/2016	Regular	0.00	125.00	25526
11609	JEFFREY STINNETTE	04/15/2016	Regular	0.00	500.00	25527
11499	Jesse Perry	04/15/2016	Regular	0.00	500.00	25528
11570	JOAN BELZA	04/15/2016	Regular	0.00	100.00	25529
11507	Joe Pimental	04/15/2016	Regular	0.00	500.00	25530
11581	JOHN HURTIG	04/15/2016	Regular	0.00	125.00	25531
11596	JOHN MATTHAMS	04/15/2016	Regular	0.00	500.00	25532
11583	Jorie Belisle	04/15/2016	Regular	0.00	125.00	25533
11575	JOSEPH SHEVELSON	04/15/2016	Regular	0.00	100.00	25534
11457	JUDY SONG	04/15/2016	Regular	0.00	100.00	25535
11482	JULIA AIKINS	04/15/2016	Regular	0.00	125.00	25536
11569	KARL & HELEN LEEK	04/15/2016	Regular	0.00	600.00	25537
11614	KATALIN J MARKUS	04/15/2016	Regular	0.00	102.50	25538
11466	KERRY BELSER	04/15/2016	Regular	0.00	100.00	25539

Check Report

спеск кероп				Da	ate Kange: 04/01/20	10 - 04/ 50/ 20
Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
11452	LARRY RYDER	04/15/2016	Regular	0.00	100.00	25540
11598	LAURA GOODEN	04/15/2016	Regular	0.00	499.99	25541
11491	LEA RICE	04/15/2016	Regular	0.00	500.00	25542
11478	LINN WILLIAMS	04/15/2016	Regular	0.00	125.00	25543
11603	LORENA JERONIMO	04/15/2016	Regular	0.00	500.00	25544
11502	LUIS SANDOVAL	04/15/2016	Regular	0.00	100.00	25545
11492	MARA PERKINS	04/15/2016	Regular	0.00	500.00	25546
11486	MARGARET A HANSEN	04/15/2016	Regular	0.00	500.00	25547
11510	MARTHA HADDAD	04/15/2016	Regular	0.00	196.00	25548
11591	Matthew Belleci	04/15/2016	Regular	0.00	500.00	25549
11487	MAXINE KLAPUT	04/15/2016	Regular	0.00	500.00	25550
11503	MELVIN PRITCHARD	04/15/2016	Regular	0.00	5,875.00	25551
11573	Michael R. McNamara	04/15/2016	Regular	0.00	100.00	25552
11618	Monterey Rentals	04/15/2016	Regular	0.00	500.00	25553
11582	Monterey Rentals	04/15/2016	Regular	0.00	125.00	25554
11488	MYONG OGAWA	04/15/2016	Regular	0.00	500.00	25555
11577	NANCY SELFRIDGE	04/15/2016	Regular	0.00	100.00	25556
11590	Neil Abranyi	04/15/2016	Regular	0.00	500.00	25557
11476	NICOLE BULICH	04/15/2016	Regular	0.00	125.00	25558
11567	Paul Morris	04/15/2016	Regular	0.00	706.25	25559
11459	PAUL REAVIS	04/15/2016	Regular	0.00	100.00	25560
11600	PETER BRUNO	04/15/2016	Regular	0.00	500.00	25561
11568	PETER H & VALLI A WINTERS TRS	04/15/2016	Regular	0.00	500.00	25562
11494	RAFAEL MALDONADO	04/15/2016	Regular	0.00	500.00	25563
11615	Ray Worrell	04/15/2016	Regular	0.00	100.00	25564
11604	RICHARD FRYE	04/15/2016	Regular	0.00	500.00	25565
11472	RICHARD HAMBLEY	04/15/2016	Regular	0.00	125.00	25566
11585	ROBERT BOROSKY	04/15/2016	Regular	0.00	125.00	25567
11462	ROD GOYA	04/15/2016	Regular	0.00	600.00	25568
11608	ROLAND ABANICO	04/15/2016	Regular	0.00	500.00	25569
11595	ROSEMARIE LEITZINGER	04/15/2016	Regular	0.00	500.00	25570
11587	ROXANE VIRAY	04/15/2016	Regular	0.00	625.00	25571
11506	Rufina Arango	04/15/2016	Regular	0.00	500.00	25572
11490	RUSSELL MCBURNEY	04/15/2016	Regular	0.00	500.00	25573
11584	RYAN & SABRINA FIEBER	04/15/2016	Regular	0.00	125.00	25574
11599	SARAH ZIA	04/15/2016	Regular	0.00	500.00	25575
11453	SHANE ANDERSON	04/15/2016	Regular	0.00	800.00	25576
11619	SHIRLEY SEWARD	04/15/2016	Regular	0.00	500.00	25577
11480	STACY SMITH	04/15/2016	Regular	0.00	125.00	25578
11601	Susan Akyroyd	04/15/2016	Regular	0.00	500.00	25579
11611	Suzanne Matmiller	04/15/2016	Regular	0.00	189.00	25580
11592	SUZANNE MUCHA	04/15/2016	Regular	0.00	500.00	25581
11613	TODD PORTEOUS	04/15/2016	Regular	0.00	1,225.00	25582
11496	TONY NGUYEN	04/15/2016	Regular	0.00	500.00	25583
11571	TRACI WILLIAMS	04/15/2016	Regular	0.00	100.00	25584
11606	WAYNE & KAREN MORGAN	04/15/2016	Regular	0.00	500.00	25585
11607	WENDY GROVER	04/15/2016	Regular	0.00	500.00	25586
11617	Wendy Neglay	04/15/2016	Regular	0.00	500.00	25587
11610	WIES NORBERG	04/15/2016	Regular	0.00	200.00	25588
11572	WILL COBLEY	04/15/2016	Regular	0.00	149.00	25589
11465	WILLIAM B DONOVAN	04/15/2016	Regular	0.00	100.00	25590

Check Report

спеск керогс				Da	ate Kange: 04/01/20	16 - 04/30/2016	
Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number	
11612	YOSHIMI ALLARD	04/15/2016	Regular	0.00	875.00	25591	

Bank Code REBATES-02 Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	112	112	0.00	44,240.68
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
	112	112	0.00	44,240.68

Fund Summary

Fund	Name	Period	Amount
99	POOL CASH FUND	4/2016	586,723.21
			586,723.21



Payroll Bank Transaction Report -1MPWMD

MONTEREY PENINSULA MANAGEMENT DISTRICT

Monterey Peninsula Water Management Dist

By Payment Number

Date: 4/1/2016 - 4/30/2016

Payroll Set: 01 - Monterey Peninsula Water Management District

Payment			Employee			Direct Deposit	
Number	Payment Date	Payment Type	Number	Employee Name	Check Amount	Amount	Total Payment
2139	04/01/2016	Regular	1024	Stoldt, David J	0.00	6,043.71	6,043.71
2140	04/01/2016	Regular	1025	Tavani, Arlene M	0.00	1,899.86	1,899.86
2141	04/01/2016	Regular	1006	Dudley, Mark A	0.00	2,878.01	2,878.01
2142	04/01/2016	Regular	1039	Flores, Elizabeth	0.00	1,729.27	1,729.27
2143	04/01/2016	Regular	1018	Prasad, Suresh	0.00	3,583.00	3,583.00
2144	04/01/2016	Regular	1019	Reyes, Sara C	0.00	1,856.03	1,856.03
2145	04/01/2016	Regular	1020	Sandoval, Eric J	0.00	1,933.31	1,933.31
2146	04/01/2016	Regular	1021	Schmidlin, Cynthia L	0.00	1,802.01	1,802.01
2147	04/01/2016	Regular	1022	Soto, Paula	0.00	1,420.09	1,420.09
2148	04/01/2016	Regular	1002	Bekker, Mark	0.00	1,627.14	1,627.14
2149	04/01/2016	Regular	1005	Christensen, Thomas T	0.00	2,548.32	2,548.32
2150	04/01/2016	Regular	1008	Hampson, Larry M	0.00	3,199.25	3,199.25
2151	04/01/2016	Regular	1013	Lyons, Matthew J	0.00	1,602.65	1,602.65
2152	04/01/2016	Regular	1023	Stern, Henrietta L	0.00	715.63	715.63
2153	04/01/2016	Regular	6028	Atkins, Daniel N	0.00	197.52	197.52
2154	04/01/2016	Regular	1004	Chaney, Beverly M	0.00	2,177.57	2,177.57
2155	04/01/2016	Regular	1007	Hamilton, Cory R	0.00	2,028.05	2,028.05
2156	04/01/2016	Regular	1009	James, Gregory W	0.00	2,932.78	2,932.78
2157	04/01/2016	Regular	1011	Lear, Jonathan P	0.00	2,731.28	2,731.28
2158	04/01/2016	Regular	1012	Lindberg, Thomas L	0.00	2,156.93	2,156.93
2159	04/01/2016	Regular	1016	Oliver, Joseph W	0.00	2,645.69	2,645.69
2160	04/01/2016	Regular	1026	Urquhart, Kevan A	0.00	1,868.33	1,868.33
2161	04/01/2016	Regular	1001	Ayala, Gabriela D	0.00	1,653.91	1,653.91
2162	04/01/2016	Regular	1041	Gonnerman, Maryan C	0.00	1,507.97	1,507.97
2163	04/01/2016	Regular	1010	Kister, Stephanie L	0.00	1,838.32	1,838.32
2164	04/01/2016	Regular	1017	Locke, Stephanie L	0.00	2,686.68	2,686.68
2165	04/01/2016	Regular	1014	Martin, Debra S	0.00	1,816.97	1,816.97
2166	04/15/2016	Regular	1024	Stoldt, David J	0.00	5,918.90	5,918.90
2167	04/15/2016	Regular	1025	Tavani, Arlene M	0.00	2,153.67	2,153.67
2168	04/15/2016	Regular	1006	Dudley, Mark A	0.00	2,989.70	2,989.70
2169	04/15/2016	Regular	1039	Flores, Elizabeth	0.00	1,854.22	1,854.22
2170	04/15/2016	Regular	1018	Prasad, Suresh	0.00	3,695.74	3,695.74
2171 2172	04/15/2016 04/15/2016	Regular	1019 1020	Reyes, Sara C Sandoval, Eric J	0.00 0.00	1,983.79	1,983.79 2,352.98
2172		Regular	1020	Schmidlin, Cynthia L	0.00	2,352.98	
2173	04/15/2016 04/15/2016	Regular Regular	1021	Soto, Paula	0.00	2,108.55 1,462.68	2,108.55 1,462.68
2174	04/15/2016	Regular	1022	Bekker, Mark	0.00	1,972.33	1,402.08
2175	04/15/2010	Regular	1002	Christensen, Thomas T	0.00	2,754.33	2,754.33
2170	04/15/2016	Regular	1003	Hampson, Larry M	0.00	3,597.63	3,597.63
2177	04/15/2016	Regular	1013	Lyons, Matthew J	0.00	1,743.32	1,743.32
2179	04/15/2016	Regular	1013	Stern, Henrietta L	0.00	772.13	772.13
2180	04/15/2016	Regular	6028	Atkins, Daniel N	0.00	419.00	419.00
2181	04/15/2016	Regular	1004	Chaney, Beverly M	0.00	2,453.40	2,453.40
2182	04/15/2016	Regular	1007	Hamilton, Cory R	0.00	2,201.57	2,201.57
2183	04/15/2016	Regular	1009	James, Gregory W	0.00	2,980.98	2,980.98
2184	04/15/2016	Regular	1011	Lear, Jonathan P	0.00	3,153.53	3,153.53
2185	04/15/2016	Regular	1012	Lindberg, Thomas L	0.00	2,412.29	2,412.29
2186	04/15/2016	Regular	1016	Oliver, Joseph W	0.00	3,356.69	3,356.69
2187	04/15/2016	Regular	1026	Urquhart, Kevan A	0.00	2,631.81	2,631.81
2188	04/15/2016	Regular	1001	Ayala, Gabriela D	0.00	2,042.57	2,042.57
2189	04/15/2016	Regular	1041	Gonnerman, Maryan C	0.00	1,558.79	1,558.79
2190	04/15/2016	Regular	1010	Kister, Stephanie L	0.00	1,928.63	1,928.63
2191	04/15/2016	Regular	1017	Locke, Stephanie L	0.00	2,893.80	2,893.80
2192	04/15/2016	Regular	1014	Martin, Debra S	0.00	1,756.25	1,756.25
2193	04/29/2016	Regular	1024	Stoldt, David J	0.00	5,913.84	5,913.84
2194	04/29/2016	Regular	1025	Tavani, Arlene M	0.00	1,899.86	1,899.86
2195	04/29/2016	Regular	1006	Dudley, Mark A	0.00	2,878.01	2,878.01

Number	Payment Date		A 1			· · · · · / ·	
	•		Number	Employee Name	Check Amount	Amount'	28 Total Payment
2196	04/29/2016	Regular	1039	Flores, Elizabeth	0.00		
2197	04/29/2016	Regular	1018	Prasad, Suresh	0.00	3,583.00	3,583.00
2198	04/29/2016	Regular	1019	Reyes, Sara C	0.00	1,856.03	1,856.03
2199	04/29/2016	Regular	1020	Sandoval, Eric J	0.00	1,933.30	1,933.30
2200	04/29/2016	Regular	1021	Schmidlin, Cynthia L	0.00	1,802.02	1,802.02
2201	04/29/2016	Regular	1022	Soto, Paula	0.00	1,420.09	1,420.09
2202	04/29/2016	Regular	1002	Bekker, Mark	0.00	1,627.14	1,627.14
2203	04/29/2016	Regular	1005	Christensen, Thomas T	0.00	2,548.32	2,548.32
2204	04/29/2016	Regular	1008	Hampson, Larry M	0.00	3,199.25	3,199.25
2205	04/29/2016	Regular	1013	Lyons, Matthew J	0.00	1,602.65	1,602.65
2206	04/29/2016	Regular	1023	Stern, Henrietta L	0.00	58.13	58.13
2207	04/29/2016	Regular	6028	Atkins, Daniel N	0.00	309.68	309.68
2208	04/29/2016	Regular	1004	Chaney, Beverly M	0.00	2,177.57	2,177.57
2209	04/29/2016	Regular	1007	Hamilton, Cory R	0.00	2,028.05	2,028.05
2210	04/29/2016	Regular	1009	James, Gregory W	0.00	2,932.79	2,932.79
2211	04/29/2016	Regular	1011	Lear, Jonathan P	0.00	2,731.28	2,731.28
2212	04/29/2016	Regular	1012	Lindberg, Thomas L	0.00	2,156.93	2,156.93
2213	04/29/2016	Regular	1016	Oliver, Joseph W	0.00	2,645.69	2,645.69
2214	04/29/2016	Regular	1026	Urquhart, Kevan A	0.00	1,868.33	1,868.33
2215	04/29/2016	Regular	1001	Ayala, Gabriela D	0.00	1,653.91	1,653.91
2216	04/29/2016	Regular	1041	Gonnerman, Maryan C	0.00	1,507.97	1,507.97
2217	04/29/2016	Regular	1010	Kister, Stephanie L	0.00	1,838.32	1,838.32
2218	04/29/2016	Regular	1017	Locke, Stephanie L	0.00	2,686.68	2,686.68
2219	04/29/2016	Regular	1014	Martin, Debra S	0.00	1,668.84	1,668.84
2220	04/29/2016	Regular	7013	Clarke, Andrew	0.00	275.22	275.22
2221	04/29/2016	Regular	7014	Evans, Molly F	0.00	325.22	325.22
2222	04/29/2016	Regular	7003	Lewis, Brenda	0.00	316.57	316.57
25377	04/01/2016	Regular	6007	Delay, Thomas E	907.86	0.00	907.86
25378	04/01/2016	Regular	6034	Kleven, Alana K	105.28	0.00	105.28
25379	04/01/2016	Regular	1040	Smith, Kyle	1,472.52	0.00	1,472.52
25434	04/07/2016	Regular	7006	Brower, Sr., Robert S	406.34	0.00	406.34
25435	04/07/2016	Regular	7007	Byrne, Jeannie	507.92	0.00	507.92
25436	04/07/2016	Regular	7013	Clarke, Andrew	345.22	0.00	345.22
25437	04/07/2016	Regular	7014	Evans, Molly F	304.63	0.00	304.63
25438	04/07/2016	Regular	7003	Lewis, Brenda	101.58	0.00	101.58
25439	04/07/2016	Regular	7001	Pendergrass, David K	507.92	0.00	507.92
		-	7001	-	304.75		304.75
25440	04/07/2016	Regular		Potter, David L		0.00	
25463	04/15/2016	Regular	6007	Delay, Thomas E	870.20	0.00	870.20
25464	04/15/2016	Regular	6034	Kleven, Alana K	134.88	0.00	134.88
25465	04/15/2016	Regular	6033	Suwada, Joseph	471.55	0.00	471.55
25466	04/15/2016	Regular	1040	Smith, Kyle	1,515.24	0.00	1,515.24
25667	04/29/2016	Regular	6007	Delay, Thomas E	832.54	0.00	832.54
25668	04/29/2016	Regular	6034	Kleven, Alana K	194.11	0.00	194.11
25669	04/29/2016	Regular	1040	Smith, Kyle	1,472.52	0.00	1,472.52
25670	04/29/2016	Regular	7006	Brower, Sr., Robert S	101.58	0.00	101.58
25671	04/29/2016	Regular	7007	Byrne, Jeannie	452.51	0.00	452.51
25672	04/29/2016	Regular	7001	Pendergrass, David K	429.43	0.00	429.43
25673	04/29/2016	Regular	7004	Potter, David L	124.67	0.00	124.67
					Totals: 11,563.25	183,403.52	194,966.77

Monterey Peninsula Water Management Dist MONTEREY PENINSULA TER



129 **Bank Transaction Report**

Transaction Detail

Issued Date Range: 04/01/2016 - 04/30/2016

Cleared Date Range: -

Issued	Cleared						
Date	Date	Number	Description	Module	Status	Туре	Amount
Bank Account:	111 - Bank of Am	erica Checking - 000	00 8170 8210				
04/01/2016	04/30/2016	DFT0000714	I.R.S.	Accounts Payable	Cleared	Bank Draft	-10,804.97
04/01/2016	04/30/2016	DFT0000715	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,266.64
04/01/2016	04/30/2016	DFT0000716	I.R.S.	Accounts Payable	Cleared	Bank Draft	-180.58
04/07/2016	04/30/2016	DFT0000717	I.R.S.	Accounts Payable	Cleared	Bank Draft	-61.24
04/07/2016	04/30/2016	DFT0000718	I.R.S.	Accounts Payable	Cleared	Bank Draft	-79.80
04/07/2016	04/30/2016	DFT0000719	I.R.S.	Accounts Payable	Cleared	Bank Draft	-341.00
04/15/2016	04/30/2016	DFT0000721	I.R.S.	Accounts Payable	Cleared	Bank Draft	-12,466.67
04/15/2016	04/30/2016	DFT0000722	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,338.58
04/15/2016	04/30/2016	DFT0000723	I.R.S.	Accounts Payable	Cleared	Bank Draft	-282.70
04/15/2016	04/30/2016	SVC0000079	To Post April/2016 Bank Service Fee	General Ledger	Cleared	Service Charge	-390.99
04/29/2016	04/30/2016	DFT0000725	I.R.S.	Accounts Payable	Cleared	Bank Draft	-10,747.15
04/29/2016	04/30/2016	DFT0000726	I.R.S.	Accounts Payable	Cleared	Bank Draft	-2,524.00
04/29/2016	04/30/2016	DFT0000727	I.R.S.	Accounts Payable	Cleared	Bank Draft	-1,307.72
04/29/2016	04/30/2016	DFT0000729	I.R.S.	Accounts Payable	Cleared	Bank Draft	-66.51
04/29/2016	04/30/2016	DFT0000730	I.R.S.	Accounts Payable	Cleared	Bank Draft	-65.72
04/29/2016	04/30/2016	DFT0000731	I.R.S.	Accounts Payable	Cleared	Bank Draft	-280.86
						Bank Account 111 Total: (16)	-44,205.13

Report Total: (16) -44,205.13 **Bank Transaction Report**

Summary

130

Bank Account		Count	Amount
111 Bank of America Checking - 0000 8170 821	<u>.0</u>	16	-44,205.13
	Report Total:	16	-44,205.13
Cash Account		Count	Amount
99 99-10-100100 Pool Cash Account		16	-44,205.13
	Report Total:	16	-44,205.13
	Transaction Type	Count	Amount
	Bank Draft	15	-43,814.14
	Service Charge	1	-390.99
	Report Total:	16	-44,205.13



PENINSULA Monterey Peninsula Water Management Dist

131 Statement of Revenue Over Expense - No Decimals

Group Summary

For Fiscal: 2015-2016 Period Ending: 04/30/2016

Level		April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Revenue			8	(,				(,	
R100 - Water Supply Charge		1,350,891	283,220	1,067,671	-476.98 %	3,336,701	3,400,000	-63,299	-98.14 %
R110 - Mitigation Revenue		409,481	200,920	208,562	-203.80 %	1,593,591	2,412,000	-818,409	-66.07 %
R120 - Property Taxes Revenues		723,317	130,781	592,536	-553.08 %	1,665,576	1,570,000	95,576	-106.09 %
R130 - User Fees		3,749	6,248	-2,499	-60.00 %	38,528	75,000	-36,472	-51.37 %
R140 - Connection Charges		206,948	14,578	192,371	-1,419.64 %	458,724	175,000	283,724	-262.13 %
R150 - Permit Processing Fee		14,591	14,578	14	-100.09 %	131,782	175,000	-43,218	-75.30 %
R160 - Well Registration Fee		0	167	-167	0.00 %	650	2,000	-1,350	-32.50 %
R180 - River Work Permit Applicatiction		0	0	0	0.00 %	75	0	75	0.00 %
R190 - WDS Permits Rule 21		1,000	4,665	-3,665	-21.44 %	44,643	56,000	-11,357	-79.72 %
R200 - Recording Fees		1,054	666	388	-158.16 %	9,930	8,000	1,930	-124.13 %
R210 - Legal Fees		399	1,250	-851	-31.93 %	2,500	15,000	-12,500	-16.67 %
R220 - Copy Fee		2	0	2	0.00 %	96	0	96	0.00 %
R230 - Miscellaneous - Other		0	1,250	-1,250	0.00 %	7,920	15,000	-7,080	-52.80 %
R240 - Insurance Refunds		0	0	0	0.00 %	1,352	0	1,352	0.00 %
R250 - Interest Income		4,201	1,250	2,952	-336.24 %	20,605	15,000	5,605	-137.37 %
R260 - CAW - ASR		0	23,566	-23,566	0.00 %	0	282,900	-282,900	0.00 %
R265 - CAW - Los Padres Reimbursement		0	49,980	-49,980	0.00 %	0	600,000	-600,000	0.00 %
R270 - CAW - Rebates		43,741	58,310	-14,569	-75.01 %	520,811	700,000	-179,189	-74.40 %
R280 - CAW - Conservation		0	19,326	-19,326	0.00 %	0	232,000	-232,000	0.00 %
R290 - CAW - Miscellaneous		0	583	-583	0.00 %	0	7,000	-7,000	0.00 %
R300 - Watermaster		0	5,848	-5,848	0.00 %	39,709	70,200	-30,491	-56.57 %
R305 - City of Seaside - Rebates		0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R310 - Other Reimbursements		0	5,415	-5,415	0.00 %	0	65,000	-65,000	0.00 %
R320 - Grants		0	22,908	-22,908	0.00 %	197,519	275,000	-77,481	-71.83 %
R510 - Operating Reserve		0	270,009	-270,009	0.00 %	0	3,241,400	-3,241,400	0.00 %
	Total Revenue:	2,759,374	1,117,178	1,642,196	-247.00 %	8,070,712	13,411,500	-5,340,788	-60.18 %

Statement of Revenue Over Expense - No Decimals

			Variance				Variance	
	April	April	Favorable	Percent	YTD		Favorable	Percen
Level	Activity	Budget	(Unfavorable)	Used	Activity	Total Budget	(Unfavorable)	Used
xpense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	265,356	197,838	-67,518	134.13 %	1,968,289	2,375,000	406,711	82.88 %
1110 - Manager's Auto Allowance	692	500	-192	138.51 %	5,077	6,000	923	84.61 %
1120 - Manager's Deferred Comp	1,161	650	-512	178.76 %	6,877	7,800	923	88.16 %
1130 - Unemployment Compensation	0	250	250	0.00 %	670	3,000	2,330	22.34 %
1140 - Insurance Opt-Out Supplemental	2,044	1,583	-461	129.14 %	15,017	19,000	3,983	79.04 %
1150 - Temporary Personnel	3,245	5,914	2,670	54.86 %	44,091	71,000	26,909	62.10 %
1160 - PERS Retirement	25,851	33,811	7,960	76.46 %	366,756	405,900	39,144	90.36 %
1170 - Medical Insurance	25,409	25,865	455	98.24 %	256,352	310,500	54,148	82.56 %
1180 - Medical Insurance - Retirees	5,714	4,798	-916	119.09 %	49,822	57,600	7,778	86.50 %
1190 - Workers Compensation	4,954	3,524	-1,430	140.58 %	35,983	42,300	6,317	85.07 %
1200 - Life Insurance	415	458	43	90.58 %	4,358	5,500	1,142	79.24 %
1210 - Long Term Disability Insurance	1,119	1,166	47	95.97 %	10,916	14,000	3,084	77.97 %
1220 - Short Term Disability Insurance	222	250	28	88.91 %	2,156	3,000	844	71.88 %
1260 - Employee Assistance Program	66	100	34	65.82 %	672	1,200	528	55.98 %
1270 - FICA Tax Expense	1,026	400	-626	256.59 %	3,986	4,800	814	83.04 9
1280 - Medicare Tax Expense	3,597	2,907	-690	123.74 %	25,669	34,900	9,231	73.55 9
1290 - Staff Development & Training	450	2,716	2,266	16.57 %	7,225	32,600	25,375	22.16 9
1300 - Conference Registration	0	267	267	0.00 %	2,545	3,200	655	79.53 9
1310 - Professional Dues	338	225	-113	150.06 %	1,903	2,700	798	70.46 9
1320 - Personnel Recruitment	2,120	417	-1,704	509.00 %	7,786	5,000	-2,786	155.72 9
Total Level1: 100 - Personnel Costs:	343,779	283,636	-60,143	121.20 %	2,816,149	3,405,000	588,851	82.71 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	2,265	3,082	817	73.49 %	20,525	37,000	16,475	55.47 %
2020 - Board Expenses	1,090	333	-756	327.03 %	9,462	4,000	-5,462	236.56 9
2040 - Rent	1,761	1,966	205	89.58 %	16,986	23,600	6,614	71.97 9
2060 - Utilities	2,423	3,199	776	75.74 %	27,709	38,400	10,691	72.16 9
2120 - Insurance Expense	3,517	3,749	231	93.83 %	35,860	45,000	9,140	79.69 9
2130 - Membership Dues	790	2,291	1,501	34.49 %	23,354	27,500	4,146	84.92 %
2140 - Bank Charges	476	292	-184	163.09 %	4,141	3,500	-641	118.32 %
2150 - Office Supplies	643	1,358	715	47.33 %	9,703	16,300	6,597	59.53 9
2160 - Courier Expense	602	666	64	90.34 %	5,978	8,000	2,022	74.73 9
								4.42 9
	216	750	534	28.75 %	398	9.000	8.0UZ	
2170 - Printing/Photocopy	216 -1	750 333	534 335	28.75 % -0.43 %	398 5.281	9,000 4,000	8,602 -1.281	
2170 - Printing/Photocopy 2180 - Postage & Shipping	-1	333	335	-0.43 %	5,281	4,000	-1,281	132.03 9
2170 - Printing/Photocopy 2180 - Postage & Shipping 2190 - IT Supplies/Services	-1 2,857	333 8,780	335 5,923	-0.43 % 32.54 %	5,281 67,621	4,000 105,400	-1,281 37,779	132.03 9 64.16 9
2170 - Printing/Photocopy 2180 - Postage & Shipping 2190 - IT Supplies/Services 2200 - Professional Fees	-1 2,857 9,389	333 8,780 11,246	335 5,923 1,857	-0.43 % 32.54 % 83.49 %	5,281 67,621 189,847	4,000 105,400 135,000	-1,281 37,779 -54,847	132.03 9 64.16 9 140.63 9
2170 - Printing/Photocopy 2180 - Postage & Shipping 2190 - IT Supplies/Services 2200 - Professional Fees 2220 - Equipment Repairs & Maintenance	-1 2,857 9,389 1,214	333 8,780 11,246 583	335 5,923 1,857 -631	-0.43 % 32.54 % 83.49 % 208.27 %	5,281 67,621 189,847 6,804	4,000 105,400 135,000 7,000	-1,281 37,779 -54,847 196	132.03 % 64.16 % 140.63 % 97.19 %
2170 - Printing/Photocopy 2180 - Postage & Shipping 2190 - IT Supplies/Services 2200 - Professional Fees 2220 - Equipment Repairs & Maintenance 2235 - Equipment Lease	-1 2,857 9,389 1,214 1,334	333 8,780 11,246 583 1,250	335 5,923 1,857 -631 -84	-0.43 % 32.54 % 83.49 % 208.27 % 106.76 %	5,281 67,621 189,847 6,804 11,143	4,000 105,400 135,000 7,000 15,000	-1,281 37,779 -54,847 196 3,857	132.03 % 64.16 % 140.63 % 97.19 % 74.29 %
 2170 - Printing/Photocopy 2180 - Postage & Shipping 2190 - IT Supplies/Services 2200 - Professional Fees 2220 - Equipment Repairs & Maintenance 	-1 2,857 9,389 1,214	333 8,780 11,246 583	335 5,923 1,857 -631	-0.43 % 32.54 % 83.49 % 208.27 %	5,281 67,621 189,847 6,804	4,000 105,400 135,000 7,000	-1,281 37,779 -54,847 196	132.03 % 64.16 % 140.63 % 97.19 % 74.29 % 70.10 % 94.54 %

<u>EXHIBIT 10-E</u>

Statement of Revenue Over Expense - No Decimals

	April	April	Variance Favorable	Percent	YTD		Variance Favorable	Percent
Level	Activity	Budget	(Unfavorable)	Used	Activity	Total Budget	(Unfavorable)	Used
2280 - Transportation	1,067	1,883	816	56.65 %	24,089	22,600	-1,489	106.59 %
2300 - Legal Services	62,273	33,320	-28,953	186.90 %	422,599	400,000	-22,599	105.65 %
2380 - Meeting Expenses	200	600	400	33.35 %	2,821	7,200	4,379	39.18 %
2420 - Legal Notices	176	358	183	49.04 %	1,750	4,300	2,550	40.69 %
2460 - Public Outreach	2,227	417	-1,811	534.78 %	4,072	5,000	928	81.44 %
2480 - Miscellaneous	0	417	417	0.00 %	1,289	5,000	3,711	25.78 %
2500 - Tax Administration Fee	18,800	1,666	-17,134	1,128.45 %	18,800	20,000	1,200	94.00 %
2900 - Operating Supplies	0	1,741	1,741	0.00 %	12,808	20,900	8,092	61.28 %
Total Level1: 200 - Supplies and Services:	121,739	89,473	-32,266	136.06 %	1,008,703	1,074,100	65,397	93.91 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	903,015	658,095	-244,920	137.22 %	3,973,999	7,900,300	3,926,301	50.30 %
4000 - Fixed Asset Purchases	8,795	12,037	3,242	73.07 %	39,681	144,500	104,819	27.46 %
5000 - Debt Service	0	19,159	19,159	0.00 %	70,070	230,000	159,930	30.47 %
5500 - Election Expenses	0	18,992	18,992	0.00 %	44,606	228,000	183,394	19.56 %
6000 - Contingencies	0	6,248	6,248	0.00 %	0	75,000	75,000	0.00 %
6500 - Reserves	0	29,538	29,538	0.00 %	0	354,600	354,600	0.00 %
Total Level1: 300 - Other Expenses:	911,810	744,069	-167,741	122.54 %	4,128,356	8,932,400	4,804,044	46.22 %
Total Expense:	1,377,328	1,117,178	-260,151	123.29 %	7,953,208	13,411,500	5,458,292	59.30 %
Report Total:	1,382,046	0	1,382,046		117,504	0	117,504	

<u>EXHIBIT 10-E</u> Statement of Revenue Over Expense - No Decimals

Fund Summary

Fund	April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
24 - MITIGATION FUND	189,198	0	189,198		19,402	0	19,402	
26 - CONSERVATION FUND	445,963	0	445,963		298,888	0	298,888	
35 - WATER SUPPLY FUND	746,885	0	746,885		-200,787	0	-200,787	
Report Total:	1,382,046	0.08	1,382,046		117,504	0	117,504	



PENINSULA Monterey Peninsula Water Management Dist

135 **Statement of Revenue Over Expense - No Decimals**

Group Summary

For Fiscal: 2015-2016 Period Ending: 04/30/2016

Level		April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 24 - MITIGATION FUND									
Revenue									
R110 - Mitigation Revenue		409,481	200,920	208,562	-203.80 %	1,593,591	2,412,000	-818,409	-66.07 %
R130 - User Fees		3,165	6,248	-3,083	-50.65 %	32,526	75,000	-42,474	-43.37 %
R160 - Well Registration Fee		0	167	-167	0.00 %	650	2,000	-1,350	-32.50 %
R180 - River Work Permit Applicatiction		0	0	0	0.00 %	75	0	75	0.00 %
R190 - WDS Permits Rule 21		1,000	4,665	-3,665	-21.44 %	44,643	56,000	-11,357	-79.72 %
R230 - Miscellaneous - Other		0	1,250	-1,250	0.00 %	443	15,000	-14,557	-2.95 %
R250 - Interest Income		2	541	-540	-0.33 %	1,340	6,500	-5,160	-20.61 %
R290 - CAW - Miscellaneous		0	583	-583	0.00 %	0	7,000	-7,000	0.00 %
R310 - Other Reimbursements		0	4,582	-4,582	0.00 %	0	55,000	-55,000	0.00 %
R320 - Grants		0	22,908	-22,908	0.00 %	197,519	275,000	-77,481	-71.83 %
R510 - Operating Reserve		0	10,579	-10,579	0.00 %	0	127,000	-127,000	0.00 %
	Total Revenue:	413,648	252,441	161,207	-163.86 %	1,870,787	3,030,500	-1,159,713	-61.73 %

Statement of Revenue Over Expense - No Decimals

	April	April	Variance Favorable	Percent	YTD		Variance Favorable	Percent
Level	Activity	Budget	(Unfavorable)	Used	Activity	Total Budget	(Unfavorable)	Used
kpense								
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	108,428	83,308	-25,120	130.15 %	819,841	1,000,100	180,259	81.98 %
1110 - Manager's Auto Allowance	138	100	-38	138.51 %	1,015	1,200	185	84.61 %
1120 - Manager's Deferred Comp	232	133	-99	174.29 %	1,375	1,600	225	85.96 %
1130 - Unemployment Compensation	0	108	108	0.00 %	288	1,300	1,012	22.16 %
1140 - Insurance Opt-Out Supplemental	532	421	-111	126.47 %	3,930	5,050	1,120	77.83 %
1150 - Temporary Personnel	0	42	42	0.00 %	4,732	500	-4,232	946.35 %
1160 - PERS Retirement	10,672	14,461	3,789	73.80 %	156,086	173,600	17,514	89.91 %
1170 - Medical Insurance	10,575	11,262	687	93.90 %	108,004	135,200	27,196	79.88 %
1180 - Medical Insurance - Retirees	2,457	2,066	-391	118.93 %	21,424	24,800	3,376	86.39 %
1190 - Workers Compensation	3,056	2,107	-948	144.98 %	21,975	25,300	3,325	86.86 %
1200 - Life Insurance	183	196	12	93.62 %	1,886	2,350	464	80.27 %
1210 - Long Term Disability Insurance	469	516	47	90.86 %	4,643	6,200	1,557	74.89 %
1220 - Short Term Disability Insurance	93	108	15	86.04 %	918	1,300	382	70.59 %
1260 - Employee Assistance Program	27	42	15	64.22 %	277	500	223	55.43 %
1270 - FICA Tax Expense	807	192	-615	421.20 %	3,122	2,300	-822	135.73 %
1280 - Medicare Tax Expense	1,631	1,241	-390	131.42 %	11,245	14,900	3,655	75.47 %
1290 - Staff Development & Training	0	841	841	0.00 %	1,825	10,100	8,275	18.07 %
1300 - Conference Registration	0	117	117	0.00 %	884	1,400	516	63.16 %
1310 - Professional Dues	0	83	83	0.00 %	440	1,000	560	44.02 %
1320 - Personnel Recruitment	1,060	175	-885	605.96 %	3,232	2,100	-1,132	153.92 %
Total Level1: 100 - Personnel Costs:	140,361	117,520	-22,842	119.44 %	1,167,143	1,410,800	243,657	82.73 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	974	1,324	351	73.54 %	8,826	15,900	7,074	55.51 %
2020 - Board Expenses	469	142	-327	330.87 %	4,157	1,700	-2,457	244.52 %
2040 - Rent	830	908	78	91.45 %	8,008	10,900	2,892	73.47 %
2060 - Utilities	1,056	1,383	327	76.39 %	12,066	16,600	4,534	72.68 %
2120 - Insurance Expense	1,512	1,608	95	94.07 %	15,420	19,300	3,880	79.89 %
2130 - Membership Dues	249	833	584	29.94 %	9,743	10,000	257	97.43 %
2140 - Bank Charges	182	125	-57	145.86 %	1,418	1,500	82	94.56 %
2150 - Office Supplies	257	583	326	44.10 %	4,106	7,000	2,894	58.65 %
2160 - Courier Expense	259	283	24	91.40 %	2,565	3,400	835	75.44 %
2170 - Printing/Photocopy	93	233	141	39.73 %	171	2,800	2,629	6.11 %
2180 - Postage & Shipping	0	142	142	0.00 %	2,224	1,700	-524	130.85 %
2190 - IT Supplies/Services	1,229	3,790	2,562	32.42 %	29,077	45,500	16,423	63.91 %
2200 - Professional Fees	4,037	4,831	794	83.56 %	81,634	58,000	-23,634	140.75 %
2220 - Equipment Repairs & Maintenance	522	250	-272	208.96 %	2,926	3,000	74	97.52 %
2235 - Equipment Lease	574	533	-40	107.59 %	4,791	6,400	1,609	74.87 %
2240 - Telephone	1,271	1,558	286	81.62 %	13,234	18,700	5,466	70.77 %
2260 - Facility Maintenance	1,202	1,258	56	95.57 %	14,172	15,100	928	93.85 %
2270 - Travel Expenses	425	900	474	47.30 %	4,782	10,800	6,018	44.28 %

<u>EXHIBIT 10-E</u>

Statement of Revenue Over Expense - No Decimals

				Variance				Variance		
Level		April Activity	April Budget	Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Favorable (Unfavorable)	Percent Used	
		•	-	• •		-	-			
2280 - Transportation		749	733	-16	102.21 %	14,846	8,800	-6,046	168.71 %	
2300 - Legal Services		23,541	7,497	-16,044	314.01 %	125,297	90,000	-35,297	139.22 %	
2380 - Meeting Expenses		86	225	139	38.24 %	1,237	2,700	1,463	45.82 %	
2420 - Legal Notices		76	150	74	50.37 %	281	1,800	1,519	15.63 %	
2460 - Public Outreach		749	175	-574	428.33 %	1,477	2,100	623	70.34 %	
2480 - Miscellaneous		0	183	183	0.00 %	554	2,200	1,646	25.20 %	
2900 - Operating Supplies		0	283	283	0.00 %	661	3,400	2,739	19.46 %	
	Total Level1: 200 - Supplies and Services:	40,344	29,930	-10,414	134.80 %	363,674	359,300	-4,374	101.22 %	
Level1: 300 - Other Expenses										
3000 - Project Expenses		39,963	59,043	19,080	67.68 %	282,672	708,800	426,128	39.88 %	
4000 - Fixed Asset Purchase	S	3,782	5,581	1,799	67.76 %	18,715	67,000	48,285	27.93 %	
5500 - Election Expenses		0	8,163	8,163	0.00 %	19,181	98,000	78,819	19.57 %	
6000 - Contingencies		0	2,666	2,666	0.00 %	0	32,000	32,000	0.00 %	
6500 - Reserves		0	29,538	29,538	0.00 %	0	354,600	354,600	0.00 %	
	Total Level1: 300 - Other Expenses:	43,745	104,991	61,247	41.66 %	320,568	1,260,400	939,832	25.43 %	
	Total Expense:	224,450	252,441	27,991	88.91 %	1,851,384	3,030,500	1,179,116	61.09 %	
	Total Revenues	413,648	252,441	161,207	-163.86 %	1,870,787	3,030,500	-1,159,713	-61.73 %	
	Total Fund: 24 - MITIGATION FUND:	189,198	0	189,198		19,402	0	19,402		

Statement of Revenue Over Expense - No Decimals

138 For Fiscal: 2015-2016 Period Ending: 04/30/2016

Level		April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Fund: 26 - CONSERVATION FUND									
Revenue									
R120 - Property Taxes Revenues		564,795	90,131	474,664	-626.64 %	1,214,173	1,082,000	132,173	-112.22 %
R130 - User Fees		584	0	584	0.00 %	6,002	0	6,002	0.00 %
R150 - Permit Processing Fee		14,591	14,578	14	-100.09 %	131,782	175,000	-43,218	-75.30 %
R200 - Recording Fees		1,054	666	388	-158.16 %	9,930	8,000	1,930	-124.13 %
R210 - Legal Fees		399	1,250	-851	-31.93 %	2,500	15,000	-12,500	-16.67 %
R230 - Miscellaneous - Other		0	0	0	0.00 %	1,082	0	1,082	0.00 %
R250 - Interest Income		819	333	486	-245.90 %	3,930	4,000	-70	-98.26 %
R270 - CAW - Rebates		43,741	58,310	-14,569	-75.01 %	520,811	700,000	-179,189	-74.40 %
R280 - CAW - Conservation		0	19,326	-19,326	0.00 %	0	232,000	-232,000	0.00 %
R305 - City of Seaside - Rebates		0	1,666	-1,666	0.00 %	0	20,000	-20,000	0.00 %
R310 - Other Reimbursements		0	833	-833	0.00 %	0	10,000	-10,000	0.00 %
R510 - Operating Reserve		0	2,666	-2,666	0.00 %	0	32,000	-32,000	0.00 %
	Total Revenue:	625,983	189,757	436,226	-329.89 %	1,890,211	2,278,000	-387,789	-82.98 %

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 04/30/2016

Level	April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense	,	8	(,		· · · · · · · · · ,		(,	
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	65,730	44,749	-20,981	146.89 %	492,159	537,200	45,041	91.62 %
1110 - Manager's Auto Allowance	138	100	-38	138.51 %	1,015	1,200	185	84.61 %
1120 - Manager's Deferred Comp	232	133	-99	174.29 %	1,375	1,600	225	85.96 %
1130 - Unemployment Compensation	0	58	58	0.00 %	161	700	539	22.97 %
1140 - Insurance Opt-Out Supplemental	532	421	-111	126.47 %	3,930	5,050	1,120	77.83 %
1150 - Temporary Personnel	3,245	5,848	2,603	55.49 %	35,728	70,200	34,472	50.89 %
1160 - PERS Retirement	6,100	7,755	1,656	78.65 %	87,287	93,100	5,813	93.76 %
1170 - Medical Insurance	7,441	6,656	-785	111.80 %	73,663	79,900	6,237	92.19 %
1180 - Medical Insurance - Retirees	1,371	1,150	-222	119.29 %	11,957	13,800	1,843	86.65 %
1190 - Workers Compensation	251	175	-76	143.27 %	1,893	2,100	207	90.15 %
1200 - Life Insurance	97	133	37	72.43 %	1,115	1,600	485	69.71 %
1210 - Long Term Disability Insurance	291	262	-29	110.88 %	2,805	3,150	345	89.04 %
1220 - Short Term Disability Insurance	58	58	1	99.14 %	556	700	144	79.43 %
1260 - Employee Assistance Program	19	25	6	76.71 %	193	300	107	64.45 %
1270 - FICA Tax Expense	34	42	8	80.91 %	305	500	195	61.08 %
1280 - Medicare Tax Expense	926	650	-277	142.58 %	7,054	7,800	746	90.44 %
1290 - Staff Development & Training	150	1,200	1,050	12.51 %	3,724	14,400	10,676	25.86 %
1300 - Conference Registration	0	50	50	0.00 %	999	600	-399	166.50 %
1310 - Professional Dues	0	50	50	0.00 %	718	600	-118	119.67 %
1320 - Personnel Recruitment	0	100	100	0.00 %	1,300	1,200	-100	108.33 %
Total Level1: 100 - Personnel Costs:	86,614	69,614	-17,001	124.42 %	727,939	835,700	107,761	87.11 %
Level1: 200 - Supplies and Services								
2000 - Board Member Compensation	544	741	198	73.32 %	4,926	8,900	3,974	55.35 %
2020 - Board Expenses	262	83	-178	313.95 %	2,320	1,000	-1,320	232.01 %
2020 - Board Lapenses 2040 - Rent	172	258	-178 86	66.55 %	1,663	3,100	1,437	53.66 %
2060 - Utilities	568	758	190	74.91 %	6,534	9,100	2,566	55.00 % 71.81 %
2120 - Insurance Expense	844	900	56	93.83 %	8,606	10,800	2,500	79.69 %
2130 - Membership Dues	349	808	459	43.22 %	6,034	9,700	3,666	62.21 %
2130 - Membership Dues 2140 - Bank Charges	102	67	-35	152.63 %	800	800	0	100.06 %
2150 - Office Supplies	181	325	144	55.68 %	2,509	3,900	1,391	64.34 %
2160 - Courier Expense	144	167	22	86.72 %	1,653	2,000	347	82.67 %
2170 - Printing/Photocopy	52	342	290	15.14 %	95	4,100	4,005	2.33 %
2180 - Postage & Shipping	0	83	83	0.00 %	1,326	1,000	-326	132.62 %
2190 - IT Supplies/Services	697	2,058	1,361	33.87 %	16,241	24,700	8,459	65.75 %
2200 - Professional Fees	2,253	2,699	446	83.49 %	45,563	32,400	-13,163	140.63 %
2200 - Equipment Repairs & Maintenance	2,233	2,099	-150	205.82 %	1,633	1,700	-13,103	96.05 %
2235 - Equipment Lease	332	300	-32	110.63 %	2,721	3,600	879	90.03 % 75.58 %
2240 - Telephone	607	800	193	75.85 %	7,068	9,600	2,532	73.62 %
2260 - Facility Maintenance	671	641	-30	104.61 %	7,882	7,700	-182	102.37 %
2200 - Travel Expenses	1,345	1,033	-313	130.26 %	11,802	12,400	-182	95.18 %
2270 - Havel LAPENSES	1,343	1,035	-315	130.20 /0	11,002	12,400	290	33.10 /0

Statement of Revenue Over Expense - No Decimals

	April	April	Variance Favorable	Percent	YTD		Variance Favorable	Percent
Level	Activity	Budget	(Unfavorable)	Used	Activity	Total Budget	(Unfavorable)	Used
2280 - Transportation	170	417	247	40.81 %	5,500	5,000	-500	110.00 %
2300 - Legal Services	9,765	4,998	-4,767	195.38 %	46,838	60,000	13,162	78.06 %
2380 - Meeting Expenses	48	200	152	24.01 %	667	2,400	1,733	27.79 %
2420 - Legal Notices	42	92	49	46.01 %	157	1,100	943	14.27 %
2460 - Public Outreach	736	100	-636	735.86 %	1,193	1,200	7	99.44 %
2480 - Miscellaneous	0	100	100	0.00 %	309	1,200	891	25.78 %
2500 - Tax Administration Fee	7,621	658	-6,963	1,158.08 %	7,621	7,900	279	96.47 %
2900 - Operating Supplies	0	1,216	1,216	0.00 %	11,754	14,600	2,846	80.51 %
Total Level1: 200 - Supplies and Services:	27,795	19,984	-7,812	139.09 %	203,418	239,900	36,482	84.79 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	63,499	92,588	29,089	68.58 %	645,257	1,111,500	466,243	58.05 %
4000 - Fixed Asset Purchases	2,111	1,491	-620	141.56 %	4,004	17,900	13,896	22.37 %
5500 - Election Expenses	0	4,582	4,582	0.00 %	10,705	55,000	44,295	19.46 %
6000 - Contingencies	0	1,499	1,499	0.00 %	0	18,000	18,000	0.00 %
Total Level1: 300 - Other Expenses:	65,610	100,160	34,550	65.51 %	659,966	1,202,400	542,434	54.89 %
Total Expense:	180,020	189,757	9,738	94.87 %	1,591,323	2,278,000	686,677	69.86 %
Total Revenues	625,983	189,757	436,226	-329.89 %	1,890,211	2,278,000	-387,789	-82.98 %
Total Fund: 26 - CONSERVATION FUND:	445,963	0	445,963		298,888	0	298,888	

EXHIBIT 10-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 04/30/2016

Level		April Activity	April 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		1,350,891	283,220	1,067,671	-476.98 %	3,336,701	3,400,000	-63,299	-98.14 %
R120 - Property Taxes Revenues		158,523	40,650	117,872	-389.97 %	451,403	488,000	-36,597	-92.50 %
R140 - Connection Charges		206,948	14,578	192,371	-1,419.64 %	458,724	175,000	283,724	-262.13 %
R220 - Copy Fee		2	0	2	0.00 %	96	0	96	0.00 %
R230 - Miscellaneous - Other		0	0	0	0.00 %	6,395	0	6,395	0.00 %
R240 - Insurance Refunds		0	0	0	0.00 %	1,352	0	1,352	0.00 %
R250 - Interest Income		3,380	375	3,005	-901.75 %	15,335	4,500	10,835	-340.78 %
R260 - CAW - ASR		0	23,566	-23,566	0.00 %	0	282,900	-282,900	0.00 %
R265 - CAW - Los Padres Reimbursement		0	49,980	-49,980	0.00 %	0	600,000	-600,000	0.00 %
R300 - Watermaster		0	5,848	-5,848	0.00 %	39,709	70,200	-30,491	-56.57 %
R510 - Operating Reserve		0	256,764	-256,764	0.00 %	0	3,082,400	-3,082,400	0.00 %
	Total Revenue:	1,719,743	674,980	1,044,764	-254.78 %	4,309,714	8,103,000	-3,793,286	-53.19 %

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EXHIBIT 10-E

Statement of Revenue Over Expense - No Decimals

For Fiscal: 2015-2016 Period Ending: 04/30/2016

Level	April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
Expense	Activity	Dudget	(onavoiable)	Oscu	Activity	Total Duaget	(onavoiable)	USCU
Level1: 100 - Personnel Costs								
1100 - Salaries & Wages	91,198	69,780	-21,417	130.69 %	656,290	837,700	181,410	78.34 %
1110 - Manager's Auto Allowance	415	300	-116	138.52 %	3,046	3,600	554	84.61 %
1120 - Manager's Deferred Comp	697	383	-314	181.86 %	4,126	4,600	474	89.70 %
1130 - Unemployment Compensation	0	83	83	0.00 %	221	1,000	779	22.11 %
1140 - Insurance Opt-Out Supplemental	980	741	-239	132.18 %	7,157	8,900	1,743	80.41 %
1150 - Temporary Personnel	0	25	25	0.00 %	3,631	300	,	1,210.44 %
1160 - PERS Retirement	9,080	11,595	2,516	78.30 %	123,384	139,200	15,816	88.64 %
1170 - Medical Insurance	7,393	7,947	554	93.03 %	74,685	95,400	20,715	78.29 %
1180 - Medical Insurance - Retirees	1,886	1,583	-303	119.14 %	16,441	19,000	2,559	86.53 %
1190 - Workers Compensation	1,647	1,241	-406	132.73 %	12,115	14,900	2,785	81.31 %
1200 - Life Insurance	135	129	-6	104.72 %	1,357	1,550	193	87.53 %
1210 - Long Term Disability Insurance	359	387	28	92.69 %	3,468	4,650	1,182	74.59 %
1220 - Short Term Disability Insurance	71	83	12	85.50 %	683	1,000	317	68.27 %
1260 - Employee Assistance Program	20	33	12	59.65 %	201	400	199	50.30 %
1270 - FICA Tax Expense	185	167	-19	111.20 %	559	2,000	1,441	27.94 %
1280 - Medicare Tax Expense	1,040	1,016	-24	102.33 %	7,370	12,200	4,830	60.41 %
1290 - Staff Development & Training	300	675	375	44.46 %	1,675	8,100	6,425	20.68 %
1300 - Conference Registration	0	100	100	0.00 %	662	1,200	538	55.15 %
1310 - Professional Dues	338	92	-246	368.33 %	744	1,100	356	67.66 %
1320 - Personnel Recruitment	1,060	142	-918	748.53 %	3,254	1,700	-1,554	191.39 %
Total Level1: 100 - Personnel Costs:	116,803	96,503	-20,300	121.04 %	921,067	1,158,500	237,433	79.51 %
	,	,	,		,	_,,	,	
Level1: 200 - Supplies and Services		1.016	260	72 55 0/	6 770	12 200	5 407	FF F2 4/
2000 - Board Member Compensation	747	1,016	269	73.55 %	6,773	12,200	5,427	55.52 %
2020 - Board Expenses	360	108	-251	332.06 %	2,985	1,300	-1,685	229.63 %
2040 - Rent	759	800	41	94.89 %	7,315	9,600	2,285	76.20 %
2060 - Utilities	799	1,058	259	75.50 %	9,109	12,700	3,591	71.72 %
2120 - Insurance Expense	1,161	1,241	81	93.51 %	11,834	14,900	3,066	79.42 %
2130 - Membership Dues	191	650	458	29.46 %	7,577	7,800	223	97.14 %
2140 - Bank Charges	192	100	-92	191.62 %	1,923	1,200	-723	160.21 %
2150 - Office Supplies	205	450	245	45.48 %	3,088	5,400	2,312	57.19 %
2160 - Courier Expense	199	217	18	91.73 %	1,760	2,600	840	67.68 %
2170 - Printing/Photocopy	71	175	104	40.66 %	131	2,100	1,969	6.25 %
2180 - Postage & Shipping	-1	108	110	-1.31 %	1,730	1,300	-430	133.11 %
2190 - IT Supplies/Services	931	2,932	2,001	31.77 %	22,303	35,200	12,897	63.36 %
2200 - Professional Fees	3,098	3,715	617	83.40 %	62,650	44,600	-18,050	140.47 %
2220 - Equipment Repairs & Maintenance	401	192	-209	209.17 %	2,245	2,300	55	97.62 %
2235 - Equipment Lease	429	417	-12	102.90 %	3,631	5,000	1,369	72.61 %
2240 - Telephone	958	1,258	300	76.14 %	10,121	15,100	4,979	67.03 %
2260 - Facility Maintenance	923	1,000	77	92.30 %	10,846	12,000	1,154	90.38 %
2270 - Travel Expenses	1,020	750	-270	136.01 %	5,758	9,000	3,242	63.97 %

EXHIBIT 10-E

Statement of Revenue Over Expense - No Decimals

Level	April Activity	April Budget	Variance Favorable (Unfavorable)	Percent Used	YTD Activity	Total Budget	Variance Favorable (Unfavorable)	Percent Used
2280 - Transportation	147	733	586	20.09 %	3,743	8,800	5,057	42.53 %
2300 - Legal Services	28,967	20,825	-8,142	20.09 % 139.10 %	250,464	250,000	-464	100.19 %
2380 - Meeting Expenses	66	20,823	-8,142	37.73 %	230,404	2,100	1,183	43.67 %
5	58	1/3	59	49.70 %	1,311	1,400	1,183	93.66 %
2420 - Legal Notices								
2460 - Public Outreach	743	142	-601	524.35 %	1,402	1,700	298	82.46 %
2480 - Miscellaneous	0	133	133	0.00 %	425	1,600	1,175	26.59 %
2500 - Tax Administration Fee	11,179	1,008		1,109.10 %	11,179	12,100	921	92.39 %
2900 - Operating Supplies	0	242	242	0.00 %	393	2,900	2,507	13.54 %
Total Level1: 200 - Supplies and Services:	53,600	39,559	-14,041	135.49 %	441,612	474,900	33,288	92.99 %
Level1: 300 - Other Expenses								
3000 - Project Expenses	799,553	506,464	-293,089	157.87 %	3,046,070	6,080,000	3,033,930	50.10 %
4000 - Fixed Asset Purchases	2,902	4,965	2,062	58.46 %	16,962	59,600	42,638	28.46 %
5000 - Debt Service	0	19,159	19,159	0.00 %	70,070	230,000	159,930	30.47 %
5500 - Election Expenses	0	6,248	6,248	0.00 %	14,720	75,000	60,280	19.63 %
6000 - Contingencies	0	2,083	2,083	0.00 %	0	25,000	25,000	0.00 %
Total Level1: 300 - Other Expenses:	802,455	538,918	-263,538	148.90 %	3,147,822	6,469,600	3,321,778	48.66 %
Total Expense:	972,859	674,980	-297,879	144.13 %	4,510,501	8,103,000	3,592,499	55.66 %
Total Revenues	1,719,743	674,980	1,044,764	-254.78 %	4,309,714	8,103,000	-3,793,286	-53.19 %
Total Fund: 35 - WATER SUPPLY FUND:	746,885	0	746,885		-200,787	0	-200,787	
Report Total:	1,382,046	0	1,382,046		117,504	0	117,504	

<u>EXHIBIT 10-E</u> Statement of Revenue Over Expense - No Decimals

Fund Summary

			Variance				Variance	
	April	April	Favorable	Percent	YTD		Favorable	Percent
Fund	Activity	Budget	(Unfavorable)	Used	Activity	Total Budget	(Unfavorable)	Used
24 - MITIGATION FUND	189,198	0	189,198		19,402	0	19,402	
26 - CONSERVATION FUND	445,963	0	445,963		298,888	0	298,888	
35 - WATER SUPPLY FUND	746,885	0	746,885		-200,787	0	-200,787	
Report Total:	1,382,046	0.08	1,382,046		117,504	0	117,504	

ITEM: PUBLIC HEARING

16. CONSIDER APPROVAL OF AMENDMENT TO CALIFORNIA AMERICAN WATER DISTRIBUTION SYSTEM TO ADD AQUIFER STORAGE AND RECOVERY FACILITIES, INCLUDING PHASE 1 AND PHASE 2 WELLS, THE PROPOSED HILBY AVENUE PUMP STATION AND THE PROPOSED MONTEREY PIPELINE

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A N/A
Prepared By:	Henrietta Stern, Project Manager	Cost Estimate:	N/A
General Counse	l Review: Reviewed		
Committee Reco	ommendation: N/A		
CEQA Complian	nce: Addendum to Final EIR		

SUMMARY: The Board will consider two items related to issuing a Water Distribution System (WDS) Permit Amendment to the California American Water Company (CalAm) to incorporate facilities into their WDS that will increase the volume of water available for Aquifer Storage and Recovery (ASR) as follows:

- A. Addendum for the Hilby Avenue Pump Station (Exhibit 16-A), which would serve as an Addendum to both the ASR Project Environmental Impact Report/Environmental Assessment (EIR/EA) certified by MPWMD and the Pure Water Monterey/Groundwater Replenishment Project (PWM/GWR) EIR approved by the Monterey Regional Water Pollution Control Agency (MRWPCA). The Hilby Avenue Pump Station Addendum (Hilby Addendum) and Mitigation Monitoring and Reporting Program (MMRP attached as Exhibit 16-B) includes construction of a pump station in the City of Seaside for the CalAm distribution system and mitigation measures for any significant impacts. The Board will consider adopting Resolution No. 2016-12 (Exhibit 16-C) that refers to the Addendum and mitigation measures and includes a Statement of Overriding Considerations related to nighttime noise from construction of the Monterey Pipeline.
- **B.** Application submitted by California American Water to Amend its Water Distribution System. The Board will consider approval of CalAm application #WDS-20160602CAW (Exhibit 16-D) to add the proposed Hilby Avenue Pump Station and the proposed Monterey Pipeline and whether to authorize issuance of an amended WDS Permit that would incorporate these proposed facilities and also add the previously approved ASR Wells #1 through #4 as part of the WDS Permit Amendment (facilities shown as Exhibit 16-E).

RECOMMENDATION: District staff recommends that the Board take the following actions:

1. Approve the Addendum for the Hilby Avenue Pump Station (Exhibit 16-A), adopt the Mitigation Monitoring and Reporting Program (Exhibit 16-B), adopt Resolution No.

2016-12 (**Exhibit 16-C**), and approve the Monterey Pipeline.

- Approve Application #WDS-20160602CAW and authorize issuance of WDS Permit Amendment #M16-01-L3, based on adoption of the Findings of Approval, including CEQA Findings (Exhibit 16-F) and adoption of the Conditions of Approval (Exhibit 16-G). This will also result in ASR Phase 1 and 2 wells being incorporated into CalAm's WDS Permit.
- 3. Direct staff to file a Notice of Determination with the County Clerk regarding the action to amend the CalAm WDS.

DISCUSSION: Exhibit 16-E provides a summary figure that shows the four components that would be added to the CalAm WDS, including the proposed Hilby Avenue Pump Station, proposed Monterey Pipeline, and ASR Phase 1 and Phase 2 wells. Because of existing CalAm diversion, treatment, and distribution system constraints, the ASR project cannot take full advantage of existing water rights granted by the State Water Resources Control Board (SWRCB) to divert excess winter Carmel River flows. The Monterey Pipeline will resolve a pumping trough problem in the vicinity of the Naval Post Graduate School in Monterey and will increase the capacity of the Cal-Am distribution system to move water from Carmel Valley through the City of Carmel, Pebble Beach, and the City of Monterey and into the City of Seaside. The Hilby Avenue Pump Station will provide the lift capacity to move water up from the Monterey Pipeline and deliver the water to the ASR injection sites. It should be noted that the Hilby Avenue Pump Station was referred to as the "Monterey Pump station" in previous testimony before the California Public Utilities Commission (CPUC) and as the "Alternative ASR Pump Station" in the PWM/GWR EIR. The proposed Monterey Pipeline was referred to as the "Alternative Monterey Pipeline" in the PWM/GWR EIR. This pipeline project was previously approved by the MRWPCA on October 8, 2015 under MRWPCA Resolution 2015-24 (a copy is available in Volume 4 of the EIR at:

http://purewatermonterey.org/wp/wp-content/uploads/Pure-Water-Monterey-Cons-FEIR-Front-Material-Jan-2016.pdf

Additional information is provided below.

The Board should review the Draft and Final EIR/EA on the District website at: <u>http://www.mpwmd.net/wp-content/uploads/2015/08/MPWMD-Draft-EIR-EA-3-06.pdf</u> and <u>http://www.mpwmd.net/wp-content/uploads/2015/08/FEIR_8-21-06.pdf</u>.

The Board should also review its previous action on the Addendum No. 1 for the Phase 2 ASR facilities in April 2012 at: http://www.mpwmd.net/asd/board/boardpacket/2012/20120416/16/item16.htm.

The Board should also review the Pure Water Monterey consolidated Final EIR on that project's website at: <u>http://purewatermonterey.org/reports-docs/cfeir/</u>.

The printed Draft and Final EIR/EA for the ASR Project and the EIR for the Pure Water Monterey Project are available at the District office for public review. Hard copies or CDs may be requested by the public for the price of reproduction.

ASR Project: In brief, the ASR Project is comprised of previously approved Phase 1 and Phase 2 elements, including Wells #1 and #2 at the Santa Margarita site and Wells #3 and #4 at the Seaside Middle School site. The project is jointly sponsored by MPWMD and CalAm to divert excess flow from the Carmel River in the wet season, as permitted, for injection into the Seaside Groundwater Basin via special wells for later recovery during dry periods. Use of the Seaside Basin water source during dry periods helps reduce adverse impacts of pumping from the Carmel River environment when it is most vulnerable. The SWRCB previously approved water right permits 20808A and 20808C for Phase 1 and Phase 2 that allow MPWMD and CalAm to divert a maximum of 5,326 acre-feet per year (AFY). But this nominal or "face value" of the water rights is currently constrained both by the availability of excess river flow in winter and Cal-Am operational limitations.

Full implementation of the ASR Project (Phase 1 and 2 combined) as contemplated in the ASR EIR and Addendum No. 1 is estimated to yield an average injection of 1,920 AFY in the wet season (December 1 through May 31), which would result in reductions in unauthorized diversions by CalAm from the Carmel Valley Alluvial Aquifer during dry periods. Actual production amounts in any one year depend on river conditions and annual multi-agency operational agreements. The addition of the Hilby Avenue Pump Station and construction of the Monterey Pipeline will enable additional transmission of Carmel River water to the Seaside Basin when large amounts of water must be moved in a short period of time. The Pump Station and pipeline do not increase the allowed diversion of Carmel River water previously approved by the SWRCB; the facilities simply enable the District and CalAm to divert more excess winter flows for injection than the current CalAm system provides.

Monterey Pipeline: The MRWPCA Board did not have permit authority over the proposed CalAm Monterey Pipeline. However, the MRWPCA Board Resolution for the GWR Project, in reference to the CalAm Monterey Pipeline facilities, states:

"The (PCA) Board hereby finds that the adopted mitigation measures are changes or alterations that have been required in, or incorporated into, the Project which mitigate or avoid significant effects on the environment.

Some of the mitigation measures identified in the EIR cannot be fully implemented by the Board because the measures apply to a Project component that the Board does not control. The Alternative Monterey Pipeline would be implemented by CalAm and is not subject to regulatory approvals by MRWPCA. CalAm has confirmed that it would implement all of the mitigation measures that the EIR identifies for the Alternative Monterey Pipeline, including the following: AE-2; AQ-1; BT-1a; BT-1k; BT-1m; CR-1; CR-2(a); CR-2(b); CR-2(c); EN-1; HH-2(a); HH-2(b); HH-2(c); LU-2; NV-1(b); NV-1(c); PS-3; TR-2; TR-3; and TR-4.

The Board hereby finds that these mitigation measures are within the jurisdiction of other public agencies issuing regulatory approvals to CalAm, and can and should be approved by those other agencies." (Emphasis added)

It is noted that the MRWPCA Board in approving the project included a Statement of Overriding Considerations related to nighttime noise from construction of the Monterey Pipeline. The MWPMD Board would act as a Responsible Agency under CEQA and adopt a similar statement of overriding considerations regarding the construction of the pipeline. MPWMD has permitting authority over the Monterey Pipeline and will incorporate the pipeline and required mitigation measures into the CalAm WDS Permit Amendment.

<u>Hilby Addendum</u>: The public hearing for this Addendum has been properly noticed at least 10 days prior to the public hearing. Hearing notices have been posted at the offices of MPWMD, MRWPCA, CalAm and the cities of Monterey, Pacific Grove and Seaside. Notices have also been posted at the ASR Phase 1 and Phase 2 facility sites as well as the proposed Hilby Avenue Pump Station location. Hearing notices are also included on the District website and agendas distributed to numerous recipients.

The Hilby Addendum (**Exhibit 16-A**) describes the site-specific environmental effects of the proposed Hilby Avenue Pump Station in Seaside, and is intended to support discretionary approvals for installation and operation of the pump station. In compliance with CEQA Guidelines Sections 15162 and 15164, the Addendum evaluates whether construction and operation of the Hilby Avenue Pump Station would result in a new significant impact, or a significant impact that is substantially more severe than was previously disclosed in the ASR Project EIR/EA that was certified by the District in 2006 or in the PWM/GWR EIR certified by the MRWPCA in October 2015. The Addendum concludes that:

- No new or previously unidentified adverse significant impacts would result from the construction and operation of the Hilby Avenue Pump Station;
- The Pump Station would not result in a substantial increase in the severity of the significant impacts already identified in the ASR Project EIR/EA or the PWM/GWR EIR.

Approval of the Addendum entails incorporating the Hilby Addendum into the administrative record for the ASR Project EIR/EA previously certified by MPWMD in 2006 as the CEQA Lead Agency. The District's action also amends the PWM/GWR Project previously approved by MRWPCA in October 2015 to incorporate the Hilby Pump Station. The District relies on the PWM/GWR EIR for information about the Monterey Pipeline. Approval of the Addendum and MMRP and adoption of the accompanying Resolution complies with requirements of the California Environmental Quality Act (CEQA).

Action by the District to approve the Addendum and approve the CalAm WDS Permit Amendment has been requested by the CPUC prior to issuing a decision on the PWM/GWR project, which is tentatively scheduled for July 2016. District staff understands that CalAm concurs with the Hilby Addendum and MMRP documents as well as the Conditions of Approval for WDS Permit Amendment #M16-01-L3.

It is noted that an Addendum is not required to be circulated for public review (CEQA Guidelines Section 15164).

<u>Mitigation Monitoring and Reporting Program</u>: Mitigation measures for construction of the Hilby Avenue Pump Station and the Monterey Pipeline are consolidated into a Mitigation Monitoring and Reporting Program (MMRP, attached as **Exhibit 16-B**). The Board must adopt the updated MMRP (**Exhibit 16-B**), based on the Hilby Addendum with site-specific mitigation measures applicable to the Hilby Avenue Pump Station and mitigation measures for the

Monterey Pipeline contained in the PWM EIR. The original MMRP for the ASR Project is Chapter 4 of the Final Phase 1 EIR/EA referenced above, as amended by the Phase 2 Addendum accepted in April 2012. The measures contained in that MMRP have been amended for the Hilby Pump Station and included in **Exhibit 16-B**. The MMRP mitigation measures for construction of the Monterey Pipeline are contained in the MMRP for the PWM/GWR Project, which can be found in Section 5 of Volume IV of the Consolidated Final EIR found at <u>http://purewatermonterey.org/reports-docs/cfeir/</u> (referred to as the Alternative Monterey Pipeline in the PWM/GWR MMRP). As a condition of the WDS Permit Amendment, CalAm will be required to carry out all measures described in the consolidated MMRP.

<u>Resolution 2016-12</u>: The Resolution (**Exhibit 16-C**) includes a series of Findings that lead to statements in the Resolution that:

- Demonstrate continued District compliance with the CEQA as a Lead Agency and a Responsible Agency;
- Approve the June 2016 Hilby Addendum (Exhibit 16-A) to the Phase 1 ASR Project Final EIR/EA, certified by MPWMD on August 21, 2006, and to the PWM/GWR EIR certified by the MRWPCA on October 8, 2015;
- Adopt the June 2016 Mitigation Monitoring and Reporting Program (MMRP) that contains mitigation measures for the for the Hilby Avenue Pump Station (Exhibit
- ► **16-B**) as required by CEQA; and
- Approve application WDS-20160602CAW by CalAm to add the Hilby Avenue Pump Station and the Monterey Pipeline as components of the CalAm WDS, based on the Hilby Addendum and previous certified environmental documents, and authorize the filing of a Notice of Determination with the County Clerk for approval of the application and CalAm WDS Amendment. It is noted that ASR Phase 1 and Phase 2 project components (such as Wells #1 through #4) were previously approved in 2006 and 2012, respectively, and that the Monterey Pipeline was previously approved in 2015.

<u>CalAm Application</u>: CalAm submitted two applications for a WDS Permit Amendment – one for the Hilby Avenue Pump Station and one for the Monterey Pipeline – but they will be treated as one application with one fee. CalAm also submitted a CD with detailed engineering drawings of certain facilities. In addition to the two planned facilities, the previously approved Phase 1 and Phase 2 ASR wells that have been completed would also be recognized as additions to the CalAm WDS.

<u>Amended CalAm WDS Permit/Findings and Conditions</u>: Board approval of Items A and B described above would result in issuance of WDS Permit M16-01-L3 that would: (a) approve the future addition of the proposed Hilby Avenue Pump Station and Monterey Pipeline to the CalAm WDS; and (b) formally recognize previous MPWMD actions that approved the ASR Phase 1 and Phase 2 wells which are now part of the CalAm WDS.

The specific components of the amended CalAm WDS would be:

1. Future Hilby Avenue Pump Station, to be located at 1561 Hilby Avenue, based on the ASR Project EIR/EA certified by MPWMD in 2006, and the June 2016 Hilby Addendum to the ASR Project EIR/EA and the June 2016 Hilby Addendum to the PWM/GWR EIR;

- 2. Future Monterey Pipeline, to be comprised of approximately 35,000 feet of 36-inch pipeline that would traverse the cities of Seaside, Monterey and a portion of Pacific Grove, which was previously analyzed in the PWM/GWR EIR certified by the MRWPCA on October 8, 2015 under MRWPCA Resolution 2015-24;
- 3. Existing ASR Phase 1 Wells #1 and #2 at the Santa Margarita site, located at 1910 General Jim Moore Blvd. (previously approved by the District Board via a Notice of Determination for MPWMD WDS Permit #M11-04-L4 adopted on August 21, 2006); and
- 4. Existing ASR Phase 2 Wells #3 and #4 at the Seaside Middle School site, located at 2111 General Jim Moore Blvd. (previously approved via a Notice of Determination adopted by the District Board on April 16, 2012).

The Findings of Approval (**Exhibit 16-F**) supporting amendment of the CalAm WDS Permit are based on evidence provided in the application materials, including supporting environmental documents on file at the District office. Staff believes the application meets the criteria and minimum standards for approval set by District Rules 22-B (Findings) and 22-C (Minimum Standards for Granting a Permit). Pertinent information includes previously certified environmental documents, the June 2016 Hilby Addendum and MMRP, technical studies and reports, technical memoranda and maps, and previous approvals by other governmental entities. Based on the certified EIR and Addendum for the Phase 1 and Phase 2 ASR Projects, respectively, the certified EIR for the PWM/GWR Project, and water rights permits 20808A and 20808C issued by the SWRCB, MPWMD approval of Application WDS-20160602CAW is not anticipated to result in a significant adverse effect to the Carmel River or Seaside Groundwater Basins. Near-term beneficial effects are anticipated due to the improved ability to carry out the ASR Project.

The Conditions of Approval (**Exhibit 16-G**) proposed for Permit #M16-01-L3 to amend the CalAm WDS are consistent with MPWMD Rule 22-D (Mandatory Conditions of Approval) governing water distribution systems. Conditions #1 through #4 define the Permitted System, including an approved System Capacity (production limit) and an Expansion Capacity Limit (number of connections). The "municipal unit allocation" in Condition #3 refers to quantities of water associated with a jurisdiction's defined CalAm water allocation, which would not change from current amounts in MPWMD records.

The previous System Capacity limit was 1,500 AFY for Permit #M11-04-L4 for Phase 1 ASR. This is now changed to 5,326 AFY to reflect the SWRCB water rights limits and includes MPWMD approval of Phase 2 facilities in 2012. This amount is consistent with previously approved environmental documents for the ASR Project. It is noted that actual maximum production would likely be less than the production limit in any one year due to variation in weather, plus physical and regulatory constraints to the CalAm system. The estimated project yield analysis for ASR Phase 2 envisioned an average of 1,920 AFY for Phase 1 and 2 combined. An Expansion Capacity Limit (connections) of one master connection was previously included in Permit #M11-04-L4 (Phase 1 ASR) and focuses on CalAm production (rather than the number of customer connections). An additional master connection for the Phase 2 ASR wells will be described in the permit amendment.

Mandatory Conditions #5 through #24 address a variety of subjects such as water quality, well metering, annual reporting, conservation, fee payments, timely notice of system changes, staff access for inspections, interties with other systems, future permits, and required Indemnification Agreement, Acceptance Form and Deed Restriction. Condition #24 states that the WDS Permit is subject to revocation if the Permittee does not fully comply with each and every Condition of Approval. Conditions #25 and #26 address basic water rights and recognition of the federal Endangered Species Act; these conditions are not required by District rules, but are included in all MPWMD WDS Permits and Amendments. Special Condition 27 states that CalAm shall comply with all mitigation measures required in the MMRP for construction of the Hilby Avenue Pump Station and Monterey Pipeline, along with operational requirements for ASR Phase 1 and 2. The conditions refer to attachments that will be similar to figures and the MMRP already provided above. Special Condition #28 requires CalAm to provide copies of reports to the SWRCB that are associated with water right Permits #20808A and #20808C.

There will be a series of follow-up actions between the District and CalAm staff, which will result in a final WDS Permit Amendment package recorded with the Monterey County Recorder.

IMPACT TO DISTRICT RESOURCES: Adoption of the Resolution and acceptance of the Hilby Addendum by itself has no resource or financial impacts. However, once CalAm actually constructs the Hilby Avenue Pump Station and Monterey Pipeline, MPWMD staff or consultant work may be needed to monitor construction and compliance with the permit, operations and/or review technical reports.

EXHIBITS

- **16-A** Addendum for Hilby Avenue Pump Station
- **16-B** Mitigation Monitoring and Reporting Program
- **16-C** Resolution 2016-12
- 16-D Application #WDS-20160602CAW (without CD attachments)
- 16-E Figure of Amended CalAm WDS components
- **16-F** Draft Findings of Approval for WDS Permit #M16-01-L3
- 16-G Draft Conditions of Approval for WDS Permit #M16-01-L3

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ADDENDUM TO THE AQUIFER STORAGE AND RECOVERY PROJECT ENVIRONMENTAL IMPACT REPORT/ENVIRONMENTAL ASSESSMENT

AND THE

PURE WATER MONTEREY/GROUNDWATER Replenishment Project Environmental Impact Report

FOR THE

HILBY AVENUE PUMP STATION

June 14, 2016

Prepared for Monterey Peninsula Water Management District

> Prepared by Denise Duffy and Assoicates





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Addendum to the ASR EIR/EA and the PWM/GWR EIR Hilby Avenue Pump Station

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LIST OF ATTACHMENTS

- 1. Initial Study Checklist for the Hilby Avenue Pump Station to Support the Addendum to the ASR EIR/EA and the PWM/GWR EIR
- 2. Air Quality and GHG Calculations Spreadsheets
- 3. Hilby Pump Station Noise Technical Memorandum
- 4. Photographic Simulations of Hilby Avenue Pump Station

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I. INTRODUCTION

Pursuant to the California Environmental Quality Act, California Public Resources Code Sections 21000 et seq. ("CEQA") and the California Environmental Quality Act Guidelines, Title 14, Chapter 3 of the California Code of Regulations ("CEQA Guidelines"), and in cooperation with other affected agencies and entities, the Monterey Peninsula Water Management District (MPWMD) has prepared this Addendum to the following two certified Environmental Impact Reports:

- the Phase 1 Aquifer Storage and Recovery (ASR) Project Final Environmental Impact Report/Environmental Assessment (ASR EIR/EA), certified by MPWMD's Board of Directors on August 21, 2006, and revised by Addendum No. 1 to the ASR EIR/EA, certified by MPWMD's Board of Directors on April 16, 2012; and
- the Pure Water Monterey (PWM) Groundwater Replenishment (GWR) Project Final EIR, certified by MRWPCA's Board of Directors on October 8, 2015.

MPWMD has prepared this Addendum to the ASR EIR/EA and the PWM/GWR EIR to address the effects of constructing and operating the proposed Hilby Avenue Pump Station, which would constitute a change to both the ASR Project and the PWM/GWR Project. The proposed Hilby Avenue Pump Station has also been referred to as the "Monterey Pump Station" in joint supplemental testimony submitted to the California Public Utilities Commission (CPUC) on April 23, 2016, and as the "Alternative ASR Pump Station" in the PWM/GWR EIR.

The ASR Project entails diversion of "excess" Carmel River winter flows, as allowed under water rights permits issued by the State Water Resources Control Board, which is then treated and transmitted via the California American Water (CalAm) distribution system to specially-constructed injection/recovery wells in the Seaside Groundwater Basin (Seaside Basin) and injected under an authorization from the Environmental Protection Agency (EPA). The excess water is captured by CalAm wells in the Carmel Valley only during periods when flows in the Carmel River exceed fisheries bypass flow requirements. After treatment to potable drinking water standards, water is then conveyed through CalAm's distribution system to ASR facilities (injection wells) to recharge the over-pumped Seaside Basin. Available storage capacity in the Seaside Basin serves as an underground reservoir for the diverted water. Water is then pumped back out from the Seaside Basin in dry periods to help reduce pumping-related impacts on the Carmel River. This "conjunctive use" more efficiently utilizes local water resources to improve the reliability of the community's water supply while reducing the environmental impacts to the Carmel River and Seaside Basins. See **Figure 1. ASR and PWM/GWR Projects** for more information.

The proposed Hilby Avenue Pump Station is needed to provide sufficient pressure to enable conveyance of additional diverted Carmel River winter flows to the ASR injection wells, as allowed under the ASR Project. Other than providing sufficient pressure to convey additional diverted water, the Pump Station would not change operations of the ASR Project. The existing CalAm distribution system currently conveys Carmel River water through the Segunda-Crest pipeline network to the existing ASR facilities; however, the capacity of this pipeline constrains the volume of water that can be delivered to the injection wells.

The PWM/GWR Project is a water supply project that will provide purified recycled water for recharge of the Seaside Basin that serves as a drinking water supply, and recycled water to augment the existing Castroville Seawater Intrusion Project's crop irrigation supply. The PWM/GWR Project is jointly

Addendum to the ASR EIR/EA and the PWM/GWR EIR Hilby Avenue Pump Station

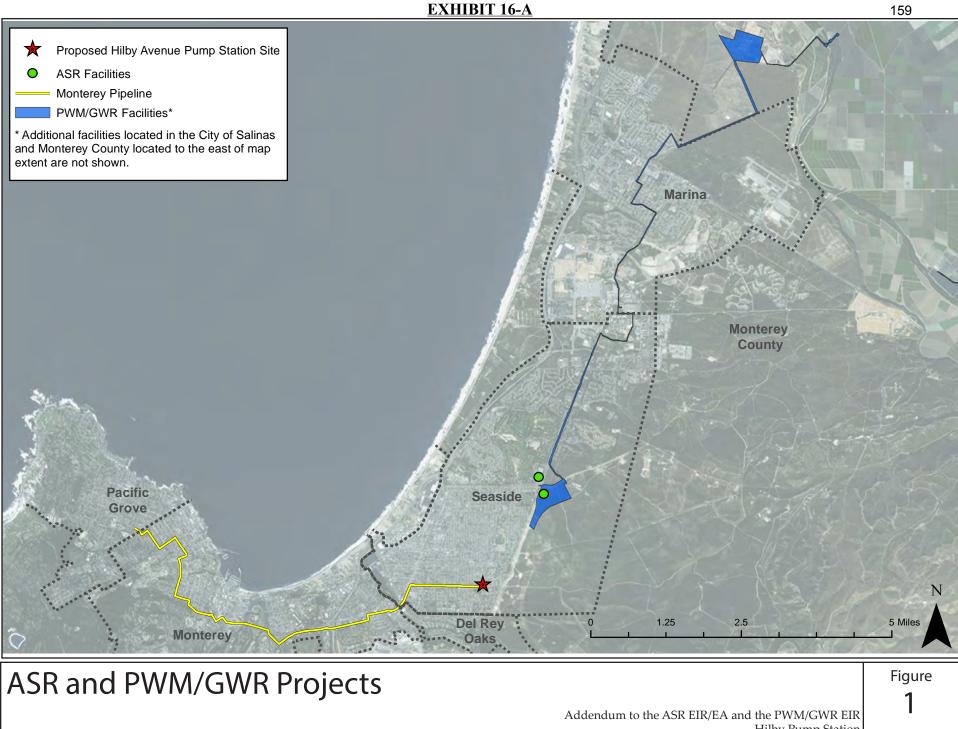
sponsored by the Monterey Regional Water Pollution Control Agency (MRWPCA) and the MPWMD, and also includes participation by the City of Salinas, the Marina Coast Water District, and the Monterey County Water Resources Agency. The PWM/GWR Project includes the collection of a variety of new source waters and conveyance of that water to the Regional Wastewater Treatment Plant for treatment and recycling. The water would then be used for two purposes: replenishment of the Seaside Groundwater Basin with purified recycled water to replace some of CalAm's existing drinking water supplies; and provision of additional recycled water supply for agricultural irrigation in northern Salinas Valley. Water conveyed to the Seaside Basin would be injected into the basin via new wells. Water would subsequently be extracted through CalAm's existing extraction wells and conveyed to CalAm's customers. The PWM/GWR Project includes construction of a new pipeline, the Monterey Pipeline, to enable CalAm to deliver the water to its customers.

The proposed Hilby Avenue Pump Station is not needed for the PWM/GWR Project. However, the Hilby Avenue Pump Station would be connected to the Monterey Pipeline, which pipeline could then be used both for the ASR Project and the PWM/GWR Project. When CalAm is extracting water from Seaside Basin for delivery to its customers, the Monterey Pipeline would be used to distribute the water as described in the PWM/GWR EIR. When CalAm is diverting excess water from the Carmel River for injection into the Seaside Basin, the Monterey Pipeline would be used to convey a portion of the diverted water to the basin, consistent with the operational assumptions in the ASR EIR/EA. The PWM/GWR EIR identified the proposed Hilby Avenue Pump Station in Appendix Z, Sheet 3 as the "Alt ASR Pump Station" but it did not evaluate the effects of constructing and operating the Hilby Avenue Pump Station.

This Addendum evaluates whether construction and operation of the Hilby Avenue Pump Station would result in a new significant impact, or an impact that is substantially more severe than the impacts disclosed in the ASR EIR/EA and PWM/GWR EIR. This Addendum is supported by the **Attachment 1**, **Initial Study Checklist for the Hilby Avenue Pump Station**, which concludes the following in accordance with CEQA Guidelines Section 15464:

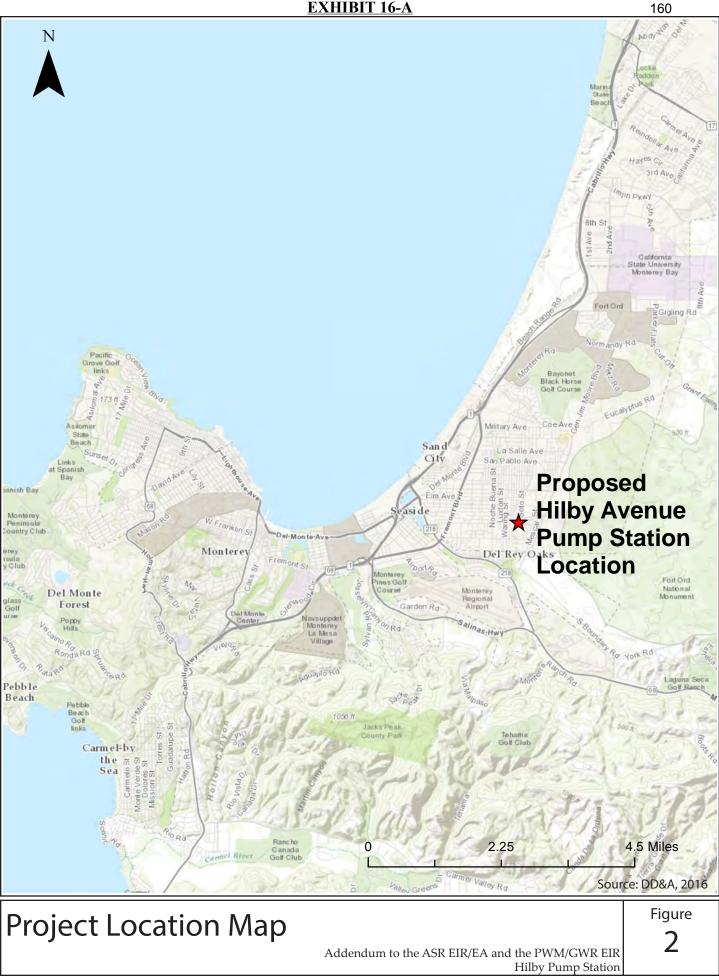
- No new or previously unidentified adverse significant impacts would result from the construction and operation of the Hilby Avenue Pump Station.
- The proposed Hilby Avenue Pump Station would not result in a substantial increase in the severity of the impacts identified in the ASR EIR/EA and PWM/GWR Project EIR.

MPWMD's Board of Directors will consider this Addendum, along with the certified ASR EIR/EA and certified PWM/GWR EIR, prior to making a decision on any approvals pertaining to the proposed Hilby Avenue Pump Station.



Hilby Pump Station







Proposed Hilby Pump Station Site Plan

Figure

3

Addendum to the ASR EIR/EA and the PWM/GWR EIR Hilby Pump Station 161



Source: DD&A, 2016

Site Photos	Figure 4
Addendum to the ASR EIR/EA and the PWM/GWR EIR	
Hilby Pump Station	

II. PUMP STATION LOCATION

The proposed Hilby Avenue Pump Station site consists of a 1.1-acre property owned by CalAm. **Figure 2**, **Project Location Map**, shows the location of the proposed Hilby Avenue Pump Station within the City of Seaside. The Pump Station above ground equipment would be constructed on an existing concrete pad foundation with a 1,222 square-foot footprint. The site is accessed from an existing driveway located in the west side of Luzern Street in the City of Seaside. The site is approximately 200 feet north of the Luzern Street/Hilby Avenue intersection. The proposed Hilby Avenue Pump Station site is located on Assessor's Parcel Number 012-324-032-000. Currently, there are two tanks (1 million gallons each) with an associated pump station and two pneumatic tanks to serve the adjacent community located just north of the site, and outdated equipment, which would be removed, on the existing concrete pad on the site.

III. PUMP STATION DESCRIPTION

The Hilby Avenue Pump Station is proposed by CalAm to pump water within a 36" diameter transmission main to existing ASR injection wells. The transmission main, also referred to as the Monterey Pipeline, was approved by the MRWPCA as a component of the PWM/GWR Project (see **Section IV. Changes to the Project** for more detail). The purpose of the Hilby Avenue Pump Station is to implement the ASR Project by providing sufficient pressure to provide additional water for injection into the Seaside Basin from the Carmel River to the ASR injection wells during wet weather periods consistent with the ASR operations described in the ASR EIR/EA, as modified by Addendum No. 1 to the ASR EIR/EA.¹

The pump station equipment would be located in a newly constructed building with an approximate 1,222 square-foot footprint (26' wide, 47' long) and approximately 10 feet in height. It would be located at CalAm's existing Hilby Tank property on existing disturbed and paved areas, which is located at the intersection of Hilby Avenue and Luzern Street in the City of Seaside. There are current outdated facilities on the existing concrete pad at the site; these would be removed to allow construction of the new Pump Station. The property is zoned RS-8, single-family residential. The development of the Pump Station would require an amendment to the existing CalAm Water Distribution System (WDS) Permit to add the Pump Station. MPWMD would also amend this WDS Permit to the current ASR Project and related components, which were previously approved by MPWMD. A Use Permit from the City of Seaside may also be required. **Figure 2, Proposed Hilby Avenue Pump Station Site Plan**, presents the site plans for the Pump Station and associated distribution pipelines.

The Hilby Avenue Pump Station would have three, 3 MGD (million gallons per day) pumps with a rated combined 600 horsepower. Access to the Pump Station would be provided via the existing Hilby Tank driveway off of Luzern Street. The site is enclosed within a chain link security fence. Minor adjustments to the fence may be required to accommodate the new Pump Station. Electrical power equipment would be enclosed in a small building or panel with associated heating, ventilation, and air conditioning (HVAC) equipment. An electrical supply transformer would be located on an equipment pad near the Pump Station site.

¹ CalAm and MPWMD may, in the future, petition the SWRCB and EPA to add proposed ASR wells #5 and #6 as additional points of injection into the Seaside Basin for Carmel River diversions.

The pump motors and discharge piping would be housed within an enclosed building structure that is constructed on-site using split-faced block wall or built using pre-manufactured engineered structures and will incorporate acoustic sounds dampening materials and other engineered measures to mitigate sound attenuation outside the structure. The pump station building would be set at the approximately the same ground surface elevation as the existing paved area. The walls and roofing materials of the building housing the Pump Station would be constructed with architectural treatment as may be required and subject to approval by the City of Seaside.

The pipeline distribution system would include suction and discharge piping running between the proposed 36" Monterey Pipeline located on Hilby Avenue and the Hilby Avenue Pump Station that would be routed along Luzern Street before turning onto the existing Hilby storage tank site. This piping would be sized at 24" with a total length of approximately 700 feet as shown in **Figure 2**, **Proposed Hilby Avenue Pump Station Site Plan**. The PWM/GWR EIR analyzed use of the Monterey Pipeline for delivery of water within the CalAm distribution system. With the Hilby Avenue Pump Station, the Monterey Pipeline would also be used to convey water diverted from the Carmel River for injection via the ASR Project.

To the north of the proposed Pump Station site, there are two, 1 million gallon water tanks and a pump station which are owned and operated by CalAm. On the pavement area where the Pump Station is proposed, there are two outdated vertical turbine pumps that are used periodically for recirculation. These pumps are no longer needed for operation of the tanks with some minor piping modifications and will be removed prior to construction of the proposed Hilby Avenue Pump Station. See **Figure 3**, **Site Photos** for photos of the existing equipment.

1. Construction

An 8,400 square-foot construction area would be delineated at the site with temporary exclusion fencing to prevent inadvertent disturbance to adjacent, undeveloped portions of the property. Construction is anticipated to begin February 2017 and last until August 2017. Construction crews would prepare the Pump Station site by clearing, grading and compacting to create a level work area. Construction activities would include excavation; installing shoring and forms; pouring concrete footing for foundations; assembling and installing piping, pumps, and electrical equipment; constructing concrete enclosures and roofs; and finish work such as paving, landscaping, and fencing the perimeter of the Pump Station site. Construction access would be provided via existing driveways and roadways. The total volume of grading of the site would include approximately 2,500 cubic yards of cut and 2,000 cubic yards of fill. Cut and fill in the area of the Pump Station is 904 cubic yards cut and 724 cubic yards of fill. Piping and pipeline alignment grading involves 1,594 cubic yards of cut and total fill of 1,275 cubic yards. The excess cut material will be hauled off site to an appropriate location that will accept the spoils.

2. Operation

The Pump Station would be used to pressurize/convey potable water in the CalAm system to assist the existing ASR system during injection. The Pump Station will be used primarily during the wet weather period when excess water is permitted to be captured from the Carmel River and is conveyed to the Seaside Basin for aquifer storage and recovery. The electrical demand average would be approximately 500 mWh/year (Megawatt hours per year).

Although the Pump Station would typically be operated remotely via a supervisory control and data acquisition (SCADA) system, facility operators will conduct routine visits to the Pump Station site approximately once weekly to monitor operations, conduct general maintenance activities, and service

the pumps. General operations and maintenance activities associated with pipelines would include annual inspections of the cathodic protection system and replacement of sacrificial anodes when necessary; inspection of valve vaults for leakage; testing, exercising and servicing of valves; vegetation maintenance along rights-of-way; and repairs of minor leaks in buried pipeline joints or segments.

IV. COMPARISON TO THE CONDITIONS LISTED IN CEQA GUIDELINES §15162

This Addendum has been prepared pursuant to CEQA Guidelines Section 15164, which states: "A lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in §15162 calling for preparation of a subsequent EIR have occurred." CEQA Guidelines Section 15162 establishes the following criteria for the preparation of a Supplemental EIR.

- Substantial changes are proposed in the project which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
- 2) Substantial changes occur with respect to the circumstances under which the project is undertaken which will require major revisions of the previous EIR or negative declaration due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
- 3) New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete or the negative declaration was adopted, shows any of the following:
 - a) The project will have one or more significant effects not discussed in the previous EIR or negative declaration;
 - b) Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c) Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d) Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

The following discussion summarizes the reasons why a subsequent or supplemental EIR, pursuant to CEQA Guidelines Section 15162, is not required in connection with approvals for the proposed Hilby Avenue Pump Station and why an addendum is appropriate.

V. CHANGES TO THE PROJECTS

1. Project Background

The proposed Hilby Avenue Pump Station would be connected to the Monterey Pipeline, previously evaluated as the Alternative Monterey Pipeline in the PWM/GWR EIR. The new Pump Station would serve the ASR Project, to enable the ASR Project to achieve the full yield authorized by previously approved water rights evaluated in the ASR EIR/EA and Addendum No. 1 to the ASR EIR/EA.²

The MPWMD and CalAm's water rights allow diversion of excess flows from the Carmel River for injection into the Seaside Groundwater Basin for later extraction and use by the CalAm. The Hilby Avenue Pump Station would constitute an added physical component to the ASR Project, but it would not change the amount of water allowed to be diverted from the Carmel River, injected into the Seaside Groundwater Basin and subsequently extracted by CalAm for municipal use.

Prior to constructing the Monterey Pipeline and Hilby Avenue Pump Station, CalAm would need to obtain MPWMD approval of an amendment to CalAm's existing WDS Permit.

The ASR EIR/EA and Addendum No. 1 to the ASR EIR/EA did not contemplate the addition of the Hilby Avenue Pump Station. The ASR EIR/EA and Addendum No. 1 to the ASR EIR/EA analyzed the impacts of diverting the full amount of Carmel River allowed to be diverted under MPWMD and CalAm's water rights, injection of that water into the Seaside Groundwater Basin and recovery of such water for CalAm use. The full ASR EIR/EA can be accessed online at the following address:

http://www.mpwmd.net/wp-content/uploads/2015/08/MPWMD-Draft-EIR-EA-3-06.pdf and http://www.mpwmd.net/wp-content/uploads/2015/08/FEIR 8-21-06.pdf,

and Addendum No. 1 to that document can be found online at the following address: http://www.mpwmd.net/asd/board/boardpacket/2012/20120416/16/item16 exh16b.pdf.

This Addendum addresses the Hilby Avenue Pump Station and a short segment of suction and discharge piping that would connect the Hilby Avenue Pump Station to the previously approved Monterey Pipeline. The Monterey Pipeline was evaluated in the PWM/GWR EIR in **Chapter 6, Alternatives to the Proposed Project.** The PWM/GWR EIR can be accessed online at the following address: http://purewatermonterey.org/reports-docs/cfeir/.

2. Environmental Effects

As detailed in **Attachment 1, Initial Study Checklist for the Hilby Avenue Pump Station**, the proposed Hilby Avenue Pump Station would not result in any new significant environmental effects that cannot be mitigated with existing, previously identified mitigation measures in the ASR EIR/EA and the PWM/GWR EIR. In addition, the proposed Hilby Avenue Pump Station would not substantially increase the severity of environmental effects identified in the ASR EIR/EA and the PWM/GWR EIR.

² State Water Resources Control Board (SWRCB) water rights are issued by the SWRCB Division of Water Rights and specify diversion limits on the Carmel River for ASR Phase 1 and ASR Phase 2. Phase 2 is facilitated by Amended Permit #20808C authorized by the SWRCB which allows MPWMD and CalAm to divert an additional maximum of approximately 2,900 acre-feet per year (AFY) for injection to the Seaside Basin via ASR facilities if minimum instream flow requirements in the permit are met. Thus the total maximum diversion is 5,326 SFY when the 2,426 AFY allowed for Phase 1 is considered. Full implementation of Phase 2 was estimated to yield an average of 1,000 AFY, which is additive to the estimated average yield of 920 AFY from Phase 1, resulting in an average reduction of 1,920 AFY in diversions from the Carmel Valley Alluvial Aquifer.

3. New Information

No new information of substantial importance has been identified or presented to MPWMD or MRWPCA such that the ASR Project or PWM/GWR Project would result in: 1) significant environmental effects not identified in the ASR EIR/EA and the PWM/GWR EIR, or 2) more severe environmental effects than described in the ASR EIR/EA and the PWM/GWR EIR, or 3) require mitigation measures which were previously determined not to be feasible, or mitigation measures that are considerably different from those recommended in the ASR EIR/EA and the PWM/GWR EIR.

4. Conclusion

Section 15164 of the CEQA Guidelines states that a lead agency or responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in Section 15162 calling for preparation of a subsequent EIR have occurred. Based on the information in this Addendum, MPWMD has determined that:

- No new significant environmental effects or a substantial increase in the severity of previously identified significant effects would occur as a result of the construction and operation of the Hilby Avenue Pump Station;
- No substantial changes have occurred or would occur with respect to the circumstances under which the ASR Project and PWM/GWR Project were originally undertaken, which would require major revisions to the previously certified ASR EIR/EA and the PWM/GWR EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and
- No new information of substantial importance has been received or discovered, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous ASR EIR/EA and the PWM/GWR EIR were certified as complete.

Addendum to the ASR EIR/EA and the PWM/GWR EIR Hilby Avenue Pump Station

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ATTACHMENT 1

INITIAL STUDY CHECKLIST FOR THE HILBY AVENUE PUMP STATION TO SUPPORT THE ADDENDUM TO THE ASR EIR/EA AND THE PWM/GWR EIR

Denise Duffy and Associates

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Denise Duffy and Associates

I. PROJECT DATA

Project Title: Hilby Avenue Pump Station

Lead Agency Name and Address: Monterey Peninsula Water Management District (MPWMD), 5 Harris Court, Building G, Monterey, CA 93940, Mailing Address is: PO Box 85, Monterey, CA 93942-0085

Contact Person and Phone Number: Larry Hampson, District Engineer (831) 658-5620

Project Proponents: MPWMD and California-American Water Company (CalAm)

- **Project Location:** The proposed Hilby Avenue Pump Station is located at 1561 Hilby Avenue in the City of Seaside. The cross street is Luzern Street.
- **Project Description:** CalAm proposes to construct and operate a new pump station near the corner of Luzern Street and Hilby Avenue in the City of Seaside.

II. ENVIRONMENTAL FACTORS POTENTIALLY AFFECTED

All of the following environmental factors identified below are discussed within **Section III. Evaluation of Environmental Impacts.** Those that are checked were found to be areas that the full implementation of the proposed Hilby Avenue Pump Station may significantly impact without mitigation. Sources used for analysis of environmental effects are listed in **Section IV. References.**

Aesthetics	□ Agricultural Resources	⊠Air Quality
Biological Resources	⊠Cultural Resources	\Box Geology and Soils
Greenhouse Gas Emissions	\Box Hazards and Hazardous Materials	□ Hydrology and Water Quality
□Land Use and Planning	Mineral Resources	⊠Noise
Population and Housing	Public Services	Recreation
□ Transportation and Traffic	□ Utilities and Service Systems	□ Mandatory Findings of Significance

III. EVALUATION OF ENVIRONMENTAL IMPACTS

1. Aesthetics

EXISTING SETTING

The existing site is located in a disturbed area near the corner of Luzern Street and Hilby Avenue in the City of Seaside. The project site is not located near a designated scenic corridor or vista. A portion of the site is paved, with the remaining area containing sparse vegetation. The surrounding area is residential. There are two, large water tanks directly north of the project site. The visual quality of the site is considered low, as it is disturbed and does not contain any unique or distinctive aesthetic elements. See

Figure 4, Site Photos for more details. The overall visual sensitivity of the site is considered moderate, as there are residences within close proximity (closest home is approximately 30 feet to the site).

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Have a substantial adverse effect on a scenic vista?				\boxtimes
b) Substantially damage scenic resources, including, but not limited to, trees, rock outcroppings, and historic buildings within a state scenic highway?				
c) Substantially degrade the existing visual character or quality of the site and its surroundings?			\boxtimes	
d) Create a new source of substantial light or glare which would adversely affect day or nighttime views in the area?			\boxtimes	

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA identified a less than significant impact to scenic views, degradation of site visual character, creation of light and glare during construction activities, and alteration of existing visual character. The ASR EIR/EA identified a significant impact regarding creation of new light and glare associated with well operation that would be reduced to less than significant with implementation of Mitigation Measure VIS-1. Addendum No. 1 to the ASR EIR/EA also identified a potentially significant impact resulting from the creation of new light and glare at the well site, however, this impact would be reduced to less than significant with the implementation of Mitigation Measure VIS-1.

The PWM/GWR EIR concluded that there would be less than significant impacts to scenic views, scenic resources, and the visual quality of surrounding areas during both construction and operation of the PWM/GWR project. The PWM/GWR EIR found that there would be significant impacts to aesthetic resources as a result of additional light and glare at the Booster Pump Station and the Injection Well Facility. These impacts could be reduced by the implementation of Mitigation Measure AE-2: Minimize Construction Nighttime Lighting, and Mitigation Measure AE-4: Exterior Lighting Minimization.

DISCUSSION

Construction of the Pump Station would last approximately 6 months. The Pump Station would be approximately 10 feet tall, 47 feet long, and 26 feet wide, and the building appearance would be typical of a public utility structure. The exterior of the Pump Station would be constructed of any number of dense, solid materials, including wood, metal, or concrete masonry unit.

a and b) No Impact. The proposed Hilby Avenue Pump Station site is not located within an area offering scenic vistas or resources and is not located within a scenic highway corridor.

c) Less than Significant Impact. Both the ASR EIR/EA and the PWM/GWR EIR identified less than significant impacts on potential degradation of the existing visual character or quality of the site and its surroundings. Similarly, the Pump Station would result in minimal changes to the visual character of the proposed site, as the existing site is currently highly disturbed and consists of existing infrastructure. In addition, the Pump Station site would be screened with vegetation along the existing fence line, and the

exterior of the Pump Station will be painted in natural green (same color as the existing tanks to the north of the site) to minimize aesthetic impact.

d) Less than Significant. Both the ASR EIR/EA and the PVM/GWR EIR identified potential environmental effects associated with the increase in new light and glare; however, these impacts would be reduced through the implementation of the mitigation measures described above. While both documents identified potential lighting/glare related effects, the proposed Hilby Avenue Pump Station would not have any potential adverse environmental effects since no lighting is proposed as part of the proposed Hilby Avenue Pump Station.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts to aesthetic resources. The Pump Station also will not contribute to significant impacts to aesthetic resources identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

2. Agricultural Resources

EXISTING SETTING

The proposed Hilby Avenue Pump Station site and its surrounding area do not contain agricultural or forest lands. The proposed Hilby Avenue Pump Station would have no impact on agricultural resources.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Convert Prime Farmland, Unique Farmland, or Farmland of Statewide Importance (Farmland), as shown on the maps prepared pursuant to the Farmland Mapping and Monitoring Program of the California Resources Agency, to non-agricultural use?				
b) Conflict with existing zoning for agricultural use, or a Williamson Act contract?				
c) Conflict with existing zoning for, or cause rezoning of, forest land (as defined in Public Resources Code section 12220(g)), timberland (as defined by Public Resources Code section 4526), or timberland zoned Timberland Production (as defined by Government Code section 51104(g))?				
d) Result in the loss of forest land or conversion of forest land to non-forest use?				\boxtimes
e) Involve other changes in the existing environment which, due to their location or nature, could result in conversion of Farmland, to non-agricultural use or conversion of forest land to non-forest use?				

Initial Study Checklist Hilby Avenue Pump Station

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

No impacts to agricultural resources were identified in the ASR EIR/EA or Addendum No. 1 to the ASR EIR/EA.

The PWM/GWR EIR concluded that there would be a less than significant impact resulting from indirect farmland conversion during project operation and that there would be a significant impact resulting from temporary farmland conversion during construction. This significant impact can be reduced to less than significant by the implementation of Mitigation Measure LU-1: Minimize Disturbance to Farmland.

DISCUSSION

a-e) No Impact. The proposed Hilby Avenue Pump Station site and its surrounding area do not contain agricultural or forest lands. The proposed Hilby Avenue Pump Station would not convert prime, unique, or farmland of statewide importance to non-agricultural use or involve any other changes that would result in the conversion of farmland, impact a Williamson Act contract, or disrupt any agricultural operations (Monterey County, 2010a). The proposed Hilby Avenue Pump Station would not convert forest land or timberland or involve any other changes that would result in the conversion or loss of forest land. The proposed Hilby Avenue Pump Station would not result in any new significant impacts or cause an increase in severity of any significant impacts identified in the ASR EIR/EA or the PWM/GWR EIR.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe impacts to agricultural resources. The Pump Station also will not contribute to significant impacts to agricultural resources identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

3. Air Quality

EXISTING SETTING

The proposed Hilby Avenue Pump Station would be located in the North Central Coast Air Basin (Air Basin). The Air Basin covers an area of 5,159 square miles along the central coast of California and is generally bounded by the Monterey Bay to the west, the Santa Cruz Mountains to the northwest, the Diablo Range on the northeast, with the Santa Clara Valley between them (Denise Duffy and Associates, 2015).

The proposed Hilby Avenue Pump Station area typically has average maximum and minimum winter (i.e., January) temperatures of 60 degrees Fahrenheit (°F) and 43 °F, respectively, while average summer (i.e., July) maximum and minimum temperatures are 68 °F and 52 °F, respectively. The proposed Hilby Avenue Pump Station site is within close proximity to the coast with temperature variations that are relatively moderate. Precipitation in the proposed Hilby Avenue Pump Station site averages approximately 20 inches per year (Denise Duffy and Associates, 2015).

The Monterey Bay Air Resources District (MBARD) is the regional agency tasked with managing air quality in the region. Existing levels of air pollutants in the proposed Hilby Avenue Pump Station area can generally be inferred from ambient air quality measurements conducted by MBARD at its closest station, the Salinas #3 monitoring station, located in the City of Salinas, east of East Laurel Drive and south of Constitution Boulevard. Data monitored at this station shows that although the area currently does not meet state standards for ozone, the number of days per year in exceedance of ozone standards has been decreasing, and the region is on course to meet these standards in the future.

Initial Study Checklist Hilby Avenue Pump Station

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Conflict with or obstruct implementation of the applicable air quality plan?			\boxtimes	
b) Violate any air quality standard or contribute substantially to an existing or projected air quality violation?			\boxtimes	
c) Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is non-attainment under an applicable federal or state ambient air quality standard (including releasing emissions which exceed quantitative thresholds for ozone precursors)?				
d) Expose sensitive receptors to substantial pollutant concentrations?				
e) Create objectionable odors affecting a substantial number of people?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA identified potential adverse significant impacts during construction due to short-term emissions of PM_{10} (AQ-1, AQ-2, AQ-3), exposures of sensitive receptors (e.g. Seaside Middle School) to elevated health risks from exposure to diesel particulates (AQ- 4), and exposure of sensitive receptors to acrolein health hazards (AQ-5). No significant operational air quality impacts were identified. Addendum No. 1 to the ASR EIR/EA did not identify any significant impacts related to air quality.

The PWM/GWR EIR found that there would be less than significant impacts related to air quality resulting from criteria pollutants during operation, exposure of sensitive receptors during construction and operation, or violation of air quality standards during operation. The PWM/GWR EIR found that there would be a potentially significant impact resulting from criteria pollutants during construction, this impact could be mitigated to less than significant levels by the implementation of Mitigation Measure AQ-1: Construction Fugitive Dust Control Plan.

DISCUSSION

The Pump Station would have three, 3 MGD pumps with a rated combined 600 horsepower. The pump station would use 500 mWh/year of electricity.

a) Less than Significant Impact: CEQA Guidelines §15125(b) requires that a project is evaluated for consistency with applicable regional plans, including the Air Quality Management Plan (AQMP). The MBARD is required to update their AQMP once every three years; the most recent update (MBARD, 2103) was approved in April of 2013. This plan addresses attainment of the State ozone standard and federal air quality standard. AQMP accommodates growth by projecting growth in emissions based on population forecasts prepared by the Association of Monterey Bay Area Governments (AMBAG) and other indicators. Consistency determinations are issued for commercial, industrial, residential, and infrastructure related projects that have the potential to induce population growth. A project is considered in consistent with the AQMP if it has not been accommodated in the forecast projections considered in the AQMP. The proposed Hilby Avenue Pump Station would not cause and/or otherwise

induce population growth. In addition, due to lack of operational emissions, it would not cause any longterm adverse air quality affects. As a result, this project would not conflict with and/or otherwise obstruct the implementation of MBARD's AQMP.

b, **c**) Less than Significant Impact: The MBARD 2016 CEQA Air Quality Guidelines contains standards of significance for evaluating potential air quality effects of projects subject to the requirements of CEQA. According to MBARD, a project will not have a significant air quality effect on the environment, if the following criteria are met:

Construction of the project will:

- Emit (from all sources, including exhaust and fugitive dust) less than;
 - 137 pounds per day of oxides of nitrogen (NOx)
 - 137 pounds per day of reactive organic gases (ROG)
 - 82 pounds per day of respirable particulate matter (PM10)
 - 55 pounds per day of fine particulate matter (PM2.5)
 - 550 pounds per day carbon monoxide (CO)

Operation of the project will:

- Emit (from all project sources, mobile, area, and stationary) less than;
 - 137 pounds per day of oxides of nitrogen (NOx)
 - 137 pounds per day of reactive organic gases (ROG)
 - 82 pounds per day of PM10
 - 55 pounds per day of PM2.5
 - 550 pounds per day carbon monoxide (CO)
- Not cause or contribute to a violation of any California or National Ambient Air Quality Standard;
- Not result in a cumulatively considerable net increase of any criteria pollutant for with the project region is non-attainment;
- Not exceed the health risk public notification thresholds adopted by the Air District;
- Not create objectionable odors affecting a substantial number of people; and
- Be consistent with the adopted federal and state Air Quality Plans (MBAPCD, 2016)

The MBARD CEQA Air Quality Guidelines (Guidelines) for evaluating impacts during construction state that if a project generates less than 82lb/day of PM_{10} emissions, the project is considered to have less than significant impacts (see Table 5-1, MBARD, 2016). The Guidelines also state that a project will result in less than significant impacts if daily ground-disturbing activities entail less than 8.1 acres of minimal earthmoving, or less than 2.2 acres of grading and excavation. Construction projects below these acreage thresholds would be below the applicable MBARD 82 lb/day threshold of significance and would constitute a less-than-significant effect for the purposes of CEQA (MBARD, 2008).

The proposed Hilby Avenue Pump Station would result in temporary increases in emissions of inhalable particulates (PM_{2.5} and PM₁₀), VOC, and NO_x associated with construction-related activities, see **Table 1**. **Construction Air Pollutant Emissions for the Hilby Avenue Pump Station and the PWM/GWR Project** below for detailed information on these emissions. See **Attachment 2**, **Air Quality and GHG Calculations** Spreadsheets for more information. Construction-related fugitive dust emissions associated with the proposed Hilby Avenue Pump Station would be generated from project site grading and construction of the Pump Station. In addition to construction-related fugitive dust, exhaust emissions associated with

construction vehicles and equipment would also be generated. The construction area of the Hilby Avenue Pump Station is approximately 8,400 square feet, or 0.2 acres. Construction of the Pump Station will include limited grading and would be below the threshold of 2.2 acres of daily grading. As a result, the proposed project would result in a less-than-significant construction-related air quality effect.

In addition, potential temporary air quality effects related to the proposed Pump Station are not anticipated to contribute to any construction-related air quality impacts associated with the construction of other project components of the ASR or GWR projects or other cumulative projects listed in the ASR EIR/EA and the PWM/GWR EIR. The construction emissions generated by the Pump Station would not overlap with construction of other components of the ASR Project because all physical components of that project have already have been constructed, therefore the emission associated with the construction of the Hilby Avenue Pump Station would not add to the construction emissions of the ASR Project, and would not increase the severity of Impacts AQ-1, AQ-2, AQ-3, AQ-4, or AQ-5 identified in the ASR EIR/EA. The construction emissions generated by the Pump Station may overlap with construction of PWM/GWR Project components. Construction of the Pump Station would last from February 2017 to August 2017. Construction of the PWM/GWR Project is anticipated to begin in the final quarter of 2016. As shown in **Table 1. Construction Air Pollutant Emissions for the Hilby Pump Station and the PWM/GWR Project**, construction of the Hilby Avenue Pump Station and the PWM/GWR Project would not exceed MBARD thresholds for emissions. Therefore, construction of the Pump Station would not contribute to the Impacts AQ-1 or AQ-2 identified in the PWM/GWR EIR.

	Emissions in Pounds/Day			
	NO _x	PM _{2.5}	PM ₁₀	ROG
Significance Threshold (MBARD)	137*	55	82	137*
Emissions generated by the Hilby Avenue Pump Station	4.5	0.3	0.7	0.5
Average Emissions generated by PWM/GWR	225	11	12	24
Total Emissions	229.5	11.3	12.7	25.5
Exceed Threshold?	No	No	No	No

Emissions Source: Attachment 2, Air Quality and GHG Calculations Spreadsheets Significance Threshold Source: MBARD, 2016

* Applies to non-typical construction equipment (i.e., well drilling) MBARD has identified that construction projects using typical construction equipment such as dump trucks, scrapers, bulldozers, compactors and front-end loaders that temporarily emit precursors of ozone (i.e., VOC or NOx), are accommodated in the emission inventories of State- and federally-required air plans. Temporary emissions associated with the operation of construction equipment have been accommodated in State- and federally-required air plans

The proposed Hilby Avenue Pump Station operation would not result in a new or substantially more severe significant impact due to air quality emissions during operations. The pumps would be powered by electricity and would not result in onsite emissions of criteria air pollutants. Based upon the low level of operational emissions, operation of the proposed facilities would not result in emissions that would cause a new or substantially more severe impact based on an exceedance or violation of the applicable air quality standards.

d) Less than Significant Impact with Mitigation: The proposed Hilby Avenue Pump Station would be located on CalAm owned property, which is currently occupied with similar facilities. The site is adjacent to several residences, which are considered sensitive receptors (closest sensitive receptor is 1215 Yosemite Street, located 30 feet east of the site). There is an elevation difference and an earthen berm separating the residence from the construction area, however the project may create temporary construction dust given the proximity of the nearest residences. Implementation of Mitigation Measure AQ-1, which was previously approved as part of the ASR EIR/EA, and standard construction BMPs would minimize temporary emissions from construction. As a result, construction of the proposed Hilby Avenue Pump Station would not result in significant impacts to sensitive receptors.

e) No Impact. No substantial odors would be emitted from the proposed Hilby Avenue Pump Station site as a result of the proposed Hilby Avenue Pump Station implementation based upon the type of construction activities and project operations proposed.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts relating to air quality. Because the Hilby Avenue Pump Station could cause potentially significant air quality impacts during project construction (including dust), the following previously approved mitigation measures must be implemented:

Mitigation Measure AQ-1: Construction Fugitive Dust Control Plan. (PWM/GWR EIR)

The following standard Dust Control Measures shall be implemented during construction to help prevent potential nuisances to nearby receptors due to fugitive dust and to reduce contributions to exceedances of the state ambient air quality standards for PM10, in accordance with MBARD's CEQA Guidelines.

- a) Water all active construction areas as required with non-potable sources to the extent feasible; frequency should be based on the type of operation, soil, and wind exposure and minimized to prevent wasteful use of water.
- b) Prohibit grading activities during periods of high wind (over 15 mph).
- c) Cover all trucks hauling soil, sand, and other loose materials and require trucks to maintain at least 2 feet of freeboard.
- d) Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites.
- e) Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets;
- f) Enclose, cover, or water daily exposed stockpiles (dirt, sand, etc.);
- g) Replant vegetation in disturbed areas as quickly as possible.
- h) Wheel washers shall be installed and used by truck operators at the exits of the construction sites to the AWT Facility site, the Injection Well Facilities, and the Booster Pump Station.

Post a publicly visible sign that specifies the telephone number and person to contact regarding dust complaints. This person shall respond to complaints and take corrective action within 48 hours. The phone number of the MBARD shall also be visible to ensure compliance with MBARD rules.

Mitigation Measure AQ-1: Use Newer, Cleaner-Burning Engines. (ASR EIR/EA)

The project applicant will encourage all construction contractors that use equipment with diesel engines to use as much equipment as possible that meets EPA Tier II engine standards. The project applicant will also encourage construction contractors to install diesel particulate matter filters and lean-NOx or diesel oxidation catalysts in all equipment, especially equipment that doesn't meet Tier II engine standards.

4. **Biological Resources**

EXISTING SETTING

The proposed Hilby Avenue Pump Station site is disturbed and the majority of the site has been previously paved over. The area surrounding the project site is comprised mostly of ruderal vegetation (Davis, 2016). In a survey performed by DD&A biologist on May 12, 2014, Monterey spineflower (*Chorizanthe pungens* var. *pungens*) was identified within the parcel, outside the limits of the proposed construction. No special-status plant species were identified within the proposed limits of construction. Although the proposed Hilby Avenue Pump Station site is within the vicinity of the Fort Ord Habitat Management Plan Area (HMP) (Department of the Army, 2005), it is not within the Plan Area and therefore is not subject to the policies of any HMP or Habitat Conservation Plan (HCP).

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Have a substantial adverse effect, either directly or through habitat modifications, on any species identified as a candidate, sensitive, or special status species in local or regional plans, policies, or regulations, or by the California Department of Fish and Game or U.S. Fish and Wildlife Service?				
b) Have a substantial adverse effect on any riparian habitat or other sensitive natural community identified in local or regional plans, policies, regulations or by the California Department of Fish and Game or US Fish and Wildlife Service?				
c) Have a substantial adverse effect on federally protected wetlands as defined by Section 404 of the Clean Water Act (including, but not limited to, marsh, vernal pool, coastal, etc.) through direct removal, filling, hydrological interruption, or other means?				
d) Interfere substantially with the movement of any native resident or migratory fish or wildlife species or with established native resident or migratory wildlife corridors, or impede the use of native wildlife nursery sites?				
e) Conflict with any local policies or ordinances protecting biological resources, such as a tree preservation policy or ordinance?				
f) Conflict with the provisions of an adopted Habitat Conservation Plan, Natural Community Conservation Plan, or other approved local, regional, or state habitat conservation plan?				

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SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA identified less than significant impacts for removal and destruction of sensitive vegetation and potential direct mortality or disturbance of protected animal species. The ASR EIR/EA identified significant impacts related to potential disturbance of the Fort Ord Natural Resource Management Area (NRMA) and potential loss of nest trees and disturbance or mortality of migratory birds. Mitigation Measures BIO-1 and BIO-2 were identified and implemented to reduce impacts to a less than significant level. The ASR EIR/EA noted that the ASR Project has the potential to affect special status aquatic species within the river corridor of the Carmel River, but has been designed to minimize any adverse impacts. Mitigation Measures AR-1 and AR-2 were identified in the ASR EIR/EA in association with potential impacts to flows for upstream migration and potential impacts to juvenile steelhead rearing habitat. Potential benefits to steelhead and California red-legged frog include the reduction of groundwater pumping along the Carmel River in the dry summer months from the use of the Seaside Groundwater Basin for municipal supply. The net effect of these operational changes will likely increase streamflow and improve environmental conditions along the Carmel River. Thus, the ASR EIR/EA concluded that the ASR Project would be beneficial to steelhead and the California red-legged frog. Addendum No. 1 to the ASR EIR/EA did not identify any significant impacts to biological resources.

The PWM/GWR EIR concluded that potentially significant impacts to fisheries resources (due to habitat modification during construction of the diversion facilities) could be reduced to less than significant levels through the implementation of Mitigation Measure BT-1: Implement Construction Best Management Practices, Mitigation Measure BF-1: Construction During Low Flow Season, Mitigation Measure BF-1b: Relocation of Aquatic Species during Construction, and Mitigation Measure BF-1c: Tidewater Goby and Steelhead Impact Avoidance and Minimization. The PWM/GWR EIR also found that there would be a significant impact due to interference with fish mitigation, this impact could be reduced to less than significant with either the implementation of Mitigation Measure BF-2a: Maintain Migration Flows, or Mitigation Measure Alternate BF-2a: Modify San Jon Weir. The PWM/GWR EIR determined that there would be significant impacts during project construction due to impacts to special-status species and habitat, sensitive habitats, and conflicts with local policies. These impacts could be reduced to a less than significant level through the implementation of Mitigation Measure BT-1a: Implement Construction Best Management Practices, Mitigation Measure BT-1b: Implement Construction-Phase Monitoring, Mitigation Measure BT-1c: Implement Non-Native, Invasive Species Controls, Mitigation Measure BT-1d: Conduct Pre-Construction Surveys for California Legless Lizard, Mitigation Measure BT-1e: Prepare and Implement Rare Plant Restoration Plan to Mitigate Impacts to Sandmat Manzanita, Monterey Ceanothus, Monterey Spineflower, Eastwood's Goldenbush, Coast Wallflower, and Kellogg's Horkelia, Mitigation Measure BT-1f: Conduct Pre-Construction Protocol-Level Botanical Surveys within the Product Water Conveyance: Coastal Alignment Option between Del Monte Boulevard and the Regional Treatment Plant site on Armstrong Ranch; and the remaining portion of the Project Study Area within the Injection Well Facilities site, Mitigation Measure BT-1g: Conduct Pre-Construction Surveys for Special-Status Bats, Mitigation Measure BT-1h: Implementation of Mitigation Measures BT-1a and BT-1b to Mitigate Impacts to the Monterey Ornate Shrew, Coast Horned Lizard, Coast Range Newt, Two-Striped Garter Snake, and Salinas Harvest Mouse, Mitigation Measure BT-1i: Conduct Pre-Construction Surveys for Monterey Dusky-Footed Woodrat, Mitigation Measure BT-1j: Conduct Pre-Construction Surveys for American Badger, Mitigation Measure BT-1k: Conduct Pre-Construction Surveys for Protected Avian Species, including, but not limited to, white-tailed kite and California horned lark, Mitigation Measure BT-11: Conduct Pre-Construction Surveys for Burrowing Owl. Mitigation Measure BT-1m: Minimize effects of nighttime construction lighting, Mitigation Measure BT-1n: Mitigate Impacts to Smith's blue butterfly, Mitigation Measure BT-1o: Avoid and Minimize Impacts

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to Monarch butterfly, Mitigation Measure BT-1p: Avoid and Minimize Impacts to Western Pond Turtle, Mitigation Measure BT-1q: Avoid and Minimize Impacts to California Red-Legged Frog, Mitigation Measure BT-2a: Avoidance and Minimization of Impacts to Riparian Habitat and Wetland Habitats, Mitigation Measure BT-2b: Avoidance and Minimization of Impacts to Central Dune Scrub Habitat, Mitigation Measure BT-2c: Avoidance and Minimization of Construction Impacts Resulting from Horizontal Directional Drilling under the Salinas River, and Mitigation Measure BT-4. HMP Plant Species Salvage. Lastly, the PWM/GWR EIR found that there would be a significant impact to sensitive habitats during operation, this impact could be reduced to less than significant with the implementation of Mitigation Measure: BT-1: Implement Construction Best Management Practices.

DISCUSSION

During construction of the Pump Station, the construction area would be marked with temporary exclusion fencing to prevent inadvertent disturbance to adjacent, undeveloped portions of the property.

a) Less than Significant Impact with Mitigation: A biological survey was performed on the site in spring of 2014. The survey concluded that the project site is highly disturbed and the portion of the site that is not paved is comprised of ruderal vegetation. Monterey spineflower was identified within the project parcel, outside of the proposed limits of construction. Monterey spineflower is a federally threatened species. Although Monterey spineflower was located on the parcel, no Monterey spineflower were observed within the limits of construction. Overall, the proposed Hilby Avenue Pump Station would not adversely affect biological resources such that a new or more severe impact would occur beyond those identified in the ASR EIR/EA and the PWM/GWR EIR. In order to avoid potential impacts to Monterey spineflower in the vicinity, Mitigation Measure BT-1a: Implement Construction Best Management Practices, previously approved as part of the PWM/GWR EIR shall be implemented. The proposed development would not significantly increase the severity of significant impacts previously identified and would not result in additional significant impacts beyond those identified in the ASR EIR/EA and the PWM/GWR EIR shall be implemented. The proposed development would not significantly increase the severity of significant impacts previously identified and would not result in additional significant impacts beyond those identified in the ASR EIR/EA and the PWM/GWR EIR.

b, **c**, **d**) **No Impact:** There is no riparian habitat, sensitive natural community or wetlands located within the vicinity of the Proposed Hilby Avenue Pump Station. The Pump Station site is highly disturbed and would not interfere with the movement of any wildlife species.

e, f) No Impact: The proposed Hilby Avenue Pump Station would not conflict with local policies protecting biological resources. No tree removal would be associated with the proposed development and the proposed Hilby Avenue Pump Station site is not located within the boundaries of any adopted habitat management or conservation plan area.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe impacts to biological resources. Because the Pump Station could potentially contribute to previously identified significant impacts to Monterey spineflower, the following previously approved mitigation measure must be implemented:

Mitigation Measure BT-1a: Implement Construction Best Management Practices. (PWM/GWR EIR)

The following best management practices shall be implemented during all identified phases of construction (i.e., pre-, during, and post-) to reduce impacts to special-status plant and wildlife species:

1) A qualified biologist must conduct an Employee Education Program for the construction crew prior to any construction activities. A qualified biologist must meet with the construction crew at the

onset of construction at the site to educate the construction crew on the following: 1) the appropriate access route(s) in and out of the construction area and review project boundaries; 2) how a biological monitor will examine the area and agree upon a method which would ensure the safety of the monitor during such activities, 3) the special-status species that may be present; 4) the specific mitigation measures that will be incorporated into the construction effort; 5) the general provisions and protections afforded by the USFWS and CDFW; and 6) the proper procedures if a special-status species is encountered within the site.

- 2) Trees and vegetation not planned for removal or trimming shall be protected prior to and during construction to the maximum extent possible through the use of exclusionary fencing, such as hay bales for herbaceous and shrubby vegetation, and protective wood barriers for trees. Only certified weed-free straw shall be used, to avoid the introduction of non-native, invasive species. A biological monitor shall supervise the installation of protective fencing and monitor at least once per week until construction is complete to ensure that the protective fencing remains intact.
- 3) Protective fencing shall be placed prior to and during construction to keep construction equipment and personnel from impacting vegetation outside of work limits. A biological monitor shall supervise the installation of protective fencing and monitor at least once per week until construction is complete to ensure that the protective fencing remains intact.
- 4) Following construction, disturbed areas shall be restored to pre-construction contours to the maximum extent possible and revegetated using locally-occurring native species and native erosion control seed mix, per the recommendations of a qualified biologist.
- 5) Grading, excavating, and other activities that involve substantial soil disturbance shall be planned and carried out in consultation with a qualified hydrologist, engineer, or erosion control specialist, and shall utilize standard erosion control techniques to minimize erosion and sedimentation to native vegetation (pre-,during, and post-construction).
- 6) No firearms shall be allowed on the construction sites at any time.
- 7) All food-related and other trash shall be disposed of in closed containers and removed from the project area at least once a week during the construction period, or more often if trash is attracting avian or mammalian predators. Construction personnel shall not feed or otherwise attract wildlife to the area.
- 8) To protect against spills and fluids leaking from equipment, the project proponents shall require that the construction contractor maintains an on-site spill plan and on-site spill containment measures that can be easily accessed.
- 9) Refueling or maintaining vehicles and equipment should only occur within a specified staging area that is at least 100 feet from a waterbody (including riparian and wetland habitat) and that has sufficient management measures that will prevent fluids or other construction materials including water from being transported into waters of the state. Measures shall include confined concrete washout areas, straw wattles placed around stockpiled materials and plastic sheets to cover materials from becoming airborne or otherwise transported due to wind or rain into surface waters.
- 10) The project proponents and/or their contractors shall coordinate with the City of Seaside on the location of the Pump Station and the removal of sensitive biotic material.

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5. Cultural Resources

EXISTING SETTING

The proposed Hilby Avenue Pump Station site was surveyed by Environmental Science Associates (ESA), and no cultural resources were identified at the site. Topographic maps from 1970 through 1985 and an aerial photograph from 1968, shows a small tank at this location. It is likely that the existing stairs and concrete foundations currently on the site were associated with this small tank (Koenig, 2016).

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Cause a substantial adverse change in the significance of a historical resource as defined in § 15064.5?				\boxtimes
b) Cause a substantial adverse change in the significance of an archaeological resource pursuant to § 15064.5?		\boxtimes		
c) Directly or indirectly destroy a unique paleontological resource or site or unique geologic feature?				\boxtimes
d) Disturb any human remains, including those interred outside of formal cemeteries?		\boxtimes		

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

Both the ASR EIR/EA and Addendum No. 1 to the ASR EIR/EA noted a potentially significant impact due to the potential for discovery of buried unknown cultural deposits and human remains during construction activities; however, Mitigation Measures CR-1 and CR-2 were presented and adopted to reduce potential impacts to a less than significant level.

Similar to the ASR Project, the PWM/GWR EIR concluded that project construction could result in a significant impact due to the potential for discovery of buried unknown cultural deposits and human remains during construction activities, but that this impact could be reduced with the implementation of Mitigation Measure CR-1: Avoidance and Vibration Monitoring for Pipeline Installation in the Presidio of Monterey Historic District, and Downtown Monterey, Mitigation Measure CR-2a: Archaeological Monitoring Plan, Mitigation Measure CR-2b: Discovery of Archaeological Resources or Human Remains, and Mitigation Measure CR-2c: Native American Notification.

DISCUSSION

a) No Impact: The proposed Hilby Avenue Pump Station would not impact historic resources; there are no documented historical resources on the proposed Hilby Avenue Pump Station site or in the vicinity.

b) Less than Significant Impact with Mitigation: Ground disturbing activities could potentially unearth unknown archaeological resources. However, the proposed Hilby Avenue Pump Station area has previously been surveyed for nearby and adjacent projects, and there is a low possibility of archaeological resources to be present at the proposed Hilby Avenue Pump Station site. In addition, the site is considered highly disturbed due to construction of previous facilities on the site. The Pump Station would be located on the existing concrete pad on the site, and there would be minimal, if any, ground disturbing activities on the surrounding, unpaved, area. The chance for uncovering unknown

resources is low. While previously unknown or buried archaeological resources are not anticipated to be encountered during project construction, the implementation of Mitigation Measures CR-1 and CR-2, previously approved as part of the ASR EIR/EA and described below, would ensure that potential impacts due to the discovery of previously unknown archaeological resources would be less than significant. As a result, the proposed Hilby Avenue Pump Station would not result in any new or substantially more severe significant impacts beyond those identified in the ASR EIR/EA and the PWM/GWR EIR. No additional mitigation would be necessary beyond those measures already identified.

c) No Impact: There are no known paleontological resources on the proposed Hilby Avenue Pump Station site that would be disturbed by implementation of the proposed Hilby Avenue Pump Station based on lack of previously identified paleontological resources on the site or in the vicinity.

d) Less than Significant Impact with Mitigation: Implementation of the proposed Hilby Avenue Pump Station would not be expected to disturb human remains based upon lack of previously identified human remains on the site and in the vicinity. In the unlikely event that human remains are discovered during earthmoving activities, Mitigation Measures CR-1 and CR-2, previously approved as part of the ASR EIR/EA and described below, would reduce the potential impact to a less than significant level. The proposed Hilby Avenue Pump Station would not result in any new or more severe significant impacts than those identified in the ASR EIR/EA and the PWM/GWR EIR. No additional mitigation would be necessary beyond those identified.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe impacts to cultural resources. Because the Pump Station could potentially contribute to previously identified significant impacts to unknown cultural resources, the following previously approved mitigation measures must be implemented:

Mitigation Measure CR-1: Stop Work If Buried Cultural Deposits Are Encountered during Construction Activities. (ASR EIR/EA)

If buried cultural resources such as chipped stone or groundstone, historic debris, building foundations, or human bone are inadvertently discovered during ground-disturbing activities, the construction contractor will stop work in that area and within a 100-foot radius of the find until a qualified archaeologist can assess the significance of the find and, if necessary, develop appropriate treatment measures. Treatment measures typically include avoidance strategies or mitigation of impacts through data recovery programs such as excavation or detailed documentation.

Mitigation Measure CR-2: Stop Work If Human Remains Are Encountered during Construction Activities. (ASR EIR/EA)

If human skeletal remains are encountered, the construction contractor will notify CalAm and the county coroner immediately. CalAm will ensure the construction specifications include this order. If the county coroner determines that the remains are Native American, the coroner will be required to contact the NAHC (pursuant to Section 7050.5 [c] of the California Health and Safety Code) and the County Coordinator of Indian Affairs. A qualified archaeologist will also be contacted immediately. If human remains are discovered in any location other than a dedicated cemetery, there will be no further excavation or disturbance of the site or any nearby area reasonably suspected to overlie adjacent human remains until:

• the coroner of the county has been informed and has determined that no investigation of the cause of death is required; and

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- if the remains are of Native American origin:
 - the descendants from the deceased Native Americans have made a recommendation to the landowner or the person responsible for the excavation work for means of treating or disposing of with appropriate dignity the human remains and any associated grave goods as provided in Public Resources Code Section 5097.98; or
 - the NAHC was unable to identify a descendent or the descendent failed to make a recommendation within 24 hours after being notified by the commission.

According to the California Health and Safety Code, six or more human burials at one location constitute a cemetery (Section 8100), and disturbance of Native American cemeteries is a felony (Section 7052). Section 7050.5 requires that construction or excavation be stopped in the vicinity of discovered human remains until the coroner can determine whether the remains are those of a Native American. If the remains are determined to be Native American, the coroner must contact the NAHC.

6. Geology and Soils

EXISTING SETTING

The proposed Hilby Avenue Pump Station is located on undifferentiated eolian deposits, which are characterized by weakly to moderately consolidated soils, and has a low susceptibility to liquefaction. The Ord Terrace Fault is located to the north of the project site, and the Seaside Fault is located to the south of the project site. The site is within an area of low susceptibility to earthquake induced landsliding, and moderate risk of erosion hazards (Ninyo and Moore, 2014).

CHECKLISI				
Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Expose people or structures to potential substantial adverse effects, including the risk of loss, injury, or death involving:			\boxtimes	
i) Rupture of a known earthquake fault, as delineated on the most recent Alquist-Priolo Earthquake Fault Zoning Map issued by the State Geologist for the area or based on other substantial evidence of a known fault? Refer to Division of Mines and Geology Special Publication 42.				
ii) Strong seismic ground shaking?			\boxtimes	
iii) Seismic-related ground failure, including liquefaction?			\boxtimes	
iv) Landslides?			\boxtimes	
b) Result in substantial soil erosion or the loss of topsoil?			\boxtimes	
c) Be located on a geologic unit or soil that is unstable, or that would become unstable as a result of the project, and potentially result in on-or off-site landslide, lateral spreading, subsidence, liquefaction or collapse?				
d) Be located on expansive soil, as defined in Table 18-1-B of the Uniform Building Code (1994), creating substantial risks to life or property?				\boxtimes

CHECKLIST

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Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
e) Have soils incapable of adequately supporting the use of septic tanks or alternative waste water disposal systems where sewers are not available for the disposal of waste water?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA found that all geologic, soils, and seismicity impacts of the ASR Project would be less than significant. Addendum No. 1 to the ASR EIR/EA did not identify any significant impacts related to geology and soils.

Due to the proximity to the coast of a portion of the Monterey Pipeline that was evaluated in the PWM/GWR EIR, the PWM/GWR EIR concluded that a significant impact could result from exposure to coastal erosion and sea level rise, but found that this impact could be reduced to less than significant with the implementation of Mitigation Measure GS-5: Monterey Pipeline Deepening. However, the Monterey Pipeline alignment that was evaluated in the PWM/GWR EIR is no longer being used, as the Alternate Monterey Pipeline (referred to as the "Monterey Pipeline" in this analysis) that was evaluated in the PWM/GWR EIR was selected by the MRWPCA Board. Therefore, this impact is no longer relevant to the PWM/GWR Project. The Monterey Pipeline is shown in **Figure 1. ASR and PWM/GWR Projects**, in the Addendum to the PWM/GWR EIR and the ASR EIR/EA for the Hilby Avenue Pump Station.

DISCUSSION

a, **b**, **c**) Less than Significant: The proposed Hilby Avenue Pump Station is not located near the coast and would not result in any new or more severe significant impacts beyond those identified in the ASR EIR/EA and no mitigation is required.

d, **e**) **No Impact:** The proposed Hilby Avenue Pump Station site is not located on expansive soils and the proposed Hilby Avenue Pump Station does not involve septic or alternative wastewater disposal systems.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to geology and soils. The Pump Station also will not contribute to significant impacts to geology and soils identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

7. Greenhouse Gas Emissions

EXISTING SETTING

Global temperatures are affected by naturally occurring and anthropogenic-generated (generated by humankind) atmospheric gases, such as water vapor, carbon dioxide, methane, and nitrous oxide (Intergovernmental Panel on Climate Change, 2007). Gases that trap heat in the atmosphere are called greenhouse gases (GHG). Solar radiation enters the earth's atmosphere from space, and a portion of the radiation is absorbed at the surface. The earth emits this radiation back toward space as infrared radiation. Greenhouse gases, which are mostly transparent to incoming solar radiation, are effective in absorbing infrared radiation and redirecting some of this back to the earth's surface. As a result, this radiation that otherwise would have escaped back into space is now retained, resulting in a warming of

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the atmosphere. This is known as the greenhouse effect. The greenhouse effect helps maintain a habitable climate. Emissions of GHGs from human activities, such as electricity production, motor vehicle use, and agriculture, are elevating the concentration of GHGs in the atmosphere, and are reported to have led to a trend of unnatural warming of the earth's natural climate, known as global warming or global climate change.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment?				
b) Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA did not contain an analysis of GHG emissions and climate change, because at the time the ASR EIR/EA was prepared, AB32 the Global Warming Solutions Act and associated updates to the CEQA statutes and guidelines were not in effect. Although an analysis of potential climate change impacts was not completed as part of the ASR EIR/EA, air quality modeling was completed for temporary construction phase impacts. All potential air quality related effects associated with the ASR Project were considered less than significant due to the temporary nature of project emissions. Addendum No. 1 to the ASR EIR/EA identified a less than significant impact related to the generation of GHGs. That project would generate a minor amount of GHG emissions, directly during construction and indirectly through electricity demand and vehicular access to the site during operation. The PWM/GWR EIR did not find any significant impacts related to greenhouse gas emissions. The PWM/GWR project would not make a considerable contribution to significant cumulative impacts of greenhouse gas emissions and the related global climate change impacts.

DISCUSSION

a) Less Than Significant: Construction and operation of the proposed Hilby Avenue Pump Station would generate a minor amount of GHG emissions, directly during construction.

Construction

The MBARD does not have an adopted or recommended quantified threshold of significance for assessing the potential GHG emissions during construction. MBARD staff recommends including construction emissions within operational totals based on a 30-year amortization period to provide a full analysis of construction and operational GHG emissions (Clymo, Amy, 2014). Construction of the PWM/GWR Project would result in a one-time emission total of up to 6,039 MT of CO_{2eq} (metric tons of carbon dioxide equivalent) during the 18 month construction period, and construction of the Hilby Avenue Pump Station would result in a one-time emission total of up to 56.22 MT of CO_{2eq} during the 6 month construction period. (This information is not available for the ASR Project, as CEQA did not require an analysis of GHG emissions at the time that document was written; therefore this analysis will not include that project.) The total construction period emissions from the PWM/GWR Project and Hilby

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Avenue Pump Station were amortized over a 30-year life and the resulting average annual emissions were added to the annual operational emissions and compared to the GHG significance threshold. The annual amortized GHG emissions for the PWM/GWR Project are 201 MT/year, and the annual amortized GHG emissions for the Hilby Avenue Pump Station are 1.87 MT/year.

Operation

As of June 2016, MBARD has not adopted significance thresholds for GHG emissions. In February 2013, MBARD staff presented threshold options to the MBARD Board and an analysis of the options evaluated. In February 2014, MBARD staff proposed the following options for operational significance thresholds for land use projects: (1) a bright-line threshold of 2,000 metric tons CO_{2eq} per year, (2) incorporation of mitigation measures to reduce GHG emissions by 16%, or (3) compliance with an applicable adopted GHG reduction plan/climate action plan (Monterey Bay Air Resources District, 2014). There are no adopted GHG reduction plans or climate action plans that would apply to the Hilby Avenue Pump Station; therefore the third option would not be applicable. A threshold of 10,000 metric tons CO_{2eq} per year was recommended for stationary source projects that are subject to MBARD permitting requirements; however, the Hilby Avenue Pump Station is not considered a stationary source project so this threshold would not be applicable to this analysis.

The evidence supporting the MBARD staff recommendations in February 2013 and February 2014 is considered by MPWMD to constitute substantial evidence. Based on the evidence provided by the MBARD staff recommendation, this Addendum first considers whether the Hilby Avenue Pump Station GHG emissions would be below 2,000 MT of CO_{2eq} per year including amortized construction emissions. If project GHG emissions are below 2,000 MT of CO_{2eq} per year the project would be considered to have less-than-significant GHG emissions. A less-than-significant impact would mean that the Hilby Avenue Pump Station would not make a cumulatively considerable contribution to the environmental effects related to emitting GHGs (i.e., climate change and the associated adverse effects of climate change).

Operation and maintenance of the Hilby Avenue Pump Station would not require additional employee vehicle trips. There are existing CalAm facilities adjacent to the site that require routine maintenance. As a result, no additional operational GHG emissions associated with vehicular traffic are anticipated in connection with the operation of the Hilby Avenue Pump Station. The mobile emissions resulting from operation of the PWM/GWR Project are shown in **Table 2. GHG Emissions for the Hilby Avenue Pump Station and the PWM/GWR Project.**

Indirect GHG emissions from energy usage at the Pump Station would occur. Anticipated electricity demand (mWh/year) was used to calculate annual GHG emissions using emissions rates published for PG&E's projected 2018 CO₂ intensity rate. This 2018 rate is based, in part, on the requirement of a renewable energy portfolio standard of 33% by the year 2020. With incorporation of the energy saving features, the PWM/GWR Project is anticipated to have an energy demand of 10,952 mWh/year. The Hilby Avenue Pump Station is anticipated to have an energy demand of 500 mWh/year.

Table 2, GHG Emissions for the Hilby Avenue Pump Station and the PWM/GWR Project, below summarizes computed annual GHG emissions due to operation of the projects. As shown in Table 2, annual GHG emissions would be below the project-specific GHG significance threshold of 2,000 MT CO_{2eq} per year (maximum of 1,979 MT/year). Therefore, the combined impacts of the PWM/GWR Project and Hilby Avenue Pump Station would not make a cumulatively considerable contribution to any significant global climate change impacts and, thus, would have a less-than-significant impact due to GHG emissions. No mitigation measures would be required to reduce GHG emissions.

	Electricity Demand (mWh/year)	CO _{2eq} (MT/year)
Construction Emissions of Hilby Avenue Pump Station amortized over 30 years	-	2
Operational Hilby Avenue Pump Station Electricity Demand	500	77
Operational Hilby Avenue Pump Station Mobile Emissions	-	-
Construction Emissions of PWM/GWR Project amortized over 30 years	-	201
Operational PWM/GWR Project Electricity Demand	10,952	1,642
Operational PWM/GWR Mobile Emissions	-	57
Total Emissions	-	1979

Table 2. GHG Emissions for the Hilby Avenue Pump Station and the PWM/GWR Project

Emissions Source: Attachment 2, Air Quality and GHG Calculations Spreadsheets

b) No Impact: The proposed Hilby Avenue Pump Station would not conflict with any plan, policies, or regulations adopted for the purpose of reducing greenhouse gas emissions, because AB32 recommends conjunctive groundwater use projects, such as ASR, as a key strategy for reducing the demand for more energy intensive water supply sources, such as desalination.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to greenhouse gas emissions and no mitigation is warranted.

8. Hazards and Hazardous Materials

EXISTING SETTING

A search of the California Department of Toxic Substances Control, EnviroStor database shows that there are no contaminated cleanup sites within proximity to the proposed Hilby Avenue Pump Station site (California Department of Toxic Substances Control, 2016). The proposed Hilby Avenue Pump Station site is not within the Former Fort Ord.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Create a significant hazard to the public or the environment through the routine transport, use, or disposal of hazardous materials?				
b) Create a significant hazard to the public or the environment through reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment?				
c) Emit hazardous emissions or handle hazardous or acutely hazardous materials, substances, or waste within one-quarter mile of an existing or proposed school?			\boxtimes	
d) Be located on a site which is included on a list of hazardous materials sites compiled pursuant to Government Code Section				\boxtimes

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Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
65962.5 and, as a result, would it create a significant hazard to the public or the environment?				
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project result in a safety hazard for people residing or working in the project area?				
f) For a project within the vicinity of a private airstrip, would the project result in a safety hazard for people residing or working in the project area?				
g) Impair implementation of or physically interfere with an adopted emergency response plan or emergency evacuation plan?				
h) Expose people or structures to a significant risk of loss, injury or death involving wildland fires, including where wildlands are adjacent to urbanized areas or where residences are intermixed with wildlands?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA evaluated hazardous materials impacts of the project and concluded there to be a potentially significant impact related to construction activities occurring on portions of the former Fort Ord associated with historic military use. Mitigation Measure HAZ-1 was identified to reduce the potential impact to a less than significant level. The ASR EIR/EA identified less than significant impacts associated with handling of associated materials and public exposure to contaminated drinking water. Addendum No. 1 to the ASR EIR/EA did not identify any additional potentially significant impacts related to hazardous materials.

The PWM/GWR EIR concluded that there would be a significant impact related to the potential for accidental release of hazardous materials during construction, this impact could be reduced to less than significant with the implementation of Mitigation Measure HH-2a: Environmental Site Assessment, Mitigation Measure HH-2b: Health and Safety Plan, and Mitigation Measure HH-2c: Materials and Dewatering Disposal Plan.

DISCUSSION

a, **b**, **c**) Less than Significant: The proposed Hilby Avenue Pump Station site is located within ¼ mile of an existing or proposed school. Highland Elementary School is located approximately 0.15 miles northeast of the project site, and Kid's at Play Children's Center, a preschool, is located approximately 0.15 miles southeast of the project site. However, construction and implementation of the proposed Hilby Avenue Pump Station would not result in exposure of the school facilities' students, staff, or faculty to hazardous materials, substances, or wastes. In addition, no hazardous materials would be stored on site. Therefore, there would be no new significant impacts or increase in severity of any previously identified significant impacts.

d, **e**, **f**) **No Impact:** The proposed Hilby Avenue Pump Station site is not included in the list of hazardous materials sites compiled pursuant to Government Code Section 65962.5 and the proposed Hilby Avenue Pump Station site is not located within two miles of a municipal or private airport.

g, **h**) **No Impact:** Implementation of the proposed Hilby Avenue Pump Station would not interfere with evacuation plans because it involves no construction or operational activities that would block transportation pathways. The proposed Hilby Avenue Pump Station would not expose people or structures to a significant risk from wildland fires because it is surrounded by urban development.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to hazards and hazardous materials. The Pump Station also will not contribute to significant impacts associated with hazardous materials identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

9. Hydrology and Water Quality

EXISTING SETTING

The proposed Hilby Avenue Pump Station site is essentially flat and lies at the top of a small hill in a developed area, at an elevation of about 248 feet above mean sea level. Storm runoff from the project site currently is directed offsite and flows to the existing drainage gutters on Luzern Street. The Hilby Pump Station site would be located primarily on an impervious surface (existing concrete pad). The project site does not contain any natural drainages or waterways, and does not contain any trees.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Violate any water quality standards or waste discharge requirements?			\boxtimes	
b) Substantially deplete groundwater supplies or interfere substantially with groundwater recharge such that there would be a net deficit in aquifer volume or a lowering of the local groundwater table level (e.g., the production rate of pre- existing nearby wells would drop to a level which would not support existing land uses or planned uses for which permits have been granted)?				
c) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, in a manner which would result in substantial erosion or siltation on- or off-site?				
d) Substantially alter the existing drainage pattern of the site or area, including through the alteration of the course of a stream or river, or substantially increase the rate or amount of surface runoff in a manner which would result in flooding on- or off- site?				
e) Create or contribute runoff water which would exceed the capacity of existing or planned stormwater drainage systems or provide substantial additional sources of polluted runoff?				

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
f) Otherwise substantially degrade water quality?				\boxtimes
g) Place housing within a 100-year flood hazard area as mapped on a federal Flood Hazard Boundary or Flood Insurance Rate Map or other flood hazard delineation map?				
h) Place within a 100-year flood hazard area structures which would impede or redirect flood flows?				\boxtimes
i) Expose people or structures to a significant risk of loss, injury or death involving flooding, including flooding as a result of the failure of a levee or dam?				
j) Inundation by seiche, tsunami, or mudflow?				\boxtimes

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA identified less than significant and beneficial hydrology and water quality impacts of the ASR project. Mitigation Measures GWH-1, GWH-2, GWH-3, and GWH-4 were recommended for the ASR Project; however, no significant impacts requiring mitigation were identified. Addendum No. 1 to the ASR EIR/EA did not identify any additional significant impacts related to hydrology and water quality.

The PWM/GWR EIR concluded that there would be a significant impact on surface water hydrology and water quality during the construction of the source water diversions, however, this impact could be reduced to less than significant with the implementation of Mitigation Measure HS-4: Management of Surface Water Diversion Operations. The PWM/GWR project would result in beneficial impacts to the surface water flows of Carmel River. In addition, the PWM/GWR EIR found that the project would result in beneficial impact to both groundwater levels and overall quality in the Salinas Valley Groundwater Basin and the Seaside Basin.

DISCUSSION

a) Less Than Significant: proposed Hilby Avenue Pump Station construction activities would occur primarily on an existing concrete pad. Because the area of disturbance is less than one acre, the proposed Hilby Avenue Pump Station would not be subject to the NPDES Construction General Permit and the Municipal Stormwater Permit requirements (including the preparation of a Stormwater Pollution Prevention Plan or SWPPP).

b) No Impact: The proposed Hilby Avenue Pump Station would not deplete groundwater supplies, as it is a pump station.

c, **d**, **e**, **f**, **g**, **h**, **i**, **j**) **No Impact:** The proposed Hilby Avenue Pump Station site does not contain drainages, floodways, or floodplain areas according to the Flood Insurance Rate Maps (FIRM) applicable to the proposed Hilby Avenue Pump Station site (FEMA, 2009). Implementation of the proposed Hilby Avenue Pump Station would not significantly alter the drainage scheme on the site or substantially increase runoff; there would be no little impervious area at the site, as the Pump Station would be built primarily on the existing concrete pad. The proposed Hilby Avenue Pump Station does not include residential housing. The proposed Hilby Avenue Pump Station site is not located within a flood hazard zone, near a

dam or levee structure, or located in an area subject to significant seiche, tsunami, or mudflow risk (Monterey County, 2010b and 2010c).

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to hydrology and water quality. The Pump Station also will not contribute to significant impacts to hydrology identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

10. Land Use and Planning

EXISTING SETTING

The proposed Hilby Avenue Pump Station site is located on APN 012-324-032-000 and is owned by CalAm. It is designated as Low Density Single Family Residential (RLS) in the City of Seaside General Plan (City of Seaside, 2003) and is zoned as Single Family Residential (RS-8) in the City of Seaside Zoning District Map (City of Seaside, 2010). The site borders Hilby Avenue but is accessed from Luzern Street. The CalAm facilities on the site are located within an established residential neighborhood.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Physically divide an established community?				\boxtimes
b) Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect?				
c) Conflict with any applicable habitat conservation plan or natural community conservation plan?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA identified less than significant impacts associated with land use compatibility. Addendum No. 1 to the ASR EIR/EA did not identify any additional significant impacts related to land use and planning.

The PWM/GWR EIR concluded that that PWM/GWR project would be consistent with plans, policies, and regulations, with the implementation of the mitigation measures referenced in that document.

DISCUSSION

a) No Impact: Implementation of the proposed Hilby Avenue Pump Station would not physically divide an established community. The existing facilities and proposed facilities will be contained on the less than one acre site along an existing roadway.

b) Less than Significant: The proposed Hilby Avenue Pump Station property is designated by the City of Seaside General Plan as Low Density Single Family Residential and the installation of public utility infrastructure on the proposed Hilby Avenue Pump Station site would be a compatible use. The project

proponent will obtain all necessary permits from the City of Seaside prior to commencing construction of the Pump Station. All City of Seaside policies and ordinances would be adhered to.

c) No Impact: The proposed Hilby Avenue Pump Station site is not located within any conservation plan area.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to land use and planning. The Pump Station also will not contribute to significant impacts related to land use and planning identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

11. Mineral Resources

EXISTING SETTING

The proposed Hilby Avenue Pump Station site is not located in an area containing mineral resources, therefore a discussion of the existing setting is not included.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Result in the loss of availability of a known mineral resource that would be of value to the region and the residents of the state?				
b) Result in the loss of availability of a locally important mineral resource recovery site delineated on a local general plan, specific plan or other land use plan?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

No potential impacts to mineral resources were identified in the ASR EIR/EA, Addendum No. 1 to the ASR EIR/EA, or the PWM/GWR EIR.

DISCUSSION

a, b) No Impact: The proposed Hilby Avenue Pump Station site is not located in an area of potential mineral resources; the proposed Hilby Avenue Pump Station would not impact mineral resources.

The proposed Hilby Avenue Pump Station would not result in any impacts to mineral resources and no mitigation is warranted.

12. Noise

EXISTING SETTING

The project site is located within the existing CalAm Hilby Tank Facility, which is located adjacent to a residential neighborhood. There are currently pumps and motors associated with the tanks in operation at the facility, which generate a minimal amount of noise. The closest residences to the proposed Hilby Avenue Pump Station site are located at 1215 Yosemite Street (30 feet to the east), 1205 Yosemite Street (80 feet to the southeast), and 1225 Luzern Street (115 feet to the west).

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Exposure of persons to or generation of noise levels in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies?				
b) Exposure of persons to or generation of excessive groundborne vibration or groundborne noise levels?			\boxtimes	
c) A substantial permanent increase in ambient noise levels in the project vicinity above levels existing without the project?			\boxtimes	
d) A substantial temporary or periodic increase in ambient noise levels in the project vicinity above levels existing without the project?		\boxtimes		
e) For a project located within an airport land use plan or, where such a plan has not been adopted, within two miles of a public airport or public use airport, would the project expose people residing or working in the project area to excessive noise levels?				
f) For a project within the vicinity of a private airstrip, would the project expose people residing or working in the project area to excessive noise levels?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA identified significant noise impacts due to exposure of sensitive receptors to elevated noise and vibration levels during construction activities and increased noise levels during operational phases. Mitigation Measures NZ-1a, NZ1-b, NZ1-c, NZ1-d and NZ-2 were identified to reduce impacts to a less than significant level. In addition, Addendum No. 1 to the ASR EIR/EA identified a potentially significant impact resulting from the exposure of noise-sensitive land used to construction noise in excess of applicable standards. This impact would be reduced to less than significant with the implementation on Mitigation Measure NV-1a, Mitigation Measure NV-1b, Mitigation Measure NV-1c, and Mitigation Measure NV-1d.

The PWM/GWR EIR concluded that there would be a significant and unavoidable impact due to noise generated during construction of the Tembladero Slough diversion and Monterey Pipeline. Although the impact may not be reduced to less than significant levels, implementation of Mitigation Measure NV-1a: Drilling Contractor Noise Measures, Mitigation Measure NV-1b: Monterey Pipeline Noise Control

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Plan for Nighttime Pipeline Construction, Mitigation Measure NV-1c: Neighborhood Notice, Mitigation Measure NV-1d: RUWAP Pipeline Construction Noise, Mitigation Measure NV-2a: Construction Equipment, and Mitigation Measure NV-2b: Construction Hours, would reduce the severity of the impact.

DISCUSSION

a, d) Less Than Significant Impact with Mitigation: Project construction would generate temporary increases in noise associated with the use of construction equipment. Project construction could result in the exposure of adjacent and nearby sensitive receptors to increased noise levels and ground-borne vibration beyond existing conditions. These impacts would, however, be temporary. In addition, adherence to standard construction noise measures would further reduce noise impacts, including reducing the severity of impacts on adjacent noise sensitive uses. Nosie from construction would be reduced to a less than significant level through the implementation of Mitigation Measures NZ-1a, NZ1-b, and NZ1-c, previously approved as part of the ASR EIR/EA, and described below.

Project-specific design features (e.g. sound-proof enclosures) would ensure that operational impacts of the Proposed Hilby Avenue Pump Station would be less than significant (See **Attachment 3, Hilby Avenue Pump Station Noise Technical Memorandum**). Based upon existing mitigation measures and the construction plan of the proposed development, the proposed Hilby Avenue Pump Station would not result in significant new impacts or an increase in severity of identified in the ASR EIR/EA and the PWM/GWR EIR. No additional mitigation would be necessary beyond those measures already identified in the ASR EIR/EA and the PWM/GWR EIR as described above.

b) Less than Significant Impact: The proposed Hilby Avenue Pump Station would not generate any groundborne vibration.

c) Less than Significant Impact: The Proposed Hilby Avenue Pump Station has been designed to minimize noise generated by the pumps and motors of the Pump Station. The Pump Station enclosure would have the following characteristics:

- Concrete masonry unit (CMU) wall construction, with a minimum field sound transmission class (STC) of 44 or pre-fabricated acoustical panels having a minimum STC rating of 40,
- A metal roof structure having minimum field STC of 39,
- One acoustically-insulated personnel access door on the north wall, having minimum STC of 43,
- Up to 18"x18" of intake acoustical louver on the north wall,
- Up to 18"x18" of discharge acoustical louver on the south wall,
- Up to 100 square feet of the north wall assembly should be removable acoustical panels, with minimum STC rating of 40, and
- Interior equipment-facing surfaces of the walls and roof would feature 2"-thick acousticallyabsorptive media on at least 50% of the available surface area—to reduce noise reverberation within the space.

This enclosure would ensure that noise levels would be in compliance with both the Seaside exterior and interior noise limits of 65 dBA CNEL (A-weighted decibels Community Noise Equivalent Level)and 45 dBA CNEL (per Seaside Municipal Code 17.30.060) for the nearest residences (See **Attachment 3, Hilby Avenue Pump Station Noise Technical Memorandum**). For these reasons, the proposed Hilby Avenue Pump Station would have a less than significant impact resulting from a permanent increase in ambient noise levels, and no mitigation is necessary.

e, f) No Impact: The proposed Hilby Avenue Pump Station site is not located within two miles of a municipal airport or private airstrip and would not add new sensitive receptors to the site that would be exposed to existing or future nearby noise sources.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to the generation of noise. Because construction of the Pump Station would result in the same types of noise impacts as the ASR Project, the following previously approved mitigation measures must be implemented:

Mitigation Measure NZ-1a: Prohibit Ancillary and Unnecessary Equipment During Nighttime Construction Activities. (ASR EIR/EA)

The project applicant shall ensure that the construction contractor prohibit the use of all ancillary equipment (i.e., backhoe, truck, air compressor, and pump, etc.) during nighttime hours. Cleanup and other activities will occur only during daytime activities.

<u>Mitigation Measure NZ-1b: Employ Noise-Reducing Construction Practices to Meet Nighttime</u> <u>Standards. (ASR EIR/EA)</u>

The construction contractor will employ noise-reducing construction practices such that nighttime standards are not exceeded. Measures that will be used to limit noise include, but are not limited to:

- using noise-reducing enclosures around noise-generating equipment;
- constructing barriers between noise sources and noise-sensitive land uses or taking advantage of existing barrier features (terrain, structures) to block sound transmission; and
- enclosing equipment.

Mitigation Measure NZ-1c: Prepare a Noise Control Plan. (ASR EIR/EA)

The construction contractor will prepare a detailed noise control plan based on the construction methods proposed. This plan will identify specific measurement that will be taken to ensure compliance with the noise limits specified above. The plan shall also identify anticipated construction schedule, notification procedures, and contact information for noise related complaints. The noise control plan will be reviewed and approved by City of Seaside staff before any noise-generating construction activity begins.

13. Population and Housing

EXISTING SETTING

The proposed Hilby Avenue Pump Station is located in the City of Seaside. The 2010 U.S. Census population of the City of Seaside was 33,025 persons, and the City's housing stock contains 10,872 occupied residential units, resulting in an average household size of 3.04 persons per household. The estimated population as of January 2014 was 33,534. Based on Association of Monterey Bay Area Governments (AMBAG) projections, population is projected to increase in Seaside by approximately 3,095 people between 2010 and 2020. Based on the 2014 AMBAG Regional Housing Needs Allocation Plan, the total number of housing units which need to be planned in Seaside between 2014 and 2023 in order to meet Seaside's regional housing need allocation was 393 new units, including 95 very low income, 62 low income, 72 moderate income, and 164 above moderate income households.

Initial Study Checklist Hilby Avenue Pump Station

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Induce substantial population growth in an area, either directly (for example, by proposing new homes and businesses) or indirectly (for example, through extension of roads or other infrastructure)?				
b) Displace substantial numbers of existing housing, necessitating the construction of replacement housing elsewhere?				
c) Displace substantial numbers of people, necessitating the construction of replacement housing elsewhere?				\boxtimes

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

No potential impacts to population and housing were identified in the ASR EIR/EA, Addendum No. 1 to the ASR EIR/EA, or the PWM/GWR EIR.

DISCUSSION

a, **b**, **and c**) **No Impact.** The proposed Hilby Avenue Pump Station would not induce population growth, or displace existing housing or people.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to population and housing and no mitigation is warranted.

14. **Public Services**

EXISTING SETTING

The proposed Hilby Avenue Pump Station would not impact public services, therefore a discussion of the existing setting is not included.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Would the project result in substantial adverse physical impacts associated with the provision of new or physically altered governmental facilities, need for new or physically altered governmental facilities, the construction of which could cause significant environmental impacts, in order to maintain acceptable service ratios, response times or other performance objectives for any of the public services:				
Fire protection?				\boxtimes
Police protection?				\boxtimes

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
Schools?				\boxtimes
Parks?				\boxtimes
Other public facilities?				\boxtimes

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

No potential impacts to public services were identified in the ASR EIR/EA, Addendum No. 1 to the ASR EIR/EA, or the PWM/GWR EIR.

DISCUSSION

a) No Impact: Implementation of the proposed Hilby Avenue Pump Station would result in no new significant impacts resulting from new or altered governmental facilities, due to the fact that it is a component of a water conveyance system, and therefore would not increase the use of schools and parks, or increase the need for fire and police protection.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe impacts to public services and no mitigation is warranted.

15. Recreation

EXISTING SETTING

The proposed Hilby Avenue Pump Station would not impact recreational resources, therefore a discussion of the existing setting is not included.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Would the project increase the use of existing neighborhood and regional parks or other recreational facilities such that substantial physical deterioration of the facility would occur or be accelerated?				
b) Does the project include recreational facilities or require the construction or expansion of recreational facilities which might have an adverse physical effect on the environment?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

No potential impacts to recreation facilities were identified in the ASR EIR/EA, Addendum No. 1 to the ASR EIR/EA, or the PWM/GWR EIR.

Initial Study Checklist Hilby Avenue Pump Station

DISCUSSION

a, b) No Impact: The proposed Hilby Avenue Pump Station would not result in significant new impacts because there would be no direct or indirect increased use of parks or recreational facilities due to the proposed Hilby Avenue Pump Station and no recreational facilities included in the proposed Hilby Avenue Pump Station.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe impacts to recreational resources and no mitigation is warranted.

16. Transportation and Traffic

EXISTING SETTING

The proposed Hilby Avenue Pump Station site is located on Luzern Street, near its intersection with Hilby Avenue in the City of Seaside. The surrounding area is residential with normally light traffic patterns. The nearest major street is General Jim Moore Boulevard located four blocks to the east. The closest highways that would potentially be used for materials transport and by construction workers in transit to the project site are Highway 1 (about 2 miles to the west), Highway 218 (about one mile to the south), and Highway 68 (about 2 miles to the south).

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Conflict with an applicable plan, ordinance or policy establishing measures of effectiveness for the performance of the circulation system, taking into account all modes of transportation including mass transit and non-motorized travel and relevant components of the circulation system, including but not limited to intersections, streets, highways and freeways, pedestrian and bicycle paths, and mass transit?				
b) Conflict with an applicable congestion management program, including, but not limited to level of service standards and travel demand measures, or other standards established by the county congestion management agency for designated roads or highways?				
c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks?				
d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment)?				
e) Result in inadequate emergency access?				\boxtimes
f) Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities?				

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA found the ASR Project would have the following less than significant impacts to traffic and circulation:

- temporary construction-related traffic increases,
- construction phase conflicts with bus service lines and temporary pathway/bikeway closures,
- increased traffic and level of service degradation from operational phases,
- an increased demand for parking.

No mitigation measures were required. Addendum No. 1 to the ASR EIR/EA did not identify any significant impacts related to traffic and transportation.

The PWM/GWR EIR concluded that there would be a less than significant impact due to constructionrelated traffic delays, safety, and access limitations, resulting from construction of the Product Water Pipeline and the Monterey Pipeline. This impact can be reduced to less than significant levels with the implementation of Mitigation Measure TR-2: Traffic Control and Safety Assurance Plan. The document also found that there would be significant impacts resulting from construction-related roadway deterioration and parking interference and that these impacts could be reduced to a less than significant level with the implementation of Mitigation Measure TR-3: Roadway Rehabilitation Program and Mitigation Measure TR-4: Construction Parking Requirements, respectively.

DISCUSSION

a, b) Less than Significant: The proposed Hilby Avenue Pump Station would result in temporary increases in traffic during construction. There would be a maximum of up to eight truck trips for material transport per day (four AM trips and four PM trips). Construction worker traffic will result from the estimated six workers on-site during the day which could result in up to twelve vehicle trips per day from workers (six AM trips and six PM trips). This would not be considered a substantial increase in peak hour trips due to the low volumes and the short duration of the construction period.

Operation and maintenance of the Hilby Avenue Pump Station would not require additional employee vehicle trips, as there are existing CalAm facilities adjacent to the site that require routine maintenance. For these reasons, the proposed Hilby Avenue Pump Station would not cause any new significant impacts beyond those identified in the ASR EIR/EA and the PWM/GWR EIR and would not increase the severity of any significant impacts.

c, **d**, **e**, **f**, **g**) **No Impact:** Implementation of the proposed Hilby Avenue Pump Station would not impact air traffic operations because the nearest airports are over 2 miles away. The proposed Hilby Avenue Pump Station does not involve any construction within existing roadway travel lanes, bike lanes or near any transit stops, and would not increase hazards based on a design feature or result in emergency access concerns. Access to the proposed Hilby Avenue Pump Station site will be provided from Luzern Street and most parking areas would be accommodated on the proposed Hilby Avenue Pump Station site; therefore, there would be no significant parking or access impacts. In addition, CalAm will coordinate with residents within proximity of the site to ensure parking impacts are minimized.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts related to traffic and transportation. The Pump Station also will not contribute to significant impacts related to traffic and transportation identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

17. Utilities and Service Systems

EXISTING SETTING

The Monterey Regional Waste Management District manages the Monterey Peninsula's (including the proposed Hilby Avenue Pump Station site) solid waste collection, disposal, and recycling system. It also receives most of Monterey County's sewage sludge. The Waste Management District operates the Monterey Peninsula Landfill and a transfer station. Any solid waste generated by Project construction or operation would be disposed of at the landfill or diverted for recycling or reuse at the materials recovery facility.

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Exceed wastewater treatment requirements of the applicable Regional Water Quality Control Board?				
b) Require or result in the construction of new water or wastewater treatment facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				
c) Require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects?				
d) Have sufficient water supplies available to serve the project from existing entitlements and resources, or are new or expanded entitlements needed?				
e) Result in a determination by the wastewater treatment provider which serves or may serve the project that it has adequate capacity to serve the project's projected demand in addition to the provider's existing commitments?				
f) Be served by a landfill with sufficient permitted capacity to accommodate the project's solid waste disposal needs?			\boxtimes	
g) Comply with federal, state, and local statutes and regulations related to solid waste?			\boxtimes	

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR 1 EIR/EA identified a significant impact based upon temporary disruption of existing underground utilities during construction activities and identified that potential impacts would be reduced to a less than significant level through the implementation of Mitigation Measures PS-2 and PS-3. Addendum No. 1 to the ASR EIR/EA did not identify any significant impacts to utilities and service systems.

The PWM/GWR EIR found that there would be a significant impact related to utilities and service systems due to conflict with solid waste policies and regulations. This impact would be reduced to less

than significant level with the implementation of Mitigation Measure PS-3: Construction Waste Reduction and Recycling Plan.

DISCUSSION

a, b, c, e) No Impact: No wastewater would be generated as a result of the proposed Hilby Avenue Pump Station. The proposed Hilby Avenue Pump Station would be part of a water conveyance facility. The proposed Pump Station would be connected to the Monterey Pipeline by a short water connection pipeline (700 feet, 24" diameter). This pipeline would be routed along Luzern Street before turning onto the existing Hilby storage tank site. The proposed Hilby Avenue Pump Station would not result in any new significant impacts or increased severity of previously identified significant impacts from the ASR EIR/EA and PWM/GWR EIR.

d) No Impact: The proposed Hilby Avenue Pump Station would not require additional water rights or entitlements. The Pump Station would enable MPWMD and CalAm to fully exercise their existing water rights to divert excess flows from the Carmel River for injection into the ASR wells during wet weather periods. MPWMD and CalAm would be required to comply with all applicable permit conditions.

f, g) Less than Significant: The proposed Hilby Avenue Pump Station would result in a less than significant impact in terms of solid waste generation consistent with the analysis in the ASR EIR/EA and PWM/GWR EIR. The proposed Hilby Avenue Pump Station would not result in any new significant impacts nor would it increase the severity of impacts. Existing equipment on the site would be removed prior to construction. All equipment removed from the site would be recycled, ensuring consistency with the California Integrated Waste Management Act of 1989 and Monterey County mandates on waste generation.

The proposed Hilby Avenue Pump Station would not result in new or substantially more severe significant impacts to utilities and service systems. The Pump Station also will not contribute to significant impacts related to utilities identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted.

18. Mandatory Findings of Significance

CHECKLIST

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
a) Does the project have the potential to degrade the quality of the environment, substantially reduce the habitat of a fish or wildlife species, cause a fish or wildlife population to drop below self-sustaining levels, threaten to eliminate a plant or animal community, reduce the number or restrict the range of a rare or endangered plant or animal or eliminate important examples of the major periods of California history or prehistory?				
b) Does the project have impacts that are individually limited, but cumulatively considerable? ("Cumulatively considerable" means that the incremental effects of a project are considerable when viewed in connection with the effects of				

Would the project:	Potentially Significant Impact	Less than Significant with Mitigation Incorporated	Less than Significant Impact	No Impact
past projects, the effects of other current projects, and the effects of probable future projects)?				
c) Does the project have environmental effects which will cause substantial adverse effects on human beings, either directly or indirectly?			\boxtimes	

SUMMARY OF IMPACTS IN PREVIOUS DOCUMENTS

The ASR EIR/EA found that there would be less than significant cumulative impacts in all issue areas with the exception of NOx and PM10 emissions, noise and vibration generated during construction. Both of these cumulative significant impacts would be reduced to less than significant with the implementation of Mitigation Measure Cume-1: Coordinate with Relevant Local Agencies to Develop and Implement a Phased Construction Plan to Reduce Cumulative Traffic, Air Quality, and Noise Impacts. Addendum No. 1 to the ASR EIR/EA did not identify an cumulatively considerable impacts related to implementation of that project.

The PWM/GWR EIR found that there would be less than significant cumulative impacts in all issue areas with the exception of PM10 emissions, marine surface waters, and marine biological resources. The cumulative significant impact resulting from PM_{10} emissions would be reduced to less than significant with the implementation of Mitigation Measure AQ-1, described in **Section 3.** Air Quality. The cumulative significant impacts to marine resources would be reduced to less than significant with the implementation of Mitigation Measure HS-C/MR-C: Implement Measures to Avoid Exceedances over Water Quality Objectives at the Edge of the Zone of Initial Dilution.

DISCUSSION

a, **b**, **c**) Less than Significant: The Proposed Hilby Avenue Pump Station would not substantially degrade or reduce wildlife species or habitat or impact historic resources, as identified in this analysis. Potential cumulative impacts associated with the Pump Station would primarily occur in connection with temporary construction-related effects. As described above, a cumulative analysis for the PWM/GWR Project was performed in the PWM/GWR EIR and a cumulative analysis for the ASR Project was performed in the ASR EIR/EA and Addendum No. 1 to the ASR EIR/EA. The cumulative analysis performed in the PWM/GWR EIR included the ASR Project (Phases 1 and 2). Construction and operation of the Pump Station would not result in adverse impacts on human beings, either directly or indirectly; potential impacts would be temporary in nature and mitigated through the implementation of mitigation measures (to the extent they are applicable) previously identified in the ASR EIR/EA and the PWM/GWR EIR. The Proposed Hilby Avenue Pump Station would not result in new significant impacts or significant impacts that would be increased in severity beyond those identified in the ASR EIR/EA and the PWM/GWR EIR.

IV. REPORT PREPARATION AND REFERENCES

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- IFC Jones and Stokes, 2006. Phase 1 Aquifer Storage and Recovery Project Final Environmental Impact Report/Environmental Assessment.
- IFC Jones and Stokes, 2010. Monterey County General Plan Final Environmental Impact Report.
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- Koenig, Heidi, 2016. "Re: Alternate ASR Pump Station." Message to Diana Staines. May 4, 2016. E-mail.
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- Monterey Bay Air Resources District, 2014. District Board of Directors Agenda Item No. 10, Subject: Receive a Presentation on District GHG Threshold Development. February 6, 2014.
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Initial Study Checklist Hilby Avenue Pump Station

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- Monterey Peninsula Water Management District, 2010. Notice of Exemption for the Fitch School ASR Test Well. Dated June 3, 2010.
- Ninyo and Moore, 2014. Preliminary Geotechnical Evaluation for the Groundwater Replenishment Project EIR Monterey County, California.

ATTACHMENT 2

AIR QUALITY AND GHG CALCULATION SPREADSHEETS

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GHG OPERATIONAL EMISSIONS

Indirect Emissions from Net New Electricity Consumption (including new cogeneration capabilities enabled by source water carbon content)				
GHGs fro	m Electricity C	onsumption		
	Emission	Electricity	CO2e*	
	Factor	Consumption		
GHG	(lb/kWh)	kWhr	(metric tons)	
CO2	0.32800	500,000	74.39	
CH4	0.00003	500,000	0.14	
N20	0.00001	500,000	0.43	
Total = 75				

Notes: The emission factor for CO2 was obtained from PG&E, 2013. Emission factors for CH4 and N2O are from USEPA, 2012b.

Project baseline and proposed electricity consumption estimates provided by MRWPCA, October 2014.

*Global Warming Potential for CH4 = 21; GWP for N2O = 310 (CCAR, 2009).

California Climate Action Registry (CCAR), 2009. General Reporting Protocol, Reporting Entity-Wide Greenhouse Gas Emissions, Version 3.1, January 2009. Tables C.3 and C.6.

Pacific Gas and Electric Company (PG&E), 2013. Greenhouse Gas Emission Factors Info Sheet for the year 2017, last revised April, 2013.

USEPA, 2012b. eGRID2012 Version 1.0 Year 2009 GHG Annual Output Emission Rates, 2012.

Project Mobile Sources

			Running Exhaust						Fuel		
			Emission Factor		Total Emissions				efficiency	Fuel use	
		One way Trips	(pound/mile)			(Metric tons)				mpg	gal/year
On-road Sources	Miles/trip	per year	CO ₂	CH₄	N2O	CO ₂	CH₄	N2O	CO ₂ e		
Light duty truck (gas)	10	0	0.79	9.96E-05	1.92E-04	0.00	0.00	0	0.00	15	-
Heavy duty truck	25	0	3.61	1.12E-05	1.06E-05	0.00	0.00	0	0.00	5	-
					Totals =	0.00	0.00	0	0.00		-

Notes: Emission factors for mobile sources were derived from EMFAC2011 for the year 2018 (see CalEEMod Emfac 2011 Onroad Emission Factors). It is assumed that 1 employees would each generate two light duty truck trips each per day (2 total one way); 7 days per week (365 days per year), and that there would be 1 weekly heavy duty truck deliveries every two weeks (52 weeks per year).

Total GHG operational emissions (metric tons per year of CO2e) =	75
Construction emissions amortized for 30 year life (metric tons per year of CO2e) =	2
Total GHG emissions (metric tons per year of CO2e) =	77

CONSTRUCTION EQUIPMENT EMISSIONS

Qty	Description	HP	Load Factor	Hours/da y	Total Work Days	Annu Hour
	ASR Pump Station					
1	Pavers	160	0.42	8	3	24
1	Rollers	90	0.38	8	5	40
1	Loader	90	0.37	8	20	160
1	Backhoe	150	0.37	8	15	120
1	Cranes	200	0.29	8	30	240
1	Graders	200	0.41	8	3	24
1	Generator	200	0.74	8	60	480

TOG	ROG	CO	NOX	SO2	PM10	PM2.5	CO2 (pounds)	CH4
1.8	1.5	10.9	17.3	0.0	0.9	0.8	1799.4	0.5
2.3	1.9	11.3	17.5	0.0	1.3	1.2	1531.3	0.5
7.5	6.3	44.7	60.3	0.1	4.6	4.3	6001.0	1.8
9.4	7.9	55.9	75.4	0.1	5.8	5.3	7501.2	2.3
22.7	19.1	79.2	226.3	0.2	10.3	9.4	15549.8	4.7
4.2	3.5	17.0	35.8	0.0	2.0	1.8	2237.3	0.7
1852.	7 91.2	542.8	690.1	0.9	48.4	48.4	88925.0	8.1
Sum	= 131.5	761.9	1122.7		73.2	71.2	123545.1	18.6
Per Da	y = 0.5	3.0	4.5		0.3	0.3		

ATTACHMENT 3

HILBY PUMP STATION NOISE TECHNICAL MEMORANDUM

Denise Duffy and Associates

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Memorandum

То	John Chamberlain (AECOM – San Jose)	Page	1 of 7
CC	Stephanie Osby (AECOM – San Jose)		
Subject	Hilby Pump Station (Project No. 60489016) Noise Technical Memorandum		
From	Mark Storm, INCE Bd. Cert. (AECOM – San Diego)		
Date	May 17, 2016		

John,

At the request of California American Water (CAW), the AECOM Acoustics & Noise Control Practice has conducted a predictive analysis of noise emission associated with the proposed operation of three (3) adjacent 200-horsepower (hp) vertical pumps. The pumps would be installed at a prospective pump station on an existing CAW-owned water infrastructure property set within a residential neighborhood in the city of Seaside, CA. The analysis considers three options for sound abatement and compares the results with applicable local noise regulations and standards. (If needed, please refer to the "Acoustical Fundamentals" section starting on page 5 for a review of terminology used in this noise assessment.)

Introduction

Figure 1 depicts an isometric view of the proposed Project site in the community of Seaside, CA, with a conceptual pump station enclosure and added vegetative/landscaping visual cover on the intended site location. Based on information received to date, it is assumed the enclosure would feature the following:

Physical Dimensions – 47'-4" long, 26'-2" wide, and 10 feet high.

Contained Equipment –

- The pump station will house up to three (3) 200-hp vertical pumps and their motors, 0 along with any controls and ancillary equipment and components. Up to all three of the pumps may operate at any one time. Each pump produces 85 dBA sound pressure level (L_p) at 3 feet.
- Exhaust fan rated for approximately 1.200 cubic feet per minute (cfm) and 1.25 0 inches water gauge (iwg) static pressure, to allow six air changes per hour. Fan L_p < 80 dBA at 3 feet, installed upstream of the building's discharge louver (see below).
- Controls, etc. within building < 70 dBA L_p at 3 feet. 0
- Structure -
 - Concrete masonry unit (CMU) wall construction, with minimum field sound 0 transmission class (STC) of 44. Alternately, substitute CMU with pre-fabricated acoustical panels (AP, e.g., IAC Acoustics NoiseLock, Commercial Acoustics or other comparable product) having a minimum STC rating of 40.
 - Metal roof structure having minimum field STC of 39. 0
 - One acoustically-insulated personnel access door (e.g., 84"x30") on the north wall, 0 having minimum STC of 43.



Noise Technical Memorandum May 16, 2016 Page 2

- Up to 18"x18" (2.25 square feet) of intake acoustical louver (Commercial Acoustics MFLA-4-36 or comparable) on the north wall.
- Up to 18"x18" (2.25 square feet) of discharge acoustical louver (Commercial Acoustics MFLA-4-36 or comparable) on the south wall.
- Up to 100 square feet (e.g., 144" x 100") of the north wall assembly should be removable acoustical panels, with minimum STC rating of 40.
- Interior equipment-facing surfaces of the walls and roof would feature 2"-thick acoustically-absorptive media (e.g., glass fiber or mineral fiber batt insulation) on at least 50% of the available surface area—to reduce noise reverberation within the space.



Figure 1. Aerial view of Project vicinity and proposed conceptual pump station enclosure (not to scale)

- Other
 - All piping externally connecting the pump station to the surrounding new or existing piping network are subsurface or otherwise externally lagged with sound insulating materials so that pipe emission noise is rendered insignificant.

<u>Analysis</u>

Accounting for factors such as geometric divergence (i.e., attenuation with increasing distance from a noise source), the surrounding terrain and its varying elevations, Table 1 presents predicted Project



Noise Technical Memorandum May 16, 2016 Page 3

noise levels (L_{eq} and CNEL) at the indicated receivers for three different cases: A – full enclosure, B – barrier (i.e., four-sided partial enclosure w/ open top), C – no sound abatement. Notes on the analysis are as follows:

- For the full enclosure case, the analysis assumes the major noise emission paths are between the indicated receiver position and the two nearest radiating enclosure walls (east and south for 1215 and 1205 Yosemite; west and south walls for 1225 Luzern St.)
- The barrier case assumes the barrier top edge is five feet higher than the height of the noise source(s), with barrier segment footprints matching those of the full enclosure walls.

	Horizontal distance (feet) between receiver and	Predicted pump ops noise dBA Leq (at exterior of receiver position)		dBA CNEL	mp ops noise (at exterior / eiver position)		
Receiver Location	pump station position	CMU walls	AP walls	CMU walls	AP walls		
	Cas	e A: Full Enclosur	е				
1215 Yosemite St.	50' from south wall; 30' from east wall	48	48	54 / 42	55 / 43		
1205 Yosemite St.	80' from south wall; 85' from east wall	43	43	50 / 38	50 / 38		
1225 Luzern St.	140' from south wall; 115' from west wall	37	37	44 / 32	44 / 32		
		Case B: Barrier					
1215 Yosemite St.	30' from east barrier	5	8	65	/ 53		
1205 Yosemite St.	80' from south barrier	50		50 57		57	/ 45
1225 Luzern St.	115' from west barrier	5	0	57	/ 45		
	Case C	: No Sound Abate	ment				
1215 Yosemite St.	55'	7	4	81	/ 69		
1205 Yosemite St.	100'	69		76	/ 64		
1225 Luzern St.	140'	6	4	71 / 59			
Notes: CMU = concrete masc	onry unit; AP = acoustical panel;	CNEL = communit	ty noise equivaler	nt level			

Table 1. Predicted Project Operation Noise Levels per Sound Abatement Option

Assuming that the occupied structures of the nearest residential receivers studied in Table 1 might have windows open, and thus result in only a 12 dB exterior-to-interior noise reduction¹, the predicted noise levels in Table 1 suggest that only sound abatement case A (full enclosure, as described above) would keep operating pump noise emission compliant with both the Seaside exterior and interior noise limits of 65 dBA CNEL and 45 dBA CNEL (per Seaside Municipal Code 17.30.060 Table 3-2)² respectively for all three nearest studied community residential receivers. Usage of either CMU or AP for the full enclosure walls appears to have generally comparable influence on predicted results at the nearest receivers.

Should enclosure final design details be different than what has been assumed for purposes of this analysis, the predicted noise emission can be re-evaluated with modified input parameters to determine outcomes at the nearest residential receivers. Please do not hesitate to contact me with

¹ USEPA, 1978, Protective Noise Levels – Condensed Version of EPA Levels Document, EPA 550/9-79-100, November.

² http://www.ci.seaside.ca.us/Modules/ShowDocument.aspx?documentid=2566



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any questions or comments you may have, or suggestions on how this noise assessment might better suit your needs.

Statement of Limitations

Background information on the Project has included data from third parties, which AECOM has used in preparing this technical memorandum. AECOM has relied on this information as furnished or discovered online, and is neither responsible for nor has confirmed the accuracy of this information. Portions of this document have been prepared based on certain key assumptions made by AECOM which substantially affect predictive analysis results and corresponding findings and/or recommendations. These assumptions, although thought to be reasonable and appropriate, may not prove to be true in the future. The predictive analyses of AECOM are conditioned upon several assumptions.

This document is for the sole use and benefit of AECOM and its client. The scope of services performed in execution of this effort may not be appropriate to satisfy the needs of other users, and any use or reuse of this document or the findings, conclusions, or recommendations presented herein is at the sole risk of said user. No express or implied representation or warranty is included or intended in this report except that the work was performed with the customary thoroughness and competence of professionals working in the same area on similar projects.



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Acoustical Fundamentals

Noise

Noise is generally defined as loud, unpleasant, unexpected, or undesired sound that is typically associated with human activity and interferes with or disrupts normal activities. Although exposure to high noise levels has been demonstrated to cause hearing loss, the principal human response to typical environmental noise exposure levels is annoyance. The response of individuals to similar noise events is diverse and influenced by many factors including the type of noise, the perceived importance of the noise and its appropriateness in the setting, the time of day and the type of activity during which the noise occurs, and the sensitivity of the individual.

Sound

Sound is a physical phenomenon consisting of minute vibrations that travel through a medium, such as air, and are sensed by the human ear. Sound is generally characterized by several variables, including frequency and amplitude. Frequency describes the sound's pitch and is measured in cycles per second (Hertz), while amplitude describes the sound's pressure (loudness). Because the range of sound pressures that occur in the environment is so large, it is convenient to express these pressures on a logarithmic scale that compresses the wide range of pressures into a more useful range of numbers. The standard unit of sound pressure measurement is the decibel (dB).

Frequency, in Hertz (Hz), is a measure of how many times each second the crest of a sound pressure wave passes a fixed point. For example, when a drummer beats a drum, the skin of the drum vibrates a number of times per second. When the drum skin vibrates 100 times per second it generates a sound pressure wave that is oscillating at 100 Hz, and this pressure oscillation is perceived by the ear/brain as a tonal pitch of 100 Hz. Sound frequencies between 20 and 20,000 Hz are within the range of sensitivity of the average healthy human ear.

Sound level is expressed by reference to a specified national/international standard. This document refers to Sound Pressure Level (SPL or L_p), which is used to describe sound at a specified distance or specific receptor location. In expressing L_p on a logarithmic scale, sound pressure is compared to a reference value of 20 microPascals (µPa). SPL should not be confused with Sound Power Level (PWL or L_W), which is a measure of inherent acoustic power radiated by a source. SPL depends not only on the power of the source, but also on the distance from the source and on the acoustical characteristics of the space surrounding the source (absorption, reflection, etc.). This is analogous to lighting, where the bulb wattage is its power and does not vary with location or environmental conditions, but the bulb's apparent brightness varies with the viewer's distance to the bulb and the surroundings.

Sound Propagation

Outdoor sound levels decrease as the distance from the source increases. This is due to wave divergence, atmospheric absorption, and ground attenuation. Sound radiating from a source in a homogeneous and undisturbed medium travels in spherical waves. As the sound waves travel away from the source, the sound energy is dispersed over a greater area, decreasing the sound pressure of the wave at discrete locations. Spherical spreading of the sound wave reduces the noise level at a rate of 6 dB per doubling of distance from a point source.

Atmospheric absorption also influences the sound levels received by an observer and becomes important at distances greater than 1,000 feet. The degree of absorption varies depending on the frequency of the sound as well as the humidity and temperature of the air. For example, atmospheric



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absorption is lowest (i.e., sound carries farther) at high humidity and high temperatures; and, higher frequencies are more readily absorbed than lower frequencies. The result is that over large distances, lower frequency sound can become dominant as higher frequency sound is more rapidly attenuated. Turbulence, gradients of wind and other atmospheric phenomena also play a significant role in determining the degree of attenuation. For example, certain meteorological conditions such as temperature inversions can refract sound waves towards receivers on the ground (i.e., rather than upwards into the atmosphere), resulting in higher noise levels than would result from simple spherical spreading.

A-weighting

Sound from a tuning fork contains a single frequency (a pure tone), but most sounds one hears in the environment do not consist of a single frequency but rather a broad band of many frequencies differing in sound level. Because of the broad range of audible frequencies, methods have been developed to quantify these values into a single number. The most common method used to quantify environmental sounds consists of evaluating all frequencies of a sound according to a weighting system that is reflective of human hearing. Human hearing is less sensitive at low frequencies and extremely high frequencies than at the mid-range frequencies. This process is termed "A"-weighting, and the resulting dB level is termed the "A weighted" decibel (dBA). "A" weighting is widely used in local noise ordinances and state and federal guidelines. In practice, the level of a noise source is conveniently measured using a sound level meter that includes a filter corresponding to the dBA curve. Unless specifically noted, the use of "A" weighting is usually assumed with respect to environmental sound and community noise even if the notation does not show the "A."

Perception of Sound

A sound level of 0 dBA is approximately the threshold of human hearing and is barely audible under extremely quiet listening conditions. Zero dBA is not the absence of sound energy but instead a reference level against which the amplitude of other sounds is compared. Normal speech has a sound level of approximately 60 dBA. The minimum change in the sound level of individual events that an average human ear can detect is about 1 to 2 dB. A 3- to 5-dB change is readily perceived. An increase or decrease in sound level of about 10 dB is usually perceived by the average person as a doubling (or halving) of the sound's loudness.

Combining Sound Levels

Because of the logarithmic nature of the dB unit, sound levels cannot be added or subtracted directly and are somewhat cumbersome to handle mathematically. However, some simple rules are useful in dealing with sound levels. First, if a sound's intensity is doubled, the sound level increases by 3 dB, regardless of the initial sound level. Thus, for example: 60 dB + 60 dB = 63 dB, and 80 dB + 80 dB = 83 dB. Remember however, that it requires about a 10 decibel increase to double the perceived loudness of a sound.

Common Noise Metrics

Although dBA may adequately indicate the level of environmental noise at any instant in time, community noise levels vary continuously. Most ambient environmental noise includes a mixture of noise from nearby and distant sources that creates an ebb and flow of sound, including some identifiable sources plus a relatively steady background noise in which no particular source is identifiable. A single descriptor called the equivalent sound level (L_{eq}) is used to describe sound that is constant or changing in level. L_{eq} is the energy-mean dBA during a measured time interval. It is the "equivalent" constant sound level that would have to be produced by a given constant source to equal





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the acoustic energy contained in the fluctuating sound level measured during the interval. The interval can be any period of time, such as a single hour or even a multiple-hour period. For instance, the "daytime L_{eq} " is considered an L_{eq} value for the consecutive fifteen hours between 7 a.m. and 10 p.m., and the "nighttime L_{eq} " represents the energy-mean value for the other nine hours (10 p.m. to 7 a.m.). In addition to the energy-average level, it is often desirable to know the acoustic range of the noise source being measured. This is accomplished through the maximum (L_{max}) and minimum (L_{min}) indicators that represent the root-mean-square (RMS) maximum and minimum noise levels measured during the monitoring interval. The L_{min} value obtained for a particular monitoring location is often called the acoustic floor for that location.

Common Day-Night Noise Descriptors

The Day-Night Average Sound Level (L_{dn} or DNL) represents the average sound level for a 24-hour day and is calculated by adding a 10-dB penalty only to sound levels during the night period (10:00 p.m. to 7:00 a.m.). The L_{dn} is the descriptor of choice used by many federal, state, and local agencies throughout the United States to define acceptable land use compatibility with respect to noise. Because of the time-of-day penalties associated with the L_{dn} descriptor, the L_{dn} dBA value for a continuously operating sound source during a 24-hour period will be numerically greater than the dBA value of the 24-hour L_{eq} . Thus, for a continuously operating noise source producing a constant noise level operating for periods of 24 hours or more, the L_{dn} will be approximately 6 dB higher than the L_{eq} value.

The Community Noise Equivalent Level (CNEL) is another oft-used day-night sound level descriptor that is similar to L_{dn} , but its derivation classifies the 7 p.m. to 10 p.m. portion of daytime hours as "evening" and adds a 5 dBA increment to each. Hence, a CNEL value can be slightly higher than that of an L_{dn} that has been derived from the same set of hourly L_{eq} . However, due to the slight difference, L_{dn} and CNEL are often used interchangeably or considered functionally equivalent by many jurisdictions.

About the Author

Mr. Storm is an AECOM Senior Project Engineer and a Board Certified Member of the Institute of Noise Control Engineering (INCE), who has over 23 years of experience in the practice of mechanical systems noise control, architectural acoustics and environmental noise assessment and mitigation for a variety of industrial (power generation, natural gas transmission), commercial, residential, municipal and transportation projects across the U.S.

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ATTACHMENT 4

PHOTOGRAPHIC SIMULATIONS OF HILBY AVENUE PUMP STATION

Denise Duffy and Associates

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Photosimulation of Pump Station from Hilby Avenue looking north.



Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

Mitigation Monitoring and Reporting Program Hilby Avenue Pump Station (June 14, 2016)

Section 21081.6 of the Public Resources Code requires all state and local agencies to establish monitoring or reporting programs whenever approval of a project relies upon an environmental impact report (EIR). The purpose of the monitoring and reporting program is to ensure implementation of the measures being imposed to mitigate or avoid the significant adverse environmental impacts identified in the Aquifer Storage and Recover EIR/EA and the Pure Water Monterey Groundwater Replenishment Project EIR as amended in the Hilby Avenue Pump Station Addendum.

The following table contains text edits to the Mitigation Measures shown in strikeout for deleted text and underline for added text. These changes have been made to the mitigation measures to make them applicable to the Hilby Avenue Pump Station.

	Timine of	Responsible Party		
Mitigation Measure	Timing of Implementation	Implementation	Compliance/ Verification	Done (X)
AIR QUALITY				
 Aik QUALITY Mitigation Measure AQ-1: Construction Fugitive Dust Control Plan. (PWM/GWR EIR) The following standard Dust Control Measures shall be implemented during construction to help prevent potential nuisances to nearby receptors due to fugitive dust and to reduce contributions to exceedances of the state ambient air quality standards for PM₁₀, in accordance with MBUAPCD's CEQA Guidelines. a) Water all active construction areas as required with non-potable sources to the extent feasible; frequency should be based on the type of operation, soil, and wind exposure and minimized to prevent wasteful use of water. b) Prohibit grading activities during periods of high wind (over 15 mph). c) Cover all trucks hauling soil, sand, and other loose materials and require trucks to maintain at least 2 feet of freeboard. d) Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites. e) Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets; f) Enclose, cover, or water daily exposed stockpiles (dirt, sand, etc.); g) Replant vegetation in disturbed areas as quickly as possible. h) Wheel washers shall be installed and used by truck operators at the exits of the construction sites to the AWT Facility site, the Injection Well Facilities, and the Booster Pump Station. 	During Construction	CalAm and construction contractor	CalAm and MPWMD	

Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

					1
	i) Post a publicly visible sign that specifies the telephone number and person to				
	contact regarding dust complaints. This person shall respond to complaints and				
	take corrective action within 48 hours. The phone number of the MBUAPCD				
	shall also be visible to ensure compliance with MBUAPCD rules.				
	igation Measure AQ-1: Use Newer, Cleaner-Burning Engines. (ASR EIR/EA)				
	project applicant will encourage all construction contractors that use equipment				
wit	h diesel engines to use as much equipment as possible that meets EPA Tier II engine	During	Construction	CalAm and	
	ndards. The project applicant will also encourage construction contractors to install	Construction	contractor	MPWMD	
dies	sel particulate matter filters and lean-NOx or diesel oxidation catalysts in all				
equ	ipment, especially equipment that doesn't meet Tier II engine standards.				
BIO	LOGICAL RESOURCES				
Mit	igation Measure BT-1a: Implement Construction Best Management Practices.				
(PV	VM/GWR EIR)				
The	following best management practices shall be implemented during all identified				
pha	ses of construction (i.e., pre-, during, and post-) to reduce impacts to special-status				
plai	nt and wildlife species:				
1)	A qualified biologist must conduct an Employee Education Program for the				
	construction crew prior to any construction activities. A qualified biologist must				
	meet with the construction crew at the onset of construction at the site to educate				
	the construction crew on the following: 1) the appropriate access route(s) in and				
	out of the construction area and review project boundaries; 2) how a biological				
	monitor will examine the area and agree upon a method which would ensure the	Prior to			
	safety of the monitor during such activities, 3) the special-status species that may	commencement			
	be present; 4) the specific mitigation measures that will be incorporated into the	of construction,	Construction	CalAm and	
	construction effort; 5) the general provisions and protections afforded by the	During	contractor	MPWMD	
	USFWS and CDFW; and 6) the proper procedures if a special-status species is	Construction			
	encountered within the site.				
2)	Trees and vegetation not planned for removal or trimming shall be protected prior				
,	to and during construction to the maximum extent possible through the use of				
	exclusionary fencing, such as hay bales for herbaceous and shrubby vegetation, and				
	protective wood barriers for trees. Only certified weed-free straw shall be used, to				
	avoid the introduction of non-native, invasive species. A biological monitor shall				
	supervise the installation of protective fencing and monitor at least once per week				
	until construction is complete to ensure that the protective fencing remains intact.				
3)	Protective fencing shall be placed prior to and during construction to keep				
5,	construction equipment and personnel from impacting vegetation outside of work				
	construction equipment and personnel norm impacting regetation outside of work				

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Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

					<u>г</u>
	limits. A biological monitor shall supervise the installation of protective fencing and				
	monitor at least once per week until construction is complete to ensure that the				
	protective fencing remains intact.				
4)	Following construction, disturbed areas shall be restored to pre-construction				
	contours to the maximum extent possible and revegetated using locally-occurring				
	native species and native erosion control seed mix, per the recommendations of a				
	qualified biologist.				
5)	Grading, excavating, and other activities that involve substantial soil disturbance				
	shall be planned and carried out in consultation with a qualified hydrologist,				
	engineer, or erosion control specialist, and shall utilize standard erosion control				
	techniques to minimize erosion and sedimentation to native vegetation (pre-				
	,during, and post-construction).				
6)	No firearms shall be allowed on the construction sites at any time.				
7)	All food-related and other trash shall be disposed of in closed containers and				
	removed from the project area at least once a week during the construction period,				
	or more often if trash is attracting avian or mammalian predators. Construction				
	personnel shall not feed or otherwise attract wildlife to the area.				
8)	To protect against spills and fluids leaking from equipment, the project proponents				
	shall require that the construction contractor maintains an on-site spill plan and on-				
	site spill containment measures that can be easily accessed.				
9)	Refueling or maintaining vehicles and equipment should only occur within a				
	specified staging area that is at least 100 feet from a waterbody (including riparian				
	and wetland habitat) and that has sufficient management measures that will				
	prevent fluids or other construction materials including water from being				
	transported into waters of the state. Measures shall include confined concrete				
	washout areas, straw wattles placed around stockpiled materials and plastic sheets				
	to cover materials from becoming airborne or otherwise transported due to wind				
	or rain into surface waters.				
10) The project proponents and/or their contractors shall coordinate with the City of				
	Seaside on the location of the Pump Station Injection Well Facilities and the				
	removal of sensitive biotic material.				
CL	ILTURAL RESOURCES				
Μ	tigation Measure CR-1: Stop Work If Buried Cultural Deposits Are Encountered				
du	ring Construction Activities. (ASR EIR/EA)	During	Construction	CalAm and	
lf	puried cultural resources such as chipped stone or groundstone, historic debris,	Construction	contractor	MPWMD	
bι	ilding foundations, or human bone are inadvertently discovered during ground-				
-					

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Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

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Mitigation Measure NZ-1a: Prohibit Ancillary and Unnecessary Equipment During	During	Construction	CalAm and	
NOISE				
determined to be Native American, the coroner must contact the NAHC.				
can determine whether the remains are those of a Native American. If the remains are				
excavation be stopped in the vicinity of discovered human remains until the coroner				
cemeteries is a felony (Section 7052). Section 7050.5 requires that construction or				
location constitute a cemetery (Section 8100), and disturbance of Native American				
commission. According to the California Health and Safety Code, six or more human burials at one				
to make a recommendation within 24 hours after being notified by the				
• the NAHC was unable to identify a descendent or the descendent failed				
in Public Resources Code Section 5097.98; or				
dignity the human remains and any associated grave goods as provided				
excavation work for means of treating or disposing of with appropriate				
recommendation to the landowner or the person responsible for the				
 the descendants from the deceased Native Americans have made a 				
if the remains are of Native American origin:	Construction	Construction contractor	MPWMD	
investigation of the cause of death is required; and	During	Construction	CalAm and	
• the coroner of the county has been informed and has determined that no				
reasonably suspected to overlie adjacent human remains until:				
there will be no further excavation or disturbance of the site or any nearby area				
If human remains are discovered in any location other than a dedicated cemetery,				
archaeologist will also be contacted immediately.				
Health and Safety Code) and the County Coordinator of Indian Affairs. A qualified				
will be required to contact the NAHC (pursuant to Section 7050.5 [c] of the California				
If the county coroner determines that the remains are Native American, the coroner				
construction specifications include this order.				
CalAm MPWMD and the county coroner immediately. CalAm MPWMD will ensure the				
If human skeletal remains are encountered, the construction contractor will notify				
Construction Activities. (ASR EIR/EA)				
Mitigation Measure CR-2: Stop Work If Human Remains Are Encountered during				
recovery programs such as excavation or detailed documentation.				
measures typically include avoidance strategies or mitigation of impacts through data				
the find and, if necessary, develop appropriate treatment measures. Treatment				
100-foot radius of the find until a qualified archaeologist can assess the significance of				

Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

Nighttime Construction Well Drilling Activities. (ASR EIR/EA)	Construction	contractor	MPWMD	
The project applicant shall ensure that the construction contractor prohibit the use of				
all ancillary equipment (i.e., backhoe, truck, air compressor, and pump, etc.) during				
nighttime hours. Cleanup and other activities will occur only during daytime activities.				
Mitigation Measure NZ-1b: Employ Noise-Reducing Construction Practices to Meet				
Nighttime Standards. (ASR EIR/EA)				
The construction contractor will employ noise-reducing construction practices such that				
nighttime standards are not exceeded. Measures that will be used to limit noise				
include, but are not limited to:	During	Construction	CalAm and	
 using noise-reducing enclosures around noise-generating equipment; 	Construction	contractor	MPWMD	
 constructing barriers between noise sources and noise-sensitive land uses or 				
taking advantage of existing barrier features (terrain, structures) to block sound				
transmission; and				
 enclosing equipment. 				
Mitigation Measure NZ-1c: Prepare a Noise Control Plan. (ASR EIR/EA)				
The construction contractor will prepare a detailed noise control plan based on the				
construction methods proposed. This plan will identify specific measurement that will	Prior to			
be taken to ensure compliance with the noise limits specified above. The plan shall also	commencement	Construction	CalAm and	
identify anticipated construction schedule, notification procedures, and contact	of construction	contractor	MPWMD	
information for noise related complaints. The noise control plan will be reviewed and	or construction			
approved by City of Seaside staff before any noise-generating construction activity				
begins.				

Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

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Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

MITIGATION MONITORING AND REPORTING PROGRAM

for the Monterey Pipeline (previously the Alternative Monterey Pipeline in the Pure Water Monterey Groundwater Replenishment Project)

June 14, 2016

INTRODUCTION

Section 21081.6 of the California Public Resources Code and Section 15091(d) and Section 15097 of the California Environmental Quality Act (CEQA) Guidelines require public agencies "to adopt a reporting or monitoring program for changes to the project which it has adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment." This Mitigation Monitoring and Reporting Program (MMRP) has been prepared for the Pure Water Monterey Groundwater Replenishment (GWR) Project's Alternative Monterey Pipeline. This MMRP is based on the mitigation measures included in the Final Environmental Impact Report (EIR).

This MMRP is applicable to the "Alternative Monterey Pipeline" of the GWR Project that is referenced as the Monterey Pipeline in the MPWMD consideration of the CalAm Water Distribution System Permit Amendments being considered in June 2016. Therefore, this MMRP includes mitigation measures, monitoring and reporting requirements identified in the Final EIR for this project component, and it does not include all mitigation measures applicable to the ASR Project nor the GWR Project. The original MMRP for the ASR Project is Chapter 4 of the Final Phase 1 EIR/EA, as amended by the Phase 2 Addendum accepted in April 2012.¹ The original MMRP for the PWM/GWR Project can be found in Section 5 of Volume IV of the Consolidated Final EIR found at http://purewatermonterey.org/reports-docs/cfeir/. These MMRPs included mitigation measures applicable to operation of the ASR Wells 1 through 4, and construction and operation of the Monterey Pipeline (referred to as the Alternative Monterey Pipeline in the PWM/GWR MMRP).

For a complete list of acronyms used in this document, please refer to the acronym list in the EIRs for each project.

¹ See Draft and Final EIR/EA at http://www.mpwmd.net/wp-content/uploads/2015/08/MPWMD-Draft-EIR-EA-3-06.pdf and http://www.mpwmd.net/wp-content/uploads/2015/08/FEIR_8-21-06.pdf and Addendum No. 1 for the Phase 2 ASR facilities at: http://www.mpwmd.net/asd/board/board/packet/2012/20120416/16/item16.htm.

Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline

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Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
Impact AE-2: Construction Impacts due to Temporary Light and Glare	Mitigation Measure AE-2 : Minimize Construction Nighttime Lighting . As part of its contract specifications, MRWPCA shall require its construction contractors to implement site-specific nighttime construction lighting measures for nighttime construction at the proposed Injection Well Facilities site and for the CalAm Distribution System: Alternative Monterey Pipeline. The measures shall, at a minimum, require that lighting be shielded, directed downward onto work areas to minimize light spillover, and specify that construction lighting use the minimum wattage necessary to provide safety at the construction sites. MRWPCA shall ensure these measures are implemented at all times during nighttime construction at the Injection Well Facilities site and for the CalAm Distribution System: Alternative Monterey Pipeline and for the duration of all required nighttime construction activity at these locations.	In contract specifications and during project construction	MRWPCA, CalAm, construction contractors	During project construction	MRWPCA and CalAm
Impact AQ-1: Construction Criteria Pollutant Emissions	 Mitigation Measure AQ-1: Construction Fugitive Dust Control Plan. The following standard Dust Control Measures shall be implemented during construction to help prevent potential nuisances to nearby receptors due to fugitive dust and to reduce contributions to exceedances of the state ambient air quality standards for PM₁₀, in accordance with MBUAPCD's CEQA Guidelines. Water all active construction areas as required with non-potable sources to the extent feasible; frequency should be based on the type of operation, soil, and wind exposure and minimized to prevent wasteful use of water. Prohibit grading activities during periods of high wind (over 15 mph). Cover all trucks hauling soil, sand, and other loose materials and require trucks to maintain at least 2 feet of freeboard. Sweep daily (with water sweepers) all paved access roads, parking areas, and staging areas at construction sites. Sweep streets daily (with water sweepers) if visible soil material is carried onto adjacent public streets. Enclose, cover, or water daily exposed stockpiles (dirt, sand, etc.). Replant vegetation in disturbed areas as quickly as possible. Wheel washers shall be installed and used by truck operators at the exits of the construction sites to the AWT Facility site, the Injection Well Facilities, and the Booster Pump Station. Post a publicly visible sign that specifies the telephone number and person to contact regarding dust complaints. This person shall respond to complaints and take corrective action within 48 hours. The phone number of the MBUAPCD shall also be visible to ensure compliance with MBUAPCD rules. 	During project construction	MRWPCA, CalAm project engineers and contractors	During project construction	MRWPCA, CalAm, and MBUAPCD
Impact BT-1: Construction Impacts to Special-Status Species and Habitat	 Mitigation Measure BT-1a: Implement Construction Best Management Practices. The following best management practices shall be implemented during all identified phases of construction (i.e., pre-, during, and post-) to reduce impacts to special-status plant and wildlife species: A qualified biologist must conduct an Employee Education Program for the construction crew prior to any construction activities. A qualified biologist must meet with the construction crew at the onset of construction at the site to educate the construction crew on the following: 1) the appropriate access route(s) in and out of the construction are and review project boundaries; 2) how a biological monitor will examine the area and agree upon a method which would of the construction effort; 5) the general provisions and protections afforded by the USFWS and CDFW; and 6) the proper procedures if a special-status species is encountered within the site. Trees and vegetation not planned for removal or trimming shall be protected prior to and during construction to the maximum extent possible through the use of exclusionary fencing, such as hay bales for herbaceous and shrubby vegetation, and protective wood barriers for trees. Only certified weed-free straw shall be used, to avoid the introduction of non-native, invasive species. A biological monitor shall supervise the installation of protective fencing and monitor at least once per week until construction is complete to ensure that the protective fencing remains intact. Protective fencing shall be placed prior to and during construction equipment and personnel from impacting vegetation outside of work limits. A biological monitor shall supervise the installation of protective fencing and monitor at least once per week until construction is complete to ensure that the protective fencing remains intact. Protective fencing remains intact. Following construction, disturbed areas shall be restored to pre-construction contours to the maximum ex	Prior to, during and after project construction	MRWPCA, CalAm, construction contractors and qualified biologist	Prior to and during project construction	MRWPCA, CalAm, qualified biologist and construction biological monitor; City of Seaside for Injection Well Facilities

² CalAm Distribution System: Alternative Monterey Pipelines and the associated mitigation measures would be the responsibility of CalAm to implement and the local jurisdictions and/or the California Public Utilities Commission to monitor. CalAm Monterey Pipeline Mitigation Monitoring and Reporting Program

Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
	 during, and post-construction). No firearms shall be allowed on the construction sites at any time. All food-related and other trash shall be disposed of in closed containers and removed from the project area at least once a week during the construction period, or more often if trash is attracting avian or mammalian predators. Construction personnel shall not feed or otherwise attract wildlife to the area. To protect against spills and fluids leaking from equipment, the project proponent shall require that the construction contractor maintains an on-site spill plan and on-site spill containment measures that can be easily accessed. Refueling or maintaining vehicles and equipment should only occur within a specified staging area that is at least 100 feet from a waterbody (including riparian and wetland habitat) and that has sufficient management measures that will prevent fluids or other construction materials including water from being transported into waters of the state. Measures shall include confined concrete washout areas, straw wattles placed around stockpiled materials and plastic sheets to cover materials from becoming airborne or otherwise transported due to wind or rain into surface waters. The project proponent and/or its contractors shall coordinate with the City of Seaside on the location of Injection Well Facilities and the removal of sensitive biotic material. 				
	Mitigation Measure BT-1k: Conduct Pre-Construction Surveys for Protected Avian Species, including, but not limited to, white-tailed kite and California horned lark. Prior to the start of construction activities at each project component site, a qualified biologist shall conduct pre-construction surveys for suitable nesting habitat within the component Project Study Area and within a suitable buffer area from the component Project Study Area. The qualified biologist shall determine the suitable buffer area based on the avian species with the potential to nest at the site.				
	In areas where nesting habitat is present within the component project area or within the determined suitable buffer area, construction activities that may directly (e.g., vegetation removal) or indirectly (e.g., noise/ground disturbance) affect protected nesting avian species shall be timed to avoid the breeding and nesting season. Specifically, vegetation and/or tree removal can be scheduled after September 16 and before January 31. Alternatively, a qualified biologist shall be retained by the project proponents to conduct pre-construction surveys for nesting raptors and other protected avian species where nesting habitat was identified and within the suitable buffer area if construction commences between February 1 and September 15. Pre-construction surveys shall be conducted no more than 14 days prior to the start of construction activities during the early part of the breeding season (February through April) and no more than 30 days prior to the initiation of these activities during the late part of the breeding season (May through August). Because some bird species nest early in spring and others nest later in summer, surveys for nesting birds may be required to continue during construction to address new arrivals, and because some species breed multiple times in a season. The necessity and timing of these continued surveys shall be determined by the qualified biologist based on review of the final construction plans.	Prior to project construction and if found establish and comply with no- disturbance buffer	MRWPCA, CalAm, construction contractors, and qualified biologists	Prior to project construction	MRWPCA, CalAm, qualified biologist(s), USFWS
	If active raptor or other protected avian species nests are identified during the preconstruction surveys, the qualified biologist shall notify the project proponents and an appropriate no-disturbance buffer shall be imposed within which no construction activities or disturbance shall take place until the young have fledged and are no longer reliant upon the nest or parental care for survival, as determined by a qualified biologist.				
Impact BT-1: Construction Impacts to Special-Status Species and Habitat (continued)	Mitigation Measure BT-1m: Minimize Effects of Nighttime Construction Lighting. Nighttime construction lighting shall be focused and downward directed to preclude night illumination of the adjacent open space area.	During project construction	MRWPCA and CalAm construction contractors	During project construction	MRWPCA, CalAm, City of Seaside, City of Monterey
Impact CR-1: Construction Impacts on Historic Resources	Mitigation Measure CR-1: Avoidance and Vibration Monitoring for Pipeline Installation in the Presidio of Monterey Historic District, and Downtown Monterey. Avoidance and Vibration Monitoring for Pipeline Installation in the Presidio of Monterey Historic District, and Downtown Monterey. (Applies to portion of the CalAm Distribution System: Alternative Monterey Pipeline) CalAm shall construct the section of the Alternative Monterey Pipeline located on Stillwell Avenue within the Presidio of Monterey Historic District, adjacent to the Spanish Royal Presidio, and within the Monterey Old Town National Historic Landmark District (including adjacent to Stokes Adobe, the Gabriel de la Torre Adobe, the Fremont Adobe, Colton Hall, and Friendly Plaza in downtown Monterey) ³ as close as possible to the centerlines of these streets to: (1) avoid direct impacts to the historic Presidio Entrance Monument, and (2) reduce impacts from construction vibration	During project construction	CalAm, project engineers, construction contractors	During project construction	CalAm and City of Monterey

³ A modification to this mitigation measure has been made to clarify its applicability to the Staff-Recommendation Alternative of the GWR Project. Specifically, the text highlighted in gray has been added and the following text deleted: "and within W. Franklin Street in downtown Monterey." This change to the mitigation measure does not constitute significant new information; it merely clarifies the mitigation for the selected alternative. CalAm Monterey Pipeline Mitigation Monitoring and Reporting Program

Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
	to below the 0.12 inches per second (in/sec) peak particle velocity vibration PPV) threshold. If CalAm determines that the pipeline cannot be located near the centerline of these street segments due to traffic concerns or existing utilities, the historic properties identified on Table 4.6-2 of the GWR Project Draft EIR (MRWPCA/DD&A, April 2015) shall be monitored for vibration during pipeline construction, especially during the use of jackhammers and vibratory rollers. If construction vibration levels exceed 0.12 in/sec PPV, construction shall be halted and other construction methods shall be employed to reduce the vibration levels below the standard threshold. Alternative construction methods may include using concrete saws instead of jackhammers or hoe-rams to open excavation trenches, the use of non-vibratory rollers, and hand excavation. If impact sheet pile installation is needed (i.e., for horizontal directional drilling or jack-and-bore) within 80 feet of an historic district, CalAm shall monitor vibration levels to ensure that the 0.12-in/sec PPV damage threshold is not exceeded. If vibration levels exceed the applicable threshold, the contractor shall use alternative construction methods such as vibratory pile drivers.				
Impact CR-2: Construction Impacts on Archaeological Resources or Human Remains	 Mitigation Measure CR-2a: Archaeological Monitoring Plan. Each of the project proponents shall contract a qualified archaeologist meeting the Secretary of the Interior's Qualification Standard (Lead Archaeological) to prepare and implement an Archaeological Monitoring Plan, and oversee and direct all archaeological monitoring shall contract for all subsurface excavation work within 100 feet of Presidio 21 in the Presidio of Montercy, and within the arcas of known archaeologically sensitive sites in Montercy! At a minimum, the Archaeological Monitoring Plan shall: Detail the cultural resources training program that shall be completed by all construction and field workers involved in ground disturbance; Designate the person(s) responsible for conducting monitoring activities, including Native American monitor(s), if deemed necessary; Establish monitoring protocols to ensure monitoring is conducted in accordance with current professional standards provided by the California Office of Historic Preservation; Establish a schedule for submittal of monitoring reports; Establish a schedule for submittal of monitoring reports and person(s) responsible for review and approval of monitoring reports; Establish a schedule for submittal of monitoring reports and person(s) responsible for review and approval of monitoring reports; Establish protocols for notifications in case of encountering cultural resources, as well as methods for evaluating significance, developing and implementing a plan to avoid or mitigate significant resources sites; Establish methods to ensure security of cultural resources sites; Describe the appropriate protocols for notifying the County, Native Americans, and local autorities (i.e. Sheriff, Police) should site looting and other illegal activities occur during construction with reference to Public Resources. Code 5097.99. During the course of the monitoring, the Lead Archaeologist shall immediately not	Prior to and during project construction	MRWPCA (for Lake El Estero Diversion only), CalAm, qualified archaeologist	During project construction	MRWPCA, CalAm, qualified archaeologist

⁴ A modification to this mitigation measure has been made to clarify its applicability to the Staff-Recommendation Alternative of the GWR Project. Specifically, the text highlighted in gray has been added and the following text deleted: "in downtown Monterey on W. Franklin Street between High and Figuero Streets, and at potentially sensitive archaeological sites at Lake El Estero"

CalAm Monterey Pipeline

Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
	Mitigation Measure CR-2b : Discovery of Archaeological Resources or Human Remains. If archaeological resources or human remains are unexpectedly discovered during any construction, work shall be halted within 50 meters (±160 feet) of the find until it can be evaluated by a qualified professional archaeologist. If the find is determined to be significant, appropriate mitigation measures shall be formulated and implemented. The County Coroner shall be notified in accordance with provisions of Public Resources Code 5097.98-99 in the event human remains are found and the Native American Heritage Commission shall be notified in accordance with the provisions of Public Resources Code section 5097 if the remains are determined to be of Native American origin.	During project construction	MRWPCA, CalAm, and qualified archaeologists	During project construction	MRWPCA, CalAm, and qualified archaeologist
	Mitigation Measure CR-2c : Native American Notification. Because of their continuing interest in potential discoveries during construction, all listed Native American Contacts shall be notified of any and all discoveries of archaeological resources in the project area.	During project construction	MRWCPA, CalAm and qualified archaeologist	During project construction	MRWCPA, CalAm and qualified archaeologist
Impact EN-1: Construction Impacts due to Temporary Energy Use	Mitigation Measure EN-1 : Construction Equipment Efficiency Plan. MRWPCA (for all components except the CalAm Distribution System) or CalAm (for the Cal Am Distribution System) shall contract a qualified professional (i.e., construction planner/energy efficiency expert) to prepare a Construction Equipment Efficiency Plan that identifies the specific measures that MRWPCA or CalAm (and its construction contractors) will implement as part of project construction to increase the efficient use of construction equipment. Such measures shall include, but not necessarily be limited to: procedures to ensure that all construction equipment is properly tuned and maintained at all times; a commitment to utilize existing electricity sources where feasible rather than portable diesel-powered generators; consistent compliance with idling restrictions of the state; and identification of procedures (including the use of routing plans for haul trips) that will be followed to ensure that all materials and debris hauling is conducted in a fuel-efficient manner.	Prior to project construction	MRWPCA, CalAm. energy efficiency expert, construction contractors	During project construction	MRWPCA and CalAm
	Mitigation Measure HH-2a : Environmental Site Assessment. If required by local jurisdictions and property owners with approval responsibility for construction of each component, MRWPCA and CalAm shall conduct a Phase I Environmental Site Assessment in conformance with ASTM Standard 1527-05 to identify potential locations where hazardous material contamination may be encountered. If an Environmental Site Assessment indicates that a release of hazardous materials could have affected soil or groundwater quality at a project site, a Phase II environmental site assessment shall be conducted to determine the extent of contamination and to prescribe an appropriate course of remediation, including but not limited to removal of contaminated soils, in conformance with state and local guidelines and regulations. If the results of the subsurface investigation(s) indicate the presence of hazardous materials, additional site remediation may be required by the applicable state or local regulatory agencies, and the contractors shall be required to comply with all regulatory requirements for facility design or site remediation.	Prior to project construction (if presence of hazardous materials is identified, site remediation or design changes may be required)	MRWPCA and CalAm project engineers, construction contractors	Only needed until owner/contra ctor deems each construction site is deemed safe for required construction	MRWPCA and CalAm
Impact HH-2: Accidental Release of Hazardous Materials During Construction	 Mitigation Measure HH-2b: Health and Safety Plan. The construction contractor(s) shall prepare and implement a project-specific Health and Safety Plan (HSP) for each site on which construction may occur, in accordance with 29 CFR 1910 to protect construction workers and the public during all excavation, grading, and construction. The HSP shall include the following, at a minimum: A summary of all potential risks to construction workers and the maximum exposure limits for all known and reasonably foreseeable site chemicals (the HSP shall incorporate and consider the information in all available existing Environmental Site Assessments and remediation reports for properties within ¼-mile using the EnviroStor Database); Specified personal protective equipment and decontamination procedures, if needed; Emergency procedures, including route to the nearest hospital; Procedures to be followed in the event that evidence of potential soil or groundwater contamination (such as soil staining, noxious odors, debris or buried storage containers) is encountered. These procedures shall be in accordance with hazardous waste operations regulations and specifically include, but are not limited to, the following: immediately stopping work in the vicinity of the unknown hazardous materials release, notifying Monterey County Department of Environmental Health, and retaining a qualified environmental firm to perform sampling and remediation; and The identification and responsibilities of a site health and safety supervisor. 	Prior to project construction	Construction contactors	During project construction	MRWPCA, CalAm, Monterey County Dept. of Environmental Health
	Mitigation Measure HH-2c: Materials and Dewatering Disposal Plan. MRWPCA and CalAm and/or their contractors shall develop a materials disposal plan specifying how the contractor will remove, handle, transport, and dispose of all excavated material in a safe, appropriate, and lawful manner. The plan must identify the disposal method for soil and the approved disposal site, and include written documentation that the disposal site will accept the waste. For areas within the	Prior to and during project construction	MRWPCA, CalAm, construction	During project construction	MRWPCA and CalAm; FORA and the City of

Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
	Seaside munitions response areas called Site 39 (coincident with the Injection Well Facilities component), the materials disposal plans shall be reviewed and approved by FORA and the City of Seaside. The contractor shall develop a groundwater dewatering control and disposal plan specifying how the contractor will remove, handle, and dispose of groundwater impacted by hazardous substances in a safe, appropriate, and lawful manner. The plan must identify the locations at which potential contaminated groundwater dewatering are likely to be encountered (if any), the method to analyze groundwater for hazardous materials, and the appropriate treatment and/or disposal methods. If the dewatering effluent contains contaminants that exceed the requirements of the General WDRs for Discharges with a Low Threat to Water Quality (Order No. R3-2011-0223, NPDES Permit No. CAG993001), the construction contractor shall contain the dewatering effluent in a portable holding tank for appropriate offsite disposal or discharge. The contractor can either dispose of the contaminated effluent at a permitted waste management facility or discharge the effluent, under permit, to the Regional Treatment Plant.		contractors		Seaside for areas within Site 39
Impact LU-2: Operational Consistency with Plans, Policies, and Regulations	See the following mitigation measures: AQ-1, BF-1a, BF-1b, BF-1c, BF-2a or Alternate BF-2a, BT-1a through BT-1q, BT-2a through BT-2c, CR-2a through CR-2c, EN-1, NV-1a through NV-1d, NV-2a, NV-2b, PS-3, TR-2, TR-3, and TR-4.	See other rows for specific timing of each mitigation measure	See other lines for responsibilities for each mitigation measure	See other rows for specific timing of each mitigation measure	See other rows for responsibilities for each mitigation measure
	Mitigation Measure NV-1b : Monterey Pipeline Noise Control Plan for Nighttime Pipeline Construction. CalAm shall submit a Noise Control Plan for all nighttime pipeline work to the California Public Utilities Commission for review and approval prior to the commencement of project construction activities. The Noise Control Plan shall identify all feasible noise control procedures to be implemented during nighttime pipeline installation in order to reduce noise levels to the extent practicable at the nearest residential or noise sensitive receptor. At a minimum, the Noise Control Plan shall require use of moveable noise screens, noise blankets, or other suitable sound attenuation devices be used to reduce noise levels during nighttime pipeline installation activities.	Prior to project construction	CalAm	During project construction	CalAm, CPUC and City of Monterey
Impact NV-1: Construction Noise	Mitigation Measure NV-1c : Neighborhood Notice . Residences and other sensitive receptors within 900 feet of a nighttime construction area shall be notified of the construction location and schedule in writing, at least two weeks prior to the commencement of construction activities. The notice shall also be posted along the proposed pipeline alignments, near the proposed facility sites, and at nearby recreational facilities. The contractor shall designate a noise disturbance coordinator who would be responsible for responding to complaints regarding construction noise. The coordinator shall determine the cause of the complaint and ensure that reasonable measures are implemented to correct the problem. A contact number for the noise disturbance coordinator shall be conspicuously placed on construction site fences and included in the construction schedule notification sent to nearby residences. The notice to be distributed to residences and sensitive receptors shall first be submitted, for review and approval, to the MRWPCA and city and county staff as may be required by local regulations.	Prior to project construction	MRWPCA, CalAm, construction contractor, noise disturbance coordinator	Prior to project construction	MRWPCA and CalAm
Impact PS-3: Construction Solid Waste Policies and Regulations	Mitigation Measure PS-3 : Construction Waste Reduction and Recycling Plan . The construction contractor(s) shall prepare and implement a construction waste reduction and recycling plan identifying the types of construction debris the Project will generate and the manner in which those waste streams will be handled. In accordance with the California Integrated Waste Management Act of 1989, the plan shall emphasize source reduction measures, followed by recycling and composting methods, to ensure that construction and demolition waste generated by the project is managed consistent with applicable statutes and regulations. In accordance with the California Green Building Standards Code and local regulations, the plan shall specify that all trees, stumps, rocks, and associated vegetation and soils, and 50% of all other nonhazardous construction and demolition waste, be diverted from landfill disposal. The plan shall be prepared in coordination with the Monterey Regional Waste Management District and be consistent with Monterey County's Integrated Waste Management Plan. Upon project completion, MRWPCA and CalAm shall collect the receipts from the contractor(s) to document that the waste reduction, recycling, and diversion goals have been met.	Prior to, during, and after project construction	MRWPCA and CalAm construction contractors	Upon project completion	MRWPCA and CalAm
Impact TR-2: Construction- Related Traffic Delays, Safety and Access Limitations	Mitigation Measure TR-2 : Traffic Control and Safety Assurance Plan. Prior to construction, MRWPCA and/or its contractor shall prepare and implement a traffic control plan or plans for the roadways and intersections affected by MRWPCA construction (Product Water Conveyance Pipeline) and CalAm shall prepare and implement a traffic control plan for the roadways and intersections affected by the CalAm Distribution System Improvements (Transfer and Monterey pipelines). The traffic control plan(s) shall comply with the affected jurisdiction's encroachment permit requirements and will be based on detailed design plans. For all project construction activities that could affect the public right-of-way (e.g., roadways, sidewalks, and walkways), the plan shall include measures that would provide for continuity of vehicular, pedestrian, and bicyclist access; reduce the potential for traffic accidents; and ensure worker safety in construction zones. Where project construction activities could disrupt mobility and access for bicyclists and pedestrians, the plan shall include measures to ensure safe and convenient access would	Prior to project construction	MRWPCA and CalAm construction contractor	During project construction	MRWPCA, CalAm, and local jurisdictions

Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
	be maintained. The traffic control and safety assurance plan shall be developed on the basis of detailed design plans for the approved project. The plan shall include, but not necessarily be limited to, the elements listed below:				
	<i>General</i> a. Develop circulation and detour plans to minimize impacts on local streets. As necessary, signage and/or flaggers shall be used to guide vehicles to detour routes				
	and/or through the construction work areas. b. Implement a public information program to notify motorists, bicyclists, nearby residents, and adjacent businesses of the impending construction activities (e.g.,				
	media coverage, email notices, websites, etc.). Notices of the location(s) and timing of lane closures shall be published in local newspapers and on available websites to allow motorists to select alternative routes.				
	Roadways				
	c. Haul routes that minimize truck traffic on local roadways and residential streets shall be used to the extent feasible.				
ł	d. Schedule truck trips outside of peak morning and evening commute hours to minimize adverse impacts on traffic flow.				
	e. Limit lane closures during peak hours. Travel lane closures, when necessary, shall be managed such that one travel lane is kept open at all times to allow alternating traffic flow in both directions along affected two-lane roadways. In the City of Marina, one-way traffic shall be limited to a maximum of 5 minutes of				
	traffic delay.				
	f. Restore roads and streets to normal operation by covering trenches with steel plates outside of normal work hours or when work is not in progress. g. Comply with roadside safety protocols to reduce the risk of accidents. Provide "Road Work Ahead" warning signs and speed control (including signs informing				
	drivers of state legislated double fines for speed infractions in a construction zone) to achieve required speed reductions for safe traffic flow through the work zone.				
	Train construction personnel to apply appropriate safety measures as described in the plan.				
	h. Provide flaggers in school areas at street crossings to manage traffic flow and maintain traffic safety during the school drop-off and pickup hours on days when				
	pipeline installation would occur in designated school zones.				
	i. Maintain access to private driveways.				
	j. Coordinate with MST so the transit provider can temporarily relocate bus routes or bus stops in work zones as deemed necessary.				
	Pedestrian and Bicyclists				
	k. Perform construction that crosses on street and off street bikeways, sidewalks, and other walkways in a manner that allows for safe access for bicyclists and				
	pedestrians. Alternatively, provide safe detours to reroute affected bicycle/pedestrian traffic.				
	Recreational Trails				
	I. At least two weeks prior to construction, post signage along all potentially affected recreational trails; Class I, II, and II bicycle routes; and pedestrian pathways, including the Monterey Peninsula Recreational Trail, to warn bicyclists and pedestrians of construction activities. The signs shall include information regarding the				
	nature of construction activities, duration, and detour routes. Signage shall be composed of or encased in weatherproof material and posted in conspicuous locations, including on park message boards, and existing wayfinding signage and kiosks, for the duration of the closure period. At the end of the closure period,				
	CalAm, MRWPCA or either of its contractors shall retrieve all notice materials. <i>Emergency Access</i>				
	m. Maintain access for emergency vehicles at all times. Coordinate with facility owners or administrators of sensitive land uses such as police and fire stations, transit stations, hospitals, and schools.				
	n. Provide advance notification to local police, fire, and emergency service providers of the timing, location, and duration of construction activities that could affect the movement of emergency vehicles on area roadways.				
	o. Avoid truck trips through designated school zones during the school drop-off and pickup hours.				
	Mitigation Measure TR-3: Roadway Rehabilitation Program. Prior to commencing project construction, MRWPCA (for all components other than the CalAm Distribution System Improvements) and CalAm (for CalAm Distribution System Improvements) shall detail the preconstruction condition of all local construction				
Impact TR-3: Construction-	access and haul routes proposed for substantial use by project-related construction vehicles. The construction routes surveyed must be consistent with those	Prior to project	MRWPCA and		MRWPCA,
Related	identified in the construction traffic control and safety assurance plan developed under Mitigation Measure TR-2. After construction is completed, the same roads	construction,	CalAm	After project	CalAm, and local
Roadway	shall be surveyed again to determine whether excessive wear and tear or construction damage has occurred. Roads damaged by project-related construction vehicles	after project	construction	construction	jurisdictions
Deterioration	shall be repaired to a structural condition equal to, or greater than, that which existed prior to construction activities. In the City of Marina, the construction in the city rights-way must comply with the City's design standards, including restoration of the streets from curb to curb, as applicable. In the City of Monterey, asphalt pavement of full travel lanes will be resurfaced without seams along wheel or bike paths.	construction	contractors		junioureuono

Impacts	Mitigation Measures	Timing of Implementation	Implementation Responsibility ²	Timing of Monitoring	Responsibility for Compliance Monitoring ¹
Impact TR-4: Construction Parking Interference	Mitigation Measure TR-4: Construction Parking Requirements . Prior to commencing project construction, the construction contractor(s) shall coordinate with the potentially affected jurisdictions to identify designated worker parking areas that would avoid or minimize parking displacement in congested areas of Marina, Seaside, and downtown Monterey. The contractors shall provide transport between the designated parking location and the construction work areas. The construction contractor(s) shall also provide incentives for workers that carpool or take public transportation to the construction work areas. The engineering and construction design plans shall specify that contractors limit time of construction within travel lanes and public parking spaces and provide information to the public about locations of alternative spaces to reduce parking disruptions.	Prior to project construction	MRWPCA and CalAm construction contractor	During project construction	MRWPCA City of Marina, City of Seaside, City of Monterey

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RESOLUTION NO. 2016-12

RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT APPROVING THE HILBY AVENUE PUMP STATION ADDENDUM TO THE AQUIFER STORAGE AND RECOVERY EIR AND THE EIR FOR THE PURE WATER MONTEREY GROUNDWATER REPLENISHMENT PROJECT, ADOPTING FINDINGS PER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT, APPROVING THE MITIGATION MONITORING AND REPORTING PROGRAM, AND APPROVING THE HILBY AVENUE PUMP STATION, MONTEREY PIPELINE, AND THE AMENDMENT TO CALIFORNIA AMERICAN WATER COMPANY WATER DISTRIBUTION SYSTEM

I. CONSIDERATION OF ASR EIR/EA AND ADDENDUM 1, PURE WATER MONTEREY/GWR EIR AND HILBY AVENUE PUMP STATION ADDENDUM

Pursuant to the California Environmental Quality Act, Public Resources Code Sections 21000 *et seq.* ("CEQA") and the State CEQA Guidelines, Title 14, California Code of Regulations, Sections 15000 *et seq.* ("CEQA Guidelines"), the Monterey Peninsula Water Management District ("District" or "MPWMD") has considered the following documents:

- Final Environmental Impact Report (FEIR) (State Clearinghouse #2004121065), certified by the District in August 2006 for the Seaside Groundwater Basin ("SGB") Aquifer Storage and Recovery ("ASR") Project (or "ASR Project"); and
- Addendum 1 to the FEIR for the ASR Project (collectively referred to herein as the "ASR EIR/EA and Addendum 1"), as amended by the District in April 2012 to address full implementation of Phase 2 ASR; and
- Final EIR for the Pure Water Monterey/Groundwater Replenishment Project, State Clearinghouse #2013051094, which was certified by the Monterey Regional Water Pollution Control Agency (MRWPCA) in October 2015 for the Pure Water Monterey Project ("PWM Project" or "PWM/GWR"), and included analysis of the Monterey Pipeline; and
- Hilby Avenue Pump Station Addendum, dated June 14, 2016, for the Hilby Avenue Pump Station ("the Pump Station Addendum").

The District finds that the information contained in the ASR EIR/EA and Addendum 1, the PWM/GWR EIR and the Pump Station Addendum reflects the independent judgment and analysis of the District, and that the ASR EIR/EA and Addendum 1, the PWM/GWR EIR, and the Pump Station Addendum have been completed in compliance with CEQA.

The ASR EIR/EA and Addendum 1, the PWM/GWR EIR and the Pump Station Addendum contain the environmental analysis and information necessary to support approval of the Hilby Avenue Pump Station and Monterey Pipeline and the amendment to the Water Distribution System for the California-American Water Company ("CalAm") System as set forth in **Section III**, below.

II. FINDINGS

The Board of Directors of the Monterey Peninsula Water Management District makes the following Findings of Fact. The Findings are hereby adopted by the District as required by Public Resources Code Sections 21081, 21081.5 and 21081.6, and CEQA Guidelines Sections 15090, 15091, 15092, 15164, and 15168, in conjunction with the approval of the Project, which is set forth in Section III, below.

Environmental Review Process - ASR Project

- 1. The District and CalAm jointly developed and operate the Seaside Groundwater Basin ASR Project. The ASR Project includes Phase 1 and Phase 2 and entails diversions from the Carmel River Alluvial Aquifer when there are excess winter flows in the Carmel River from December 1st through May 31st, conveying the water to the Seaside Basin via the existing CalAm delivery system, and injecting the water into specially-constructed ASR wells for subsequent recovery and delivery to CalAm customers during dry periods (normally June 1st through November 30th of the water year the water is injected). The Board of Directors of the MPWMD approved the full implementation of the ASR Project (Phase 2), which increased the injection and extraction capacity of the ASR Phase 1. Currently, the full implementation of ASR Water Project 2 is constrained by pumping capability and water delivery systems which limit the amount of water that can be conveyed with existing infrastructure.
- 2. CalAm submitted an application to amend its Water Distribution Permit (Application WDS-20160606CAW) to add components to the existing and approved ASR Project facilities by constructing the Hilby Avenue Pump Station and the Monterey Pipeline. The proposed Hilby Avenue Pump Station would enable CalAm to deliver additional water to the ASR Project wells using existing Carmel River water rights and would not result in any new significant impacts and would not increase the severity of any previously identified significant impacts of the ASR Project or the PWM/GWR Project. The proposed Monterey Pipeline would enable CalAm to use existing water rights to divert additional excess Carmel River flows during the winter and deliver the water to the City of Seaside and the ASR Project wells, which will provide a portion of the needed replacement supplies for CalAm's Monterey District main system in order to reduce unauthorized Carmel River diversions as required under State Water Resource Control Board Orders 95-10 and 2009-0060.
- 3. The Final EIR/EA for the Phase 1 ASR Project ("Phase 1 EIR/EA") was prepared pursuant to CEQA to address the environmental effects, mitigation measures, and project alternatives associated with the implementation of Phase 1 of the ASR Project and actions related thereto. The MPWMD Directors, by Resolution 2006-04, certified the Phase 1 EIR/EA as complete and adequate and fully in compliance with all requirements of CEQA on August 21, 2006. Phase 1 EIR/EA found that Phase 1 ASR would not result in any significant and unavoidable impacts. On August 30, 2006, the District's Notice of Determination was filed with the Clerk of the County of Monterey. The District filed a Notice of Exemption in June 2010, in compliance with CEQA, for conducting an assessment of expansion of the ASR Project to include additional wells at the Seaside Middle School site and construction of the test well facilities that subsequently occurred in August 2010.

4. On November 30, 2011, MPWMD and CalAm received Amended Permit for Diversion and Use of Water (Permit #20808C) from the State Water Resources Control Board for ASR Water Phase 2. Full implementation of approved ASR Water Project 2 could yield an average of 1,000 acre feet per year (AFY), which is additive to the estimated average yield from Phase 1 of 920 AFY, for a total yield of 1,920 AFY. Carmel River diversions for injection into the Seaside Groundwater Basin and later extraction to the CalAm system has the environmental benefit of reducing diversions from the Carmel Valley Alluvial Aquifer during the dry season (normally June 1 – November 30), as required by Amended Permit #20808C. MPWMD adopted the April 2012 Addendum to the Phase 1 EIR/EA supported by an Initial Study Checklist (ASR Addendum 1) under Resolution 2012-44 with the CEQA Findings (Exhibit 10-C of the August 21, 2006 Board Packet). The ASR Addendum 1 (April 2012) was found to fully comply with CEQA, and to support approval of implementation of ASR Water Project 2.

Environmental Review Process - PWM/GWR Project

- 5. The Board of Directors of the Monterey Regional Water Pollution Control Agency (MRWPCA), and the MPWMD Board of Directors jointly sponsored the Pure Water Monterey Groundwater Replenishment Project (PWM/GWR Project). This water supply project will provide purified recycled water for recharge of the Seaside Basin that serves as a drinking water supply, and recycled water to augment the existing Castroville Seawater Intrusion Project's crop irrigation supply. A primary project objective of the PWM/GWR Project is to replenish the Seaside Groundwater Basin with 3,500 AFY of purified recycled water to replace a portion of CalAm's water supply as required by state orders. Water conveyed to the Seaside Basin would be injected into the basin via new wells. Water would subsequently be extracted through CalAm's existing extraction wells and conveyed to CalAm's customers. The PWM/GWR Project includes construction of a new pipeline, the Monterey Pipeline, to enable CalAm to deliver the water to its customers. This is the same pipeline that allows delivery of additional Carmel River diversions to the Seaside Basin.
- 6. The MRWPCA, as the designated lead agency under CEQA for the PWM/GWR Project, prepared the Final EIR PWM/GWR EIR pursuant to CEQA Guidelines to address the environmental effects, mitigation measures, and project alternatives associated with the consideration of the PWM/GWR and actions related thereto. The Board of Directors of the MRWPCA, by Resolution 2015-24, certified the PWM/GWR EIR as complete and adequate and fully in compliance with all requirements of CEQA on October 8, 2015. The Board of Directors of the MRWPCA also approved the Project as modified by the Alternative Monterey Pipeline and selected the environmentally preferred alignment on October 8, 2015 by Resolution 2015-24.
- 7. On October 9, 2016, a Notice of Determination for the PWM/GWR Project was filed with the Monterey County Clerk and State Clearinghouse.

Hilby Avenue Pump Station and Environmental Process

8. The proposed Hilby Avenue Pump Station is located on Assessor's Parcel Number 012-324-032-000 at existing CalAm facilities at the corner of Hilby Avenue and Luzern Street in Seaside, California. The proposed Hilby Avenue Pump Station is needed to provide sufficient pressure to enable conveyance of additional diverted Carmel River winter flows to the ASR injection wells, as allowed under the ASR Project. Other than providing sufficient pressure to convey additional diverted water, the addition of the Hilby Avenue Station would not change any of the operational parameters evaluated in the ASR EIR/EA and 2012 Addendum.

- 9. The Hilby Avenue Pump Station would be connected to the new Monterey Pipeline. Upon approval of the Amendment to the CalAm WDS Permit and construction of the Hilby Avenue Pump Station and the Monterey Pipeline, the operations of the combined facilities (Pump Station with the new Monterey Pipeline) would be able to convey water in two directions: (1) from the Carmel River to the existing ASR wells; and (2) from the Seaside Basin extraction wells to CalAm's distribution system. The latter purpose is tied to the PWM Project; the Monterey Pipeline is needed to provide sufficient capacity to convey the water produced by the PWM Project to CalAm customers. The first purpose is tied to the ASR Project. The Monterey Pipeline and Hilby Avenue Pump Station would enable the ASR Project to achieve additional yield authorized by the current water rights for the ASR Project.
- 10. The Hilby Avenue Pump Station Addendum is an addendum to the both the ASR Project Final EIR/EA and the PWM/GWR Final EIR. The MPWMD prepared the Hilby Avenue Pump Station Addendum to the ASR EIR/EA to fully evaluate the impacts of constructing and operating the Hilby Avenue Pump Station in conjunction with the Monterey Pipeline to determine whether such construction and operation would result in a new significant impact or a substantial increase in the severity of impacts previously disclosed in the ASR EIR/EA and 2012 Addendum.
- 11. The Monterey Pipeline is proposed to be connected to the Hilby Avenue Pump Station. The potential environmental impacts of constructing and operating the Monterey Pipeline were fully addressed in the PWM/GWR Final EIR. (The Monterey Pipeline was evaluated as the "Alternative Monterey Pipeline" in the GWR EIR and approved as the environmentally superior conveyance alignment in the PWM/GWR Final EIR.) Relevant information in the PWM/GWR EIR was used in the preparation of the Hilby Avenue Pump Station Addendum, and the MPWMD's Hilby Avenue Pump Station Addendum thus also serves as an addendum to the PWM/GWR EIR.
- 12. Construction and operation of the Hilby Avenue Pump Station would not change the location or operation of the Monterey Pipeline or create any new significant impacts or substantial increase in severity of previously identified significant impacts resulting from the Monterey Pump Station in relation to the PWM/GWR Project.
- 13. CEQA Guidelines Section 15164 requires a lead agency or responsible agency to "prepare an addendum to a previously certified EIR if some changes or additions are necessary but none of the conditions described in §15162 calling for preparation of a subsequent EIR have occurred." The Hilby Avenue Pump Station Addendum has been prepared to document the Hilby Avenue Pump Station would not create new significant environmental impacts or substantially increase the severity of previously identified significant impacts per CEQA Guidelines sections 15162, 15164.

CEQA Summary of Impacts and Mitigation

- 14. The following CEQA Summary of Impacts and Mitigation provides the impact conclusions in the Addendum, mitigation measures, and resulting significance of each impact related to implementation of the Hilby Avenue Pump Station and the Monterey Pipeline components of the ASR Project and the PWM/GWR Project that will be approved by MWPMD when they approve the CalAm WDS Amendment.
- 15. As described in greater detail below and in the Hilby Avenue Pump Station (Pump Station) Addendum, approval to add the Pump Station and Monterey Pipeline to the CalAm WDS will incrementally contribute to impacts previously identified in the ASR EIR/EA (2009), Addendum to the ASR EIR/EA (2012) and PWM/GWR EIR (2015) (these documents together are referenced herein as the "EIRs"), but will not result in any new significant impacts, increase the severity of significant impacts previously identified in the EIRs, or cause any environmental effects not previously examined in the EIRs with the implementation of relevant mitigation measures identified in the EIRs. All significant impacts to which the Pump Station would contribute are identified in the Addendum to the Pump Station and were analyzed in the EIRs and in the Findings for approval of the ASR Project (including approval of implementation of ASR Water Project Phase 2) or the PWM/GWR Project. The Monterey Pipeline proposed to be included in the CalAm Water Distribution System Permit Amendment was fully analyzed in the PWM/GWR Project EIR. The proposed Pump Station and the proposed Amendment to the CalAm Water System Distribution System to include the Monterey Pipeline and ASR Phase 1 and Phase 2 wells as part of the CalAm WDS does not involve new information of substantial importance which would require mitigation measures or alternatives that are considerably different from those analyzed in the EIRs. No additional mitigation measures are feasible to substantially lessen any significant and unavoidable impacts previously identified in the EIRs.
- 16. While the Hilby Avenue Pump Station will incrementally contribute to cumulative impacts previously identified in the EIRs associated with each of the projects, it will not result in any new significant cumulative impacts, increase the severity of significant cumulative impacts previously identified in the EIRs as significant, or cause any environmental effects not previously examined in the EIRs. All significant cumulative impacts to which the ASR Project, PWM/GWR Project and the Hilby Avenue Pump Station would contribute have been discussed in the EIRs and in the Pump Station Addendum.
- 17. Each of the topical elements below address the Pump Station and related facilities considered in the Hilby Avenue Pump Station Addendum. The Monterey Pipeline proposed under the CalAm Water Distribution System Permit Amendment was fully analyzed in the PWM/GWR Project EIR. CEQA findings for the PWM/GWR Project and EIR (Resolution No. 2015-24) are a part of this record for the CalAm Water Distribution System Permit Amendment.
- 18. The MPWMD Board acting as lead agency for the ASR Project for the Hilby Avenue Pump Station and as responsible agency for the PWR/GWR Project, makes the following findings for the Pump Station:

a) Aesthetics

The existing site is located in a disturbed area near the corner of Luzern Street and Hilby Avenue in the City of Seaside. The Pump Station site is not located near a designated scenic corridor or vista. The ASR EIR/EA identified a less than significant impact to scenic views, degradation of site visual character, creation of light and glare during construction activities, and alteration of existing visual character. The ASR EIR/EA and Addendum 1 to the ASR EIR/EA each identified a significant impact regarding creation of new light and glare associated with well siting and operation that would be reduced to less than significant with implementation of Mitigation Measure VIS-1. The PWM/GWR EIR concluded that there would be less than significant impacts to scenic views, scenic resources, and the visual quality of surrounding areas during both construction and operation of the PWM/GWR project. The PWM/GWR EIR found that there would be significant impacts to aesthetic resources as a result of additional light and glare at the Booster Pump Station and the Injection Well Facility. These impacts could be reduced by the implementation of Mitigation Measure AE-2: Minimize Construction Nighttime Lighting, and Mitigation Measure AE-4: Exterior Lighting Minimization. The proposed Pump Station would not result in new or substantially more severe significant impacts to aesthetic resources. The Addendum found that the Pump Station also will not contribute to significant impacts to aesthetic resources identified in the ASR EIR/EA and PVM/GWR EIR; therefore no mitigation is warranted. Based on the analysis in the Pump Station Addendum, pages 1 to 2 of Attachment 1, Initial Study Checklist for the Hilby Avenue Pump Station to Support the Addendum to the ASR EIR/EA and the PWM/GWR EIR ("Initial Study Checklist") the District finds that the Pump Station will not result in any new, significant aesthetic impacts that were not examined in the EIRs, that the Hilby Avenue Pump Station would not substantially increase the impacts previously disclosed in the EIRs, that the standards for preparation of an addendum under CEQA are met for the Project, and that none of the circumstances that would require preparation of a subsequent or supplemental EIR under CEQA exists.

b) Agricultural Resources/Mineral Resources

The proposed Pump Station would not result in any impact or a new or substantially more severe impact to agricultural resources, as the area is outside agricultural resources. No potential impacts to mineral resources were identified in the ASR EIR/EA, Addendum 1 to the ASR EIR/EA, or the PWM/GWR EIR. The proposed Pump Station site is not located in an area of potential mineral resources. The Pump Station will not contribute to significant impacts to agricultural or mineral resources identified in the ASR EIR/EA and PVM/GWR EIR.

c) Air Quality

The ASR EIR/EA identified potential adverse significant impacts during construction due to short-term emissions of PM10 (AQ-1, AQ-2, AQ-3), exposures of sensitive receptors (e.g. Seaside Middle School) to elevated health risks from exposure to diesel particulates (AQ- 4), and exposure of sensitive receptors to acrolein health hazards (AQ-5). No significant operational air quality impacts were identified. Addendum 1 to the ASR EIR/EA did not identify any significant impacts related to air quality. The PWM/GWR EIR found that there would be less than significant impacts related to air quality resulting from criteria pollutants during operation, exposure of sensitive receptors during construction and operation, or violation of air quality standards during operation. The

PWM/GWR EIR found that there would be a potentially significant impact resulting from criteria pollutants during construction, this impact could be mitigated to less than significant levels by the implementation of Mitigation Measure AQ-1: Construction Fugitive Dust Control Plan. The proposed Pump Station site is adjacent to several residences, which are considered sensitive receptors. Implementation of Mitigation Measure AQ-1, which was previously approved as part of the PWM/GWR EIR, and Mitigation Measure AQ-1, which was previously approved as part of the ASR EIR/EA, and standard construction BMPs would minimize temporary emissions from construction. As a result, construction of the proposed Pump Station would not result in significant impacts to sensitive receptors. The construction emissions generated by the Pump Station are anticipated to overlap with construction of PWM/GWR Project components. However, construction of the Pump Station and the PWM/GWR Project would not exceed Monterey Bay Air Resources District (MBARD) thresholds for emissions. Therefore, construction of the Pump Station would not substantially increase the Impacts AQ-1 or AQ-2 identified in the PWM/GWR EIR. Based on the analysis in the Pump Station Addendum, pages 4-9 of Attachment 1, Initial Study Checklist, the District finds that the Hilby Avenue Pump Station will not result in any new, significant air quality impacts that were not examined in the EIRs, that the Hilby Avenue Pump Station would not substantially increase the impacts previously disclosed in the EIRs, that the standards for preparation of an addendum under CEQA are met for the Project, and that none of the circumstances that would require preparation of a subsequent or supplemental EIR under CEQA exists.

d) Biological Resources

The ASR EIR/EA identified less than significant impacts for removal and destruction of sensitive vegetation and potential direct mortality or disturbance of protected animal species and significant impacts related to potential disturbance of the Fort Ord Natural Resource Management Area (NRMA) and potential loss of nest trees and disturbance or mortality of migratory birds. Mitigation Measures BIO-1 and BIO-2 reduced impacts to a less than significant level. The ASR EIR/EA noted that the ASR Project has the potential to affect special status aquatic species within the river corridor of the Carmel River, but has been designed to minimize any adverse impacts. Overall, the ASR EIR/EA concluded that the ASR Project would be beneficial to steelhead and the California red-legged frog. Addendum 1 to the ASR EIR/EA did not identify any significant impacts to biological resources.

The PWM/GWR EIR concluded that potentially significant impacts to fisheries resources (due to habitat modification during construction of the diversion facilities) could be reduced to less than significant levels through the implementation of Mitigation (BT-1: Implement Construction Best Management Practices, BF-1, 1b and 1c (Construction During Low Flow Season, Relocation of Aquatic Species during Construction and Mitigation Measure for Tidewater Goby and Steelhead Impact Avoidance and Minimization). The PWM/GWR EIR also found that there would be a significant impact due to interference with fish migration, this impact could be reduced to less than significant with either the implementation of Mitigation. The PWM/GWR EIR determined that there would be significant impacts during project construction due to impacts to special-status species and habitat, sensitive habitats, and conflicts with local policies. These impacts could be reduced to a less than significant level through the implementation of mitigation to reduce construction impacts. The PWM/GWR EIR found that there would be a significant impact to sensitive habitats during

operation, and that this impact could be reduced to less than significant with the implementation of Best Management Practices (BMPs). The Addendum states the proposed Pump Station site is disturbed and the majority of the site has been previously paved over. Monterey spineflower was identified within the parcel, outside the limits of the proposed construction. No special-status plant species were identified within the proposed limits of construction. During construction of the Pump Station, the construction area would be marked with temporary exclusion fencing to prevent inadvertent disturbance to adjacent, undeveloped portions of the property. The proposed development would not significantly increase the severity of significant impacts previously identified and would not result in additional significant impacts beyond those identified in the ASR EIR/EA and the PWM/GWR EIR. Because the Pump Station could potentially contribute to potentially significant impacts to Monterey spineflower, the following previously approved mitigation measure apply: Mitigation Measure BT-1a: Implement Construction Best Management Practices (PWM/GWR EIR). Based on the analysis in the Pump Station Addendum, pages 9-12 of Attachment 1, Initial Study Checklist, the District finds that the Project will not result in any new, significant impacts that were not examined in the EIRs, that the Hilby Avenue Pump Station would not substantially increase the impacts previously disclosed in the EIRs,, that the standards for preparation of an addendum under CEQA are met for the Project, and that none of the circumstances that would require preparation of a subsequent or supplemental EIR under CEQA exists.

e) Cultural Resources

The proposed Pump Station site was surveyed by Environmental Science Associates (ESA), and no cultural resources were identified at the site. Both the ASR EIR/EA and Addendum 1 to the ASR EIR/EA noted a potentially significant impact due to the potential for discovery of buried unknown cultural deposits and human remains during construction activities; however, Mitigation Measures CR-1 and CR-2 were presented and adopted to reduce potential impacts to a less than significant level. Similar to the ASR Project, the PWM/GWR EIR concluded that project construction could result in a significant impact due to the potential for discovery of buried unknown cultural deposits and human remains during construction activities, but that this impact could be reduced with the implementation of Mitigation Measure CR-1: Avoidance and Vibration Monitoring for Pipeline Installation in the Presidio of Monterey Historic District, and Downtown Monterey, Mitigation Measure CR-2a: Archaeological Monitoring Plan, Mitigation Measure CR-2b: Discovery of Archaeological Resources or Human Remains, and Mitigation Measure CR-2c: Native American Notification. The proposed Pump Station would not result in new or substantially more severe impacts to cultural resources. Because the Pump Station could potentially contribute to previously identified significant impacts to unknown cultural resources, previously approved mitigation measures apply: Mitigation Measure CR-1: Stop Work If Buried Cultural Deposits Are Encountered during Construction Activities. (ASR EIR/EA) and Mitigation Measure CR-2: Stop Work If Human Remains Are Encountered during Construction Activities. (ASR EIR/EA).

f) Geology and Soils

The ASR EIR/EA found that all geologic, soils, and seismicity impacts of the ASR Project would be less than significant. Addendum 1 to the ASR EIR/EA did not identify any significant impacts related to geology and soils. Due to the proximity to the coast of a portion

of the Monterey Pipeline that was evaluated in the PWM/GWR EIR, the PWM/GWR EIR concluded that a significant impact could result from exposure to coastal erosion and sea level rise, but found that this impact could be reduced to less than significant with the implementation of Mitigation Measure GS-5: Monterey Pipeline Deepening. However, the Monterey Pipeline alignment that was evaluated in the PWM/GWR EIR is no longer being used, as the Alternate Monterey Pipeline (referred to as the "Monterey Pipeline" in this analysis) that was evaluated in the PWM/GWR EIR was selected by the MRWPCA Board. Therefore, this impact is no longer relevant to the PWM/GWR Project. The proposed Pump Station would not result in new or substantially more severe significant impacts related to geology and soils. The Pump Station also will not contribute to significant impacts to geology and soils identified in the EIRs.

g) Greenhouse Gas Emissions

Although an analysis of potential climate change impacts was not completed as part of the ASR EIR/EA, air quality modeling was completed for temporary construction phase impacts. All potential air quality related effects associated with the ASR Project were considered less than significant due to the temporary nature of project emissions. Addendum 1 to the ASR EIR/EA identified a less than significant impact related to the generation of GHGs. That project would generate a minor amount of GHG emissions, directly during construction and indirectly through electricity demand and vehicular access to the site during operation. The PWM/GWR EIR did not find any significant impacts related to greenhouse gas emissions. The PWM/GWR project would not make a considerable contribution to significant cumulative impacts of greenhouse gas emissions and the related global climate change impacts. Indirect GHG emissions from energy usage at the Pump Station would be below the project-specific GHG significance threshold of 2,000 MT CO₂e per year (maximum of 1,979 MT/year). Based on the analysis in the Pump Station Addendum, pages 16-19 of Attachment 1, Initial Study Checklist, the District finds that the Project will not result in any new, significant impacts that were not examined in the EIRs, that the Hilby Avenue Pump Station would not substantially increase the impacts previously disclosed in the EIRs, that the standards for preparation of an addendum under CEQA are met for the Project, and that none of the circumstances that would require preparation of a subsequent or supplemental EIR under CEQA exists.

h) Hazards and Hazardous Materials

The ASR EIR/EA evaluated hazardous materials impacts of the project and concluded there to be a potentially significant impact related to construction activities occurring on portions of the former Fort Ord associated with historic military use. Mitigation Measure HAZ-1 was identified to reduce the potential impact to a less than significant level. The ASR EIR/EA identified less than significant impacts associated with handling of associated materials and public exposure to contaminated drinking water. Addendum 1 to the ASR EIR/EA did not identify any additional potentially significant impacts related to hazards and hazardous materials. The PWM/GWR EIR concluded that there would be a significant impact related to the potential for accidental release of hazardous materials during construction, this impact could be reduced to less than significant with the implementation of Mitigation Measure HH-2a: Environmental Site Assessment, Mitigation Measure HH-2b: Health and Safety Plan, and Mitigation Measure HH-2c: Materials and Dewatering Disposal Plan. The proposed Pump Station would not result in new or substantially more severe significant impacts related to

hazards and hazardous materials. The Pump Station also will not contribute to significant impacts associated with hazardous materials identified in the EIRs.

i) Hydrology and Water Quality

The ASR EIR/EA identified less than significant and beneficial hydrology and water quality impacts of the ASR project. Mitigation Measures GWH-1, GWH-2, GWH-3, and GWH-4 were recommended for the ASR Project; however, no significant impacts requiring mitigation were identified. Addendum 1 to the ASR EIR/EA did not identify any additional significant impacts related to hydrology and water quality. The PWM/GWR EIR concluded that there would be a significant impact on surface water hydrology and water quality during the construction of the source water diversions, however, this impact could be reduced to less than significant with the implementation of Mitigation Measure HS-4: Management of Surface Water Diversion Operations. The PWM/GWR project would result in beneficial impacts to the surface water flows of Carmel River. In addition, the PWM/GWR EIR found that the project would result in beneficial impact to both groundwater levels and overall quality in the Salinas Valley Groundwater Basin and the Seaside Basin. The majority of the proposed Pump Station construction activities would occur primarily on an existing concrete pad. The proposed Pump Station would not result in new or substantially more severe significant impacts related to hydrology and water quality. The Pump Station also will not contribute to significant impacts to hydrology identified in the EIRs.

j) Land Use and Planning

The proposed Pump Station site is located on CalAm property with existing tank and pump facilities on the site. The ASR EIR/EA identified less than significant impacts associated with land use compatibility. Addendum 1 to the ASR EIR/EA did not identify any additional significant impacts related to land use and planning. The PWM/GWR EIR concluded that that PWM/GWR project would be consistent with plans, policies, and regulations, with the implementation of the mitigation measures referenced in that document. The proposed Pump Station would not result in new or substantially more severe significant impacts related to land use and planning. The Pump Station also will not contribute to significant impacts related to land use and planning identified in the EIRs.

k) Noise

The ASR EIR/EA identified significant noise impacts due to exposure of sensitive receptors to elevated noise and vibration levels during construction activities and increased noise levels during operational phases. Mitigation Measures NZ-1a, NZ1-b, NZ1-c, NZ1-d and NZ-2 were identified to reduce impacts to a less than significant level. In addition, Addendum 1 to the ASR EIR/EA identified a potentially significant impact resulting from the exposure of noise-sensitive land used to construction noise in excess of applicable standards. This impact was reduced to less than significant with the implementation on Mitigation Measures NV-1a, NV-1b, NV-1c, and NV-1d. The Hilby project site is located within the existing CalAm Hilby Tank Facility, which is located adjacent to a residential neighborhood. Project-specific design features (e.g. sound-proof enclosures) would ensure that operational impacts of the Proposed Pump Station would be less than significant (See Addendum, **Attachment 3, Pump Station Noise Technical Memorandum**). Noise from construction would be reduced to a less than significant level through the implementation of Mitigation Measures NZ-1a, NZ1-b, and NZ1-c, previously approved as part of the ASR EIR/EA. Based upon existing

mitigation measures and the construction plan of the proposed development, the proposed Pump Station would not result in significant new impacts identified in the EIRs and that the Hilby Avenue Pump Station would not substantially increase the impacts previously disclosed in the EIRs. No additional mitigation would be necessary beyond those measures already identified in the EIRs. The PWM/GWR EIR concluded that there would be a significant and unavoidable impact due to noise generated during construction of the Monterey Pipeline. Although the impact may not be reduced to less than significant levels, implementation of Mitigation Measure NV-1a: Drilling Contractor Noise Measures, Mitigation Measure NV-1b: Monterey Pipeline Noise Control Plan for Nighttime Pipeline Construction, Mitigation Measure NV-1c: Neighborhood Notice, Mitigation Measure NV-1d: RUWAP Pipeline Construction Noise, Mitigation Measure NV-2a: Construction Equipment, and Mitigation Measure NV-2b: Construction Hours, would reduce the severity of the impact. Based on the analysis in the Pump Station Addendum (Attachment 1 and Attachment 3 to the Addendum), the District finds that the Project will not result in any new, significant noise impacts that were not examined in the EIRs, that the Hilby Avenue Pump Station would not substantially increase the impacts previously disclosed in the EIRs,, that the standards for preparation of an addendum under CEQA are met for the Project, and that none of the circumstances that would require preparation of a subsequent or supplemental EIR under CEQA exists.

The District further finds that the remaining significant effect on the environment caused by implementation of the Monterey Pipeline Project found to be unavoidable remain acceptable due to the reasons set forth in the PWM/GWR Findings and Statement of Overriding Considerations adopted by the MRWPCA in Resolution 2016-24 in connection with its certification of the PWM/GWR (See Attachment to Resolution 2016-12 from MRWPCA Resolution NO. 2015-24, Excerpt Specific to Monterey Pipeline).

1) Population and Housing, Public Service, Recreation

No potential impacts to population and housing were identified in the ASR EIR/EA, Addendum 1 to the ASR EIR/EA, or the PWM/GWR EIR. No potential impacts to public services were identified in the ASR EIR/EA, Addendum 1 to the ASR EIR/EA, or the PWM/GWR EIR. No potential impacts to recreation facilities were identified in the ASR EIR/EA, or the PWM/GWR EIR. No potential impacts to recreation facilities were identified in the ASR EIR/EA, or the PWM/GWR EIR. No potential impacts to recreation facilities were identified in the ASR EIR/EA, or the PWM/GWR EIR. The proposed Pump Station would not result in new or substantially more severe impacts to population housing, public services or recreational resources and no mitigation is warranted.

m) Transportation and Traffic

The ASR EIR/EA found the ASR Project would have the following less than significant impacts to traffic and circulation: temporary construction-related traffic increases; construction phase conflicts with bus service lines and temporary pathway/bikeway closures; increased traffic and level of service degradation from operational phases; and an increased demand for parking. No mitigation measures were required. Addendum 1 to the ASR EIR/EA did not identify any significant impacts related to traffic and transportation. The PWM/GWR EIR concluded that there would be a less than significant impact due to construction-related traffic delays, safety, and access limitations, resulting from construction of the Product Water Pipeline and the Monterey Pipeline. This impact can be reduced to less than significant levels with the implementation of Mitigation Measure TR-2: Traffic Control

and Safety Assurance Plan. The document also found that there would be significant impacts resulting from construction-related roadway deterioration and parking interference and that these impacts could be reduced to a less than significant level with the implementation of Mitigation Measure TR-3: Roadway Rehabilitation Program and Mitigation Measure TR-4: Construction Parking Requirements, respectively. The proposed Pump Station would not result in new or substantially more severe significant impacts related to traffic and transportation. The Pump Station also will not contribute to significant impacts related to traffic and traffic and transportation identified in the EIRs; therefore no mitigation is warranted.

n) Utilities and Service Systems

The ASR 1 EIR/EA identified a significant impact based upon temporary disruption of existing underground utilities during construction activities and identified that potential impacts would be reduced to a less than significant level through the implementation of Mitigation Measures PS-2 and PS-3. Addendum 1 to the ASR EIR/EA did not identify any significant impacts to utilities and service systems. The PWM/GWR EIR found that there would be a significant impact related to utilities and service systems due to conflict with solid waste policies and regulations. This impact would be reduced to less than significant level with the implementation of Mitigation Measure PS-3: Construction Waste Reduction and Recycling Plan. The proposed Pump Station would not result in any new significant impacts or increased severity of previously identified significant impacts from the EIRs. The proposed Pump Station would not result in new or substantially more severe significant impacts to utilities and service systems. The Pump Station also will not contribute to significant impacts related to utilities identified in the EIRs; therefore no mitigation is warranted.

o) Mandatory Findings of Significance

The ASR EIR/EA found that there would be less than significant cumulative impacts in all issue areas with the exception of NOx and PM10 emissions, noise and vibration generated during construction. Both of these cumulative significant impacts would be reduced to less than significant with the implementation of Mitigation Measure Cume-1: Coordinate with Relevant Local Agencies to Develop and Implement a Phased Construction Plan to Reduce Cumulative Traffic, Air Quality, and Noise Impacts. Addendum 1 to the ASR EIR/EA did not identify a cumulatively considerable impacts related to implementation of that project.

The PWM/GWR EIR found that there would be less than significant cumulative impacts in all issue areas with the exception of PM_{10} emissions, marine surface waters, and marine biological resources. The cumulative significant impact resulting from PM_{10} emissions would be reduced to less than significant with the implementation of Mitigation Measure AQ-1, described in Section 3, Air Quality. The cumulative significant impacts to marine resources would be reduced to less than significant with the implementation of Mitigation Measure HS-C/MR-C: Implement Measures to Avoid Exceedances over Water Quality Objectives at the Edge of the Zone of Initial Dilution.

The Proposed Pump Station would not substantially degrade or reduce wildlife species or habitat or impact historic resources, as identified in this analysis. Potential cumulative impacts associated with the Pump Station would primarily occur in connection with temporary construction-related effects. As described above, a cumulative analysis for the PWM/GWR Project was performed in the PWM/GWR EIR and a cumulative analysis for the ASR Project was performed in the ASR EIR/EA and Addendum 1 to the ASR EIR/EA. The cumulative analysis performed in the PWM/GWR EIR included the ASR Project (Phases 1 and 2). Construction and operation of the Pump Station would not result in adverse impacts on human beings, either directly or indirectly; potential impacts would be temporary in nature and mitigated through the implementation of mitigation measures (to the extent they are applicable) previously identified in the EIRs. The Proposed Pump Station would not result in new significant impacts or significant impacts that would be increased in severity beyond those identified in the EIRs.

- 19. As evidenced in the findings above, and the Pump Station Addendum, construction and operation of the Hilby Avenue Pump Station and approval of the CalAm WDS Amendment would involve some changes or additions to the project and alternatives previously analyzed in the ASR EIR/EA and Addendum 1 and PWM/GWR EIR but none of the conditions described in Section 15162 calling for the preparation of a subsequent EIR have occurred.
- 20. All pertinent ASR EIR/EA and Addendum 1 and PWM/GWR FEIR mitigation measures and continuing best practices relevant to the Hilby Avenue Pump Station, as identified in the Pump Station Addendum, as well as all mitigation measures for the Monterey Pipeline described in the PWM/GWR EIR, are made a condition of the Hilby Avenue Pump Station approval. The Hilby Avenue Pump Station Addendum mitigation measures for construction and operation of the Hilby Avenue Pump Station were adapted from the measures presented in the ASR EIR/EA and are included in the consolidated MMRP for the Hilby Avenue Pump Station and Monterey Pipeline (Exhibit 17-B to the MPWMD June 20, 2016 meeting packet). The mitigation measures from the MMRP from the PWM/GWR EIR for the Monterey Pipeline are included in the MMRP as Exhibit 17-B. With the exception of temporary noise impact from construction of the Monterey Pipeline, all impacts were reduced to less than significant.
- 21. The construction and operation of the Monterey Pipeline was fully evaluated in the PWM/GWR Project EIR. The Board of Directors of the MRWPCA approved the PWM/GWR Project as modified by the Alternative Monterey Pipeline and selected the environmentally preferred alignment on October 8, 2015 by Resolution 2015-24. The District finds that the impacts of the Monterey Pipeline are as described in MRWPCA Resolution 2015-24, and hereby incorporates the findings pertaining to Monterey Pipelines from Resolution 2015-24. The Mitigation Measures identified in the PWM/GWR Project EIR have been included in the MMRP (Exhibit 17-B) and are hereby adopted by the District to reduce the impacts of the Monterey Pipeline to a less than significant level. The Monterey Pipeline will result in the following impact that cannot be reduced to a less-than-significant level through mitigation: The PWM/GWR EIR determined construction and implementation of the Monterey Pipeline would result in a significant unavoidable impact due to the temporary increase in ambient noise levels during nighttime construction in residential areas. Accordingly, the District hereby adopts the Statement of Overriding Considerations with regard to the Monterey Pipeline. (See Statement of Overriding Consideration, included as an Attachment to this Resolution 2016-12 from MRWPCA Resolution NO. 2015-24, Excerpt Specific to Monterey Pipeline).

- 22. The remaining significant effect on the environment caused by implementation of the Monterey Pipeline Project found to be unavoidable remain acceptable due to the reasons set forth in the PWM/GWR Findings and Statement of Overriding Considerations adopted by the MRWPCA in Resolution 2016-24 in connection with its certification of the PWM/GWR and hereby adopted by the District in their entirety, as referenced and reaffirmed herein (See Attachment to Resolution 2016-12 from MRWPCA Resolution NO. 2015-24, Excerpt Specific to Monterey Pipeline).
- 23. All other significant effects on the environment due to the implementation of the Hilby Pump Station and Monterey Pipeline have been eliminated or substantially lessened where feasible through ASR EIR/EA and Addendum 1 and PWM/GWR EIR mitigation measures and continuing best practices adopted in connection with the District's approval of the ASR Project EIR/EA and Addendum 1 and the PWM/GWR EIR and incorporated as part of the District's approvals for the Hilby Pump Station and Monterey Pipeline.
- 24. As evidenced in the findings above, and the Hilby Avenue Pump Station Addendum, the construction and operation of the Hilby Avenue Pump Station and Monterey Pipeline, and operation of ASR Project facilities have been described and previously evaluated in the EIRs. The PWM/GWR EIR and the on-site, site-specific significant adverse effects of the full implementation of these projects have been addressed in these certified EIRs. Construction and operation of the Hilby Avenue Pump Station and Monterey Pipeline would not result in any new significant adverse impacts not already identified in the certified EIRs. The Hilby Pump Station and Monterey Pipeline will not result in environmental effects that were not adequately examined in the EIRs, as supplemented by the Hilby Avenue Pump Station Addendum.
- 25. As evidenced in the findings above, and the Hilby Avenue Pump Station Addendum, no circumstances have changed since the consideration of the EIRs that would trigger a new significant adverse impact or a worsening in severity of any previously identified significant impacts.
- 26. As evidenced in the findings above and the Hilby Avenue Pump Station Addendum, no new information of substantial importance has been identified or presented to the District such that construction and operation of the Hilby Avenue Pump Station and Monterey Pipeline would result in: 1) significant environmental effects not identified in the ASR EIR/EA, or 2) more severe environmental effects than shown in the EIRs, or 3) require mitigation measures which were previously determined not to be feasible, or mitigation measures that are considerably different from those recommended in the previous EIRs.
- 27. CEQA requires the Lead Agency approving a project to adopt a monitoring program for changes to the project that it adopts or makes a condition of project approval, including mitigation measures intended to eliminate or reduce potentially significant impacts of the project, in order to ensure compliance during project implementation. The June 2016 Mitigation Monitoring and Reporting Program (MMRP) prepared for Hilby Avenue Pump Station and the October 2015 MMRP for Pure Water Monterey Project for the Monterey Pipeline (Exhibit 17-B) meets the requirements of the California Environmental Quality Act (Public Resource Code, Section 21081.6).

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- 28. Pertinent ASR EIR/EA and Addendum 1 and PWM/GWR EIR mitigation measures and continuing best practices relevant to the Hilby Avenue Pump Station, as identified in the Pump Station Addendum, as well as all components of the Project described in the Pump Station Addendum, are made a condition of the Hilby Avenue Pump Station approval.
- 29. Section 21081 of the Public Resources Code and Section 15091 of the CEQA Guidelines require that the District Board make findings prior to approval of a project (along with statements of facts supporting each finding).
- 30. The Board of Directors has reviewed and considered the Phase 1 EIR/EA, and it's Addendum 1 (2012 Addendum) and the PWM/GWR EIR in their entirety and find that these documents, along with the Hilby Avenue Pump Station Addendum, are adequate for the purpose of approving the Hilby Avenue Pump Station, the Monterey Pipeline, and Application #WDS-20160602CAW and authorizing issuance of WDS Permit #M16-01-L3 to amend the CalAm WDS. The District hereby relies upon the contents of those documents and the associated CEQA processes for its CEQA compliance on the action of approval of the Hilby Avenue Pump Station and related amendments to the CalAm WDS.
- 31. This Resolution is adopted pursuant to the California Environmental Quality Act, codified at Sections 21000 and following of the Public Resources Code ("CEQA"), and the CEQA Guidelines codified at Title 14, Sections 15000 and following of the California Code of Regulations ("CEQA Guidelines").

III. NOW, THEREFORE, BE IT RESOLVED, that Board of Directors of the District determines each Finding set forth above to be true and correct, and by this reference incorporates each as an integral part of this Resolution. Based on these Findings, the Board of Directors hereby makes the following resolutions:

- 1. The Board of Directors of the District, pursuant to CEQA Guidelines Sections 15164(d), has reviewed and considered the information contained in the Phase 1 ASR EIR/EA, the April 2012 ASR Addendum 1 and April 2012 Mitigation Monitoring Plan, and the previously adopted Findings (included as Exhibit 10-C of the August 21, 2006 MPWMD Board Agenda Packet, Exhibit 16-A of the MPWMD Board Agenda Packet from April 16, 2012), and Resolution 2015-24 of the MRWPCA Board approved on October 8, 2015, as well as the documents and information contained in the Final PWM/GWR EIR, and herein.
- 2. The Board of Directors of the District hereby relies upon the contents of those documents and the associated CEQA processes for its CEQA compliance on the action of approval of the Hilby Avenue Pump Station, the Monterey Pipeline, and related Application WDS20160606CAW to the amend the CalAm Water Distribution System.
- 3. The Board of Directors of the District, as lead agency for the ASR project hereby approves the Hilby Avenue Pump Station and adopts the June 2016 Hilby Avenue Pump Station Addendum as Addendum 2 to the ASR EIR/EA and Addendum 1 to the PWM/GWR Project EIR.

- 4. The Board of Directors of the District hereby adopts the June 14, 2016 Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline.
- 5. The Board of Directors of the District, as responsible agency for the PWM/GWR Project, hereby approves the Monterey Pipeline as approved under Resolution 2015-24 by the MRWPCA Board of Directors.
- 6. The Board of Directors of the District hereby relies upon and adopts the relevant CEQA Findings for the Pure Water Monterey Project (Resolution NO. 2015-24, Agenda Item #5 of the October 8, 2015 MRWPCA Board Packet).
- 7. The Board of Directors hereby also adopts the attached Statement of Overriding Considerations related to Monterey Pipeline, being an excerpt from MRWPCA Resolution NO. 2015-24.
- 8. The Board of Directors of the District hereby approves the issuance of WDS Permit Amendment #M16-01-L3.
- 9. The Secretary of the Board or his/her designee is directed under the authority granted by the Board to file the Notice of Determination for the approval of the Application to amend the California American Water Distribution System to add the Proposed Hilby Avenue Pump Station and the Proposed Monterey Pipeline and in addition, to include Aquifer Storage and Recovery Phase 1 and Phase 2 Wells, and authorization of the issuance of WDS Permit Amendment #M16-01-L3.
- 10. The record of the proceedings and evidence for approval of the CalAm WDS Amendment for the Aquifer Storage and Recovery Facilities, including Phase 1 and Phase 2 Wells, the Proposed Hilby Avenue Pump Station and the Proposed Monterey Pipeline on June 20, 2016, which was considered by the District Board in their decision about Application WDS-20160602CAW, is comprised of the following:
 - A. The Phase 1 ASR EIR/EA (certified August 21, 2006).
 - B. Addendum to the Phase 1 ASR EIR/EA and supporting Initial Study Checklist (April 2012).
 - C. The Mitigation Monitoring Plan for the Full Implementation of ASR Water Project 2 (April 2012).
 - D. The proceedings before the District Board relating to the certification of the Phase 1 ASR EIR/EA, approval of the Phase 1 ASR Mitigation Monitoring Plan, and approval of the Phase 1 ASR Project on August 21, 2006, including Findings of Fact and Mitigation Monitoring Plan for the Phase 1 ASR Project, as well as testimony and documentary evidence introduced at the meeting.
 - E. The record of the proceedings and evidence for approval of the full implementation of ASR Water Project 2 on April 16, 2012.
 - F. The PWM/GWR EIR (certified October 8, 2015).
 - G. The Mitigation Monitoring and Reporting Program for the Pure Water Monterey Staff Recommended Alternative.

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- H. All attachments, documents incorporated, and references made in the documents specified in items (A) through (G) above.
- 11. If any subdivision, paragraph, sentence, clause or phrase of this Resolution is, including but not limited to any aspect of, component or portion of the Statement of Overriding Considerations, for any reason, held to be invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or enforcement of the remaining portions of this Resolution. It is the District's express intent that each remaining portion would have been adopted irrespective of the fact that one or more subdivisions, paragraphs, sentences, clauses, or phrases be declared invalid or unenforceable.
- 12. This Resolution shall become effective immediately following its passage and adoption.

On motion of Director ______, and second by Director ______, the foregoing Resolution is duly adopted this ____th day of _____, 2016, by the following vote:
AYES:
NAYS:
ABSENT:
I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify that the foregoing is a full, true and correct copy of a Resolution duly adopted on the _____th day of _____ 2016.

Witness my hand and seal of the Board of Directors this _____ day of _____ 2016.

David J. Stoldt, Secretary to the Board

Attachment to Resolution 2016-12 From MRWPCA Resolution NO. 2015-24 (Excerpt Specific to Monterey Pipeline)

D. Statement of Overriding Considerations related to Monterey Pipeline

Impacts That Remain Significant

The Board has found that the following impacts of the Monterey Pipeline Project would or could remain significant following MRWPCA adoption of the mitigation measures described in the Final EIR: Impact NV-1: Construction Noise (Alternative Monterey Pipeline)

Overriding Considerations Justifying Project Approval

In accordance with CEQA Guidelines Section 15093, the Board has, in determining whether or not to approve the Project, balanced the economic, social, technological, and other project benefits against the Project's unavoidable environmental risks, and finds that the benefits of the Project set forth below outweigh the significant adverse environmental effects that are not mitigated to less than significant levels. This statement of overriding considerations is based on the Board's review of the Final EIR and other information in the administrative record. The benefits identified below provide separate and independent bases for overriding the significant environmental effects of the Project.

- The Project would replace 3,500 AFY of unauthorized Carmel River diversions for municipal use with additional groundwater pumping enabled by recharge of purified recycled water;
- The Project would provide up to 4,500 4,750 AFY and up to 5,900 AFY in drought years of additional recycled water to Salinas Valley growers for crop irrigation;
- The Salinas Valley Groundwater Basin is in overdraft and the Project would reduce the volume of water pumped from Salinas Valley aquifers;
- The Project would increase water supply reliability and drought resistance;
- The Project would maximize the use of recycled water in compliance with the state Recycled Water Policy;
- The Project would reduce pollutant loads from agricultural areas to sensitive environmental areas including the Salinas River and Monterey Bay.



APPLICATION for a PERMIT to CREATE or AMEND a WATER DISTRIBUTION SYSTEM or MOBILE WDS Revised May 21, 2014

For detailed guidance, maps and weblinks, please visit the District website at: <u>http://www.mpwmd.dst.ca.us/pae/wds/wds.htm</u> (see "2014 Implementation Guidelines"). For staff assistance, contact 831-658-5621 or <u>henrietta@mpwmd.net</u>.

reel

20010

Form received on June 2, 2016 by AStern Fee Received: _____\$1,200 (Level 1 or 2); _____\$3,000 (Level 3) (one fee ID# WDS-______0160602 CALU-PartA)

Please complete the table below (attach extra sheets as needed):

#	QUESTIONS	FILL IN ANSWERS BELOW
1	System Name	HILBY AVENUE PUMP STATION
2	Assessor's Parcel ## (list all)	If multiple parcel, identify APN for well/facility location and APN of parcels receiving water from WDS or Mobile WDS. 012324032000
3	Physical Address or Location	1561 HILBY AVE, SEASIDE, CA
4	Name of Applicant	CHRISTOPHER COOK/CAW
5	Mailing Address	(Street or PO) 511 FOREST LODGE RD, SUITE 100
6	City, State, Zip	PACIFIC GROVE, CA, 93950
7	Phone/fax/email:	831-646-3241/CHRISTOPHER, COCK @AMWATER, COM
8	Agent (if applicable)	(i.e., person who may receive paperwork on behalf of applicant/owner)
9	Agent mailing address	
10	Agent City, State, Zip	
11	Agent phone/fax/email	
12	Hydrogeologist (if applicable)	(e.g., licensed professional who has conducted well testing and evaluation) \mathcal{NA}
13	Hydro mailing address	
14	Hydro City, State, Zip	
15	Hydro phone/fax/email	
16	Is this an amendment to an existing WDS?	ES or NO. If yes, identify previous MPWMD permit #, if any. # <u>MI5-07-L3</u> Describe planned changes.

5 Harris Court, Building G, Monterey, CA 93940 • P.O. Box 85, Monterey, CA 93942-0085 831-658-5600 • Fax 831-644-9560 • http://www.mpwmd.dst.ca.us 259

EXHIBIT 16-D

17	Is this a Mobile WDS?	YES or NO If yes, go to Row 50
18	Is this a water well?	YES or We. If no, go to Row 21.
19	MCEHB' Permit # and issuance date	(One for each well)
20	DWR Well Completion Report # and date	(One for each well)
21	Within MPWRS ² ?	(ES) or NO. Consult with District staff if unsure; see definition in footnote.
22	>1,000 ft. MPWRS?	YES or NO Consult with District staff if unsure. See Section 4.0 of 2014 Implementation Guidelines.
23	<u>≤</u> 1,000 ft. MPWRS?	YES or NO Consult with District staff if unsure. Staff will assess well log re: potential impacts; additional testing may be required. See Section 4.2 of 2014 Implementation Guidelines.
24	Seaside Basin source?	YES of NO. If yes, Adjudication documentation and/or approval from Watermaster are required. See Section 5.0 of 2014 Implementation Guidelines.
25	CV Alluvium source?	YES ORNO. If yes, water rights documentation is required. See Section 6.0 of 2014 Implementation Guidelines. District staff will confirm if alluvial.
26	Fractured rock spring or seep?	YES or NO. If yes, state if onsite or offsite use, and if potable (drinking water) or non- potable use. See Section 7.0 of 2014 Implementation Guidelines.
27	River/tributary direct diversion?	YES of NO If yes, water rights documentation is required. See Section 7.0 of 2014 Implementation Guidelines. Describe system.
28	Dam/reservoir?	YES or NO.) If yes, water rights documentation and EIR is required. See Section 7.0 of 2014 Implementation Guidelines.
29	Desal plant?	YES or NO. If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines.
30	Reclamation plant?	YES or NO If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines.
31	Rainwater harvest + offsite delivery?	YES or NO If yes, describe. See Section 7.0 of 2014 Implementation Guidelines.
32	Other water systems?	YES OF NO. Describe. See Section 7.0 of 2014 Implementation Guidelines. WATER SUPPLY PROJECT NEEDING AN EIR (GWR + ASR)
33	Estimated production	Unit is acre-feet per year (AFY). See Section 2.9 of 2014 Implementation Guidelines.
34	Total acreage served	(Break out acreage of each parcel served)
35	Type of water use?	(e.g., trinking water) irrigation only)
36	Type of land use?	(e.g., residential, commercial, agriculture) UTILITY
37	New subdivision?	YES ONO. CEQA document from lead agency is required.
38	In CAW ³ service area?	YES or NO.
39	Active CAW service?	What is currently served by Cal-Am on the property (e.g., home or business)?
40	What is Zoning?	UTILITY
70	matis zonny:	VIEWIN

 ¹ MCEHB= Monterey County Environmental Health Bureau
 ² MPWRS= Monterey Peninsula Water Resource System (i.e., Carmel Valley Alluvial Aquifer, Carmel River/tributaries, and Seaside Basin)
 ³ CAW = California American Water Company

41	Environmental information	Describe CEQA documentation and Lead Agency, if applicable. PURE WATER MONTEREY EIR & ASR PITNE 1 & 2 MRWPCA/MPWMD PUS 2016 ADDENIUM 2
50	Is Mobile WDS source within MPWMD?	YES or NO If yes, describe source and location. See Rows 21 - 32 for possibilities.
51	Is water source outside MPWMD?	YES or NO. If yes, describe source and location.
52	Source agency and approval	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant.
53	Describe intended use (long-term)	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency. NA
54	# parcels served?	Use Request for Exemption form if service is to 3 or fewer parcels from a source out side MPWMD. NA
55	Emergency drinking water service?	YES or NO. If yes, describe situation.
60	Otner reievant information or unique considerations?	Refer to Question #. Attach explanatory sheets as needed.
	ATTACHMENTS	
A1	Parcel Maps	INCLUDED
A2	MCEHB permit(s)	NA .
A3	DWR well log(s)	NA
A4	Well registration forms	NA
A5	Well meter sign-offs	NA
A6	Grant deed	ŇA
A7	Water rights docs.	NA
A8	Environmental docs.	IN PROGRESS BY MRWPCA & MPWMD
A9	Mobile WDS approval	NA
A10	Application fee (check)	LEVEL 3 FEE
A11	Other	NK

This Request for Exemption must be signed by the person who is identified in a recorded Deed as the owner of the parcel on which the well or other water producing facility is located. If multiple owners, at least two must sign.

Under penalty of perjury, I verify that the above information is accurate to the best of my knowledge and understanding.

Signature of Applicant/System Owner
Printed name of Applicant: CHRISTOPHER Cook

5/31/16

Signature of Applicant/System Owner

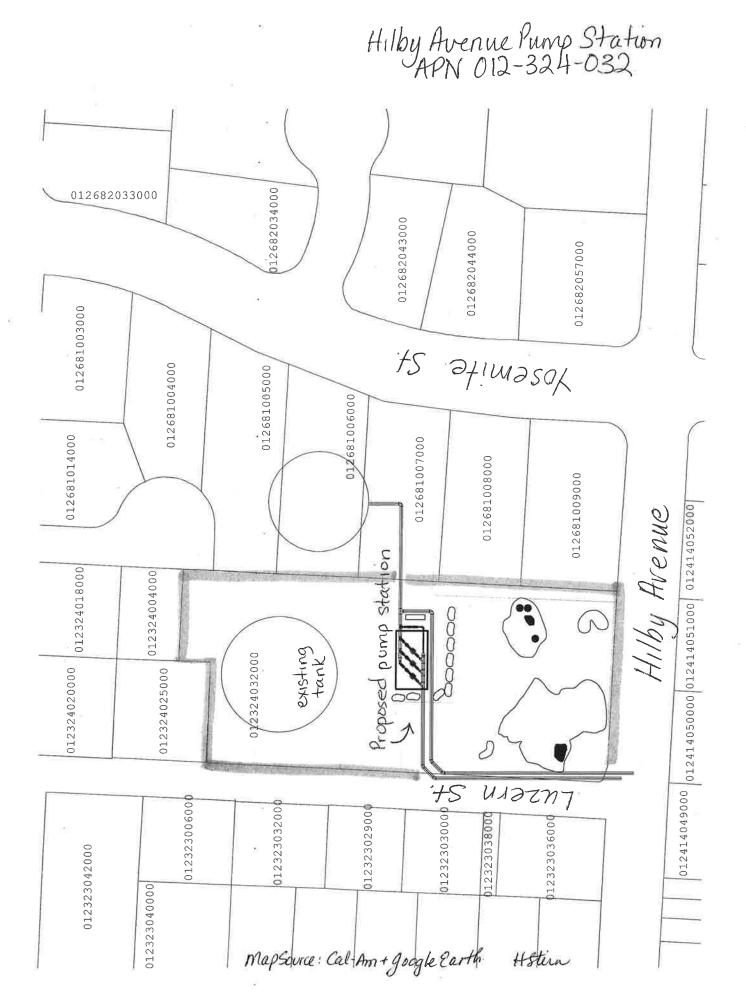
Printed name of Applicant:

Date

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Page 3 of 3

EXHIBIT 16-D





APPLICATION for a PERMIT to CREATE or AMEND a WATER DISTRIBUTION SYSTEM or MOBILE WDS Revised May 21, 2014

For detailed guidance, maps and weblinks, please visit the District website at: <u>http://www.mpwmd.dst.ca.us/pae/wds/wds.htm</u> (see "2014 Implementation Guidelines"). For staff assistance, contact 831-658-5621 or <u>henrietta@mpwmd.net</u>.

by Form received on 0\$1,200 (Level 1 or 2); \$3,000 (Level 3) Fee Received: × 10# WDS- 20160602 CALL- Bart B

Please complete the table below (attach extra sheets as needed):

#	QUESTIONS	FILL IN ANSWERS BELOW
1	System Name	MONTEREY PIPELINE
2	Assessor's Parcel ## (list all)	If multiple parcel, identify APN for well/facility location and APN of parcels receiving water from WDS or Mobile WDS. $$\rm NA$$
3	Physical Address or Location	REFER TO DRAWING SET
4	Name of Applicant	CHRISTOPHER COOK / CAW
5	Mailing Address	(Street or PO) 511 FOREST LODGE RD, SUITE 100
6	City, State, Zip	PACIFIC GROVE, CA, 93950
7	Phone/fax/email:	831-646-3241/CHRISTOPHER, COOK @AMWATER, COM
8	Agent (if applicable)	(i.e., person who may receive paperwork on behalf of applicant/owner) $N\!\!/\!\!\!\!A$
9	Agent mailing address	
10	Agent City, State, Zip	
11	Agent phone/fax/email	
12	Hydrogeologist (if applicable)	(e.g., licensed professional who has conducted well testing and evaluation) $N\!\!\!/\!\!\!\!A$
13	Hydro mailing address	17
14	Hydro City, State, Zip	
15	Hydro phone/fax/email	
16	Is this an amendment to an existing WDS?	VES NO. If yes, identify previous MPWMD permit #, if any. # <u>NI5-07-L3</u> Describe planned changes.

5 Harris Court, Building G, Monterey, CA 93940 • P.O. Box 85, Monterey, CA 93942-0085 831-658-5600 • Fax 831-644-9560 • http://www.mpwmd.dst.ca.us

EXHIBIT 16-D

_		
17	Is this a Mobile WDS?	YES o NO If yes, go to Row 50
18	Is this a water well?	YES Or NO If no, go to Row 21.
19	MCEHB ¹ Permit # and issuance date	(One for each well)
20	DWR Well Completion Report # and date	(One for each well)
21	Within MPWRS ² ?	YES or NO. Consult with District staff if unsure; see definition in footnote.
22	>1,000 ft. MPWRS?	YES or NO. Consult with District staff if unsure. See Section 4.0 of 2014 Implementation Guidelines.
23	<u>≤</u> 1,000 ft. MPWRS?	YES or NO. Consult with District staff if unsure. Staff will assess well log re: potential impacts; additional testing may be required. See Section 4.2 of 2014 Implementation Guidelines.
24	Seaside Basin source?	YES or NO If yes, Adjudication documentation and/or approval from Watermaster are required. See Section 5.0 of 2014 Implementation Guidelines.
25	CV Alluvium source?	YES or NO) If yes, water rights documentation is required. See Section 6.0 of 2014 Implementation Guidelines. District staff will confirm if alluvial.
26	Fractured rock spring or seep?	YES or NO If yes, state if onsite or offsite use, and if potable (drinking water) or non- potable use. See Section 7.0 of 2014 Implementation Guidelines.
27	River/tributary direct diversion?	YES or NO.)f yes, water rights documentation is required. See Section 7.0 of 2014 Implementation Guidelines. Describe system.
28	Dam/reservoir?	YES or NO. If yes, water rights documentation and EIR is required. See Section 7.0 of 2014 Implementation Guidelines.
29	Desal plant?	YES or NO If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines.
30	Reclamation plant?	YES or (NO). If yes, describe facilities, annual production and recipients. EIR required. See Section 7.0 of 2014 Implementation Guidelines.
31	Rainwater harvest + offsite delivery?	YES or (10) If yes, describe. See Section 7.0 of 2014 Implementation Guidelines.
32	Other water systems?	VES or NO. Describe. See Section 7.0 of 2014 Implementation Guidelines. WATER SUPPLY PROTECT NEEDING AN EIR (ASR + GWR)
33	Estimated production	Unit is acre-feet per year (AFY). See Section 2.9 of 2014 Implementation Guidelines.
34	Total acreage served	(Break out acreage of each parcel served)
35	Type of water use?	(e.g. drinking water, irrigation only)
36	Type of land use?	(e.g., residential, commercial, agriculture)
37	New subdivision?	YES or (NO) CEQA document from lead agency is required.
38		YES or NO.
39	Active CAW service?	What is currently served by Cal-Am on the property (e.g., home or business)?
29		NA NA
40	What is Zoning?	UTILITY - PUBLIC RIGHT OF WAY

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¹ MCEHB= Monterey County Environmental Health Bureau

² MPWRS= Monterey Peninsula Water Resource System (i.e., Carmel Valley Alluvial Aquifer, Carmel

River/tributaries, and Seaside Basin)

³ CAW = California American Water Company

41	Environmental information	Describe CEQA documentation and Lead Agency, if applicable. PURE WATER MONTEREY EIR & ASR PHASE 1 & 2 PLUS MRWPCA/MPWMD 2016 ADDENDUM
50	Is Mobile WDS source within MPWMD?	YES or NO If yes, describe source and location. See Rows 21 - 32 for possibilities.
51	Is water source outside MPWMD?	YES or NO. If yes, describe source and location.
52	Source agency and approval	If outside MPWMD, identify source agency with authority. Attach written documentation that the source water may be exported to serve applicant.
53	Describe intended use (long-term)	Mobile WDS may only be non-potable (e.g., irrigation, pools only) unless an emergency. $N\!\!\!A$
54	# parcels served?	Use Request for Exemption form if service is to 3 or fewer parcels from a source out side MPWMD.
55	Emergency drinking water service?	YES or NO. If yes, describe situation.
60	Other relevant information or unique considerations?	Refer to Question #. Attach explanatory sheets as needed.
	ATTACHMENTS	
A1	Parcel Maps	NA
A2	MCEHB permit(s)	NA
A3	DWR well log(s)	NA
A4	Well registration forms	NA
A5	Well meter sign-offs	NA
A6	Grant deed	NA
A7	Water rights docs.	NÁ
A8	Environmental docs.	EA FOR POM
A9	Mobile WDS approval	NA
A10	Application fee (check)	LEVEL 3 FEE
A11	Other	MONTEREY PIPELINE DRAWING SET

This Request for Exemption must be signed by the person who is identified in a recorded Deed as the owner of the parcel on which the well or other water producing facility is located. If multiple owners, at least two must sign.

Under penalty of perjury, I verify that the above information is accurate to the best of my knowledge and understanding.

Signature of Applicant/System Owner

Printed name of Applicant: CHRISTOPHER (OOK

Signature of Applicant/System Owner

Printed name of Applicant:

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Page 3 of 3

5/31/16

Date

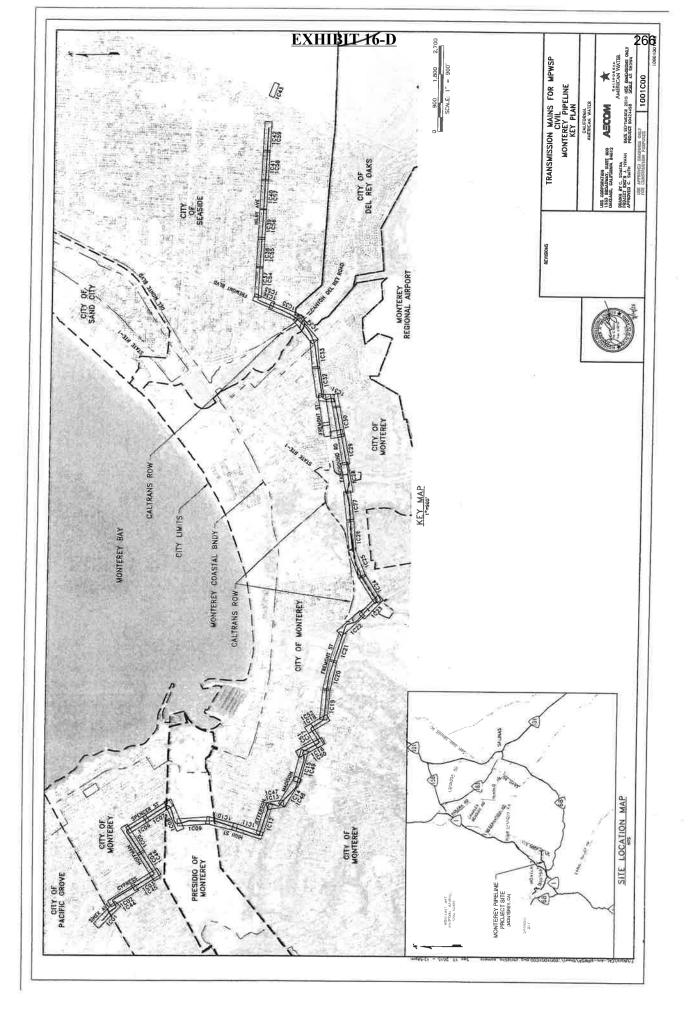
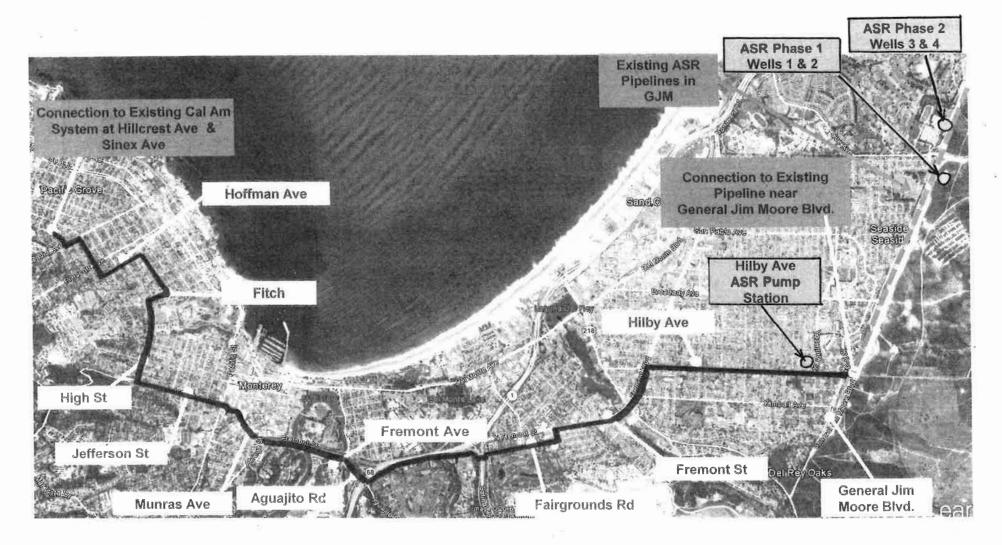


EXHIBIT 16-E

ASR Wells, Hilby Avenue Pump Station, and Monterey Pipeline Route (Approx. 35,000 feet of 36" inch pipeline)



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EXHIBIT 16-F

FINDINGS of APPROVAL

CONSIDER APPLICATION TO AMEND CALIFORNIA AMERICAN WATER DISTRIBUTION SYSTEM TO ADD AQUIFER STORAGE AND RECOVERY FACILITIES ("CAW/ASR AMENDMENT") Hilby Avenue Pump Station Parcel: APN 012-324-032 Monterey Pipeline: various parcels Service Area: CAW "Main" System Application #WDS-20160602CAW, Permit #M16-01-L3

Adopted by MPWMD Board of Directors on June ____, 2016

Unless noted otherwise, all cited documents and materials are available for review at the MPWMD Office, 5 Harris Court, Building G, Monterey (Ryan Ranch).

It is hereby found and determined as follows:

1. FINDING: Applicant California-American Water Company (CAW), a California corporation, and an investor-owned public utility regulated by the California Public Utilities Commission (CPUC), is the primary water purveyor for the Monterey Peninsula. The CAW "Main" Water Distribution System (WDS) serves nearly 40,000 customers and derives its Source of Supply primarily from the Carmel Valley Alluvial Aquifer (CVAA) and the Seaside Groundwater Basin (SGB). In order to improve the operational efficiency of the previously approved Phase 1 and Phase 2 Aquifer Storage and Recovery (ASR) Project, CAW submitted Application #WDS-20160602CAW to amend the CAW WDS to add the proposed Hilby Avenue Pump Station and the Monterey Pipeline. In addition, MPWMD discovered that previous approvals for the ASR Phase 1 and Phase 2 facilities never formally added ASR Wells #1 through #4 to the CAW WDS. Thus, the District will also consider amending the CAW WDS to include these Wells, which have been operational for several years. The subject Application will result in the issuance of MPWMD WDS Permit #M16-01-L3 to amend the CAW WDS, referred to herein as the "CAW/ASR Amendment."

Environmental review in compliance with the California Environmental Quality Act (CEQA) has been performed by several entities as follows:

- Final Environmental Impact Report (FEIR) for the Phase 1 ASR Project, certified by MPWMD in August 2006;
- Addendum 1 to the ASR Project FEIR as amended by the District in April 2012 to address full implementation of ASR Phase 2;
- Final EIR for the Pure Water Monterey/Groundwater Replenishment Project (PWM/GWR), certified by Monterey Regional Water Pollution Control Agency (MRWPCA) in October 2015; this included an analysis of the Monterey Pipeline and Mitigation Monitoring and Reporting Program measures to be carried out to address significant adverse impacts;
- Hilby Avenue Pump Station Addendum to the ASR Project FEIR and the PWM/GWR EIR ("Hilby Addendum") and Mitigation Monitoring and Reporting Program approved by MPWMD on June 20, 2016.

It is noted that the Hilby Avenue Pump Station was referred to as the "Monterey Pump station" in previous testimony before the CPUC and as the "Alternative ASR Pump Station" in the Environmental Impact Report (EIR) for the Pure Water Monterey/Groundwater Replenishment Project (PWM/GWR) approved by the Monterey Regional Water Pollution Control Agency (MRWPCA). The Monterey Pipeline was referred to as the "Alternative Monterey Pipeline" in the PWM/GWR EIR.

Application #WDS-20160602CAW submitted on June 2, 2016, and **EVIDENCE:** pertinent materials including: site maps and photographs, engineering drawings and environmental review documents. SWRCB, Division of Water Rights, Permit #20808A dated November 30, 2007 (ASR Phase 1), and Permit #20808C dated November 30, 2011 (ASR Phase 2). FEIR for the ASR Phase 1 Project, State Clearinghouse #2004121065, certified by MPWMD via Resolution 2006-04 dated August 2006 (Notice of Determination filed August 30, 2006); Addendum 1 to the ASR Project FEIR, approved by MPWMD in April 2012 via Resolution 2012-44 for ASR Phase 2 Project (Notice of Determination signed April 17, 2012); FEIR for PWM/GWR Project, Clearinghouse #2013051094, certified by MRWPCA via State Resolution 2015-24 on October 8, 2015 (Notice of Determination filed October 9, 2015); Hilby Avenue Pump Station Addendum, dated June 14, 2016, approved by MPWMD on June 20, 2016; Mitigation Monitoring and Reporting Program for the Hilby Avenue Pump Station and Monterey Pipeline adopted by the MPWMD Board on June 20, 2016; MPWMD Notice of Determination for approval of Application #WDS-20160602CAW and issuance of WDS Permit #M16-01-L3 for the CAW/ASR Amendment signed on June ____, 2016, based on MPWMD Board approval on June 20, 2016); staff agenda package prepared for MPWMD Board of Directors Public Hearing on June 20, 2016 (Item 17).

- 2. FINDING: This application applies to the "Main" Cal-Am system within CAW's Monterey Division, which has been the subject of several actions by the SWRCB, including Order WR 95-10 (as amended) and Order WR 2009-0060 (as amended). The SWRCB has also approved water rights to enable implementation of the ASR Project, which will help reduce diversions from the CVAA in the dry season.
 - EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights, Permit #20808A dated November 30, 2007 (ASR Phase 1), and Permit #20808C dated November 30, 2011 (ASR Phase 2). Map of CAW Service Area. SWRCB Order WR 95-10 (July 1995 as amended); SWRCB Order WR 2009-0060 (October 2009 as amended).
- 3. FINDING: Approval of the application will enable construction (as allowed by local affected jurisdictions) of the Hilby Avenue Pump Station at 1561 Hilby Avenue in Seaside; the Monterey Pipeline, which will traverse portions of the Cities of Seaside, Monterey and Pacific Grove. It will also recognize the previously constructed ASR Phase 1 facilities (Wells #1 and #2 at the Santa Margarita site) and ASR Phase 2 facilities (Wells #3 and #4 at the Seaside Middle School site) as components of the CAW WDS.
 - EVIDENCE: Permit application materials specified in Finding #1.
- 4. FINDING: The Applicant has applied for a Permit to amend the CAW WDS to enable construction and operation of the proposed Hilby Avenue Pump Station and the Monterey Pipeline to improve operational efficiency of the ASR Project and enable injection and recovery of the additional diversion amounts as allowed by the SWRCB under SWRCB Permits #20808A and #20808C.
 - EVIDENCE: Permit application materials specified in Finding #1, including SWRCB Permit #20808A and #20808C; MPWMD Permit #M16-01-L3, Conditions of Approval #1 through #4.
- 5. FINDING: Approval of the subject application for the CAW/ASR Amendment does not change the current System Limits for the CAW Main System, but it changes the amount of maximum production (System Capacity) allowed for the ASR Project (ASR Phase 1 and Phase 2 combined) to be consistent with SWRCB Permits #20808A and #20808C. It also

changes the Expansion Capacity Limit to be two Master Connections to the CAW System, one at the ASR Phase 1 site and one at the ASR Phase 2 site.

- EVIDENCE: Permit application materials specified in Finding #1, including SWRCB Permit #20808A and #20808C; MPWMD Permit #M16-01-L3, Condition of Approval #3.
- 6. FINDING: The application for the CAW/ASR Amendment, along with supporting materials, is in accordance with District Rule 21 and Rule 22.
 - EVIDENCE: Permit application materials specified in Finding #1; "Notice of Public Hearing" letter to CAW from MPWMD dated June 8, 2016; MPWMD Rules and Regulations.

Required Findings (MPWMD Rule 22-B)

7. FINDING: The approval of the subject application would not cause unnecessary duplication of Potable water service within any existing system due to current constraints on the CAW WDS imposed by the SWRCB, and the desire to enhance CAW compliance with the Cease and Desist Order. SWRCB water right Permits #20808A and #20808C allow CAW to distribute excess water from the Carmel Valley Alluvial Aquifer to customers located within the CAW Service Area. The CAW/ASR Amendment will help reduce unauthorized CAW diversions from the Carmel River in the near term as CAW develops a replacement water supply project. [Rule 22-B-1]

EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M16-01-L3, Condition of Approval #1.

- 8. FINDING: The approval of the subject application would not result in water importation or exportation to or from the District, respectively. The CAW WDS is located wholly within the MPWMD. [Rule 22-B-2]
 - EVIDENCE: District boundary location maps and CAW service area maps.
- 9. FINDING: Approval of the subject application would not result in significant adverse impacts to "Sensitive Environmental Receptors" (SER) as defined by MPWMD Rule 11, including the Carmel Valley Alluvial Aquifer (CVAA). This finding is based on the environmental review documents described in Finding #1. The ASR Project would provide beneficial effects to the CVAA by reducing diversions during the dry season. Approval of the subject application could result in significant adverse impacts associated with construction of the Hilby Avenue Pump Station and the Monterey Pipeline, which would be addressed by

the Mitigation Monitoring and Reporting Program adopted by the MPWDM Board. Please refer to Finding #22 and #23 for more information. [Rule 22-B-3]

- EVIDENCE: Permit application materials and environmental review documents specified in Finding #1; MPWMD Permit #M16-01-L3, Condition of Approval #3; MPWMD Notice of Determination for Approval of the CAW/ASR Amendment filed on June ____, 2016, based on Board approval on June 20, 2016.
- 10. FINDING: The Applicant has demonstrated water rights in the form of SWRCB Permits #20808A and #20808C for the ASR Phase 1 and Phase 2 Projects, respectively. A maximum production of 5,326 Acre-Feet per Year (AFY) is allowed. [Rule 22-B-4]
 - EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights, Permit #20808A dated November 30, 2007 (Phase 1), and Permit #20808C dated November 30, 2011 (Phase 2). MPWMD Permit #M16-01-L3, Condition of Approval #3.
- 11. FINDING: The application demonstrates existence of a long-term reliable source of water supply for the ASR Project diversion, injection and recovery as allowed by SWRCB Permits #20808A and #20808C. ASR Wells #1 through #4 have an established production history. [Rule 22-B-5]
 - EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights, Permit #20808A dated November 30, 2007 (Phase 1), and Permit #20808C dated November 30, 2011 (Phase 2). MPWMD hydrogeologic reports and Well database files; MPWMD Annual Reports for the ASR Project.
- 12. FINDING: The Source of Supply for the CAW/ASR Amendment is excess water diverted from CAW Wells along the Carmel Valley Alluvial Aquifer as permitted by the SWRCB. The cumulative effects of issuance of Permit #M16-01-L3 is not expected to result in significant adverse impacts to the Source of Supply or the species and habitats dependent on the Source of Supply. In fact, full implementation of the ASR Project enables reduced diversion from the CVAA in the dry season when the river habitat is most vulnerable. [Rule 22-B-6]
 - EVIDENCE: Permit application materials specified in Finding #1, including water rights and environmental review documents. MPWMD Permit #M16-01-L3, Conditions of Approval #1 through #4.
- 13. FINDING: The primary Source of Supply for the CAW/ASR Amendment is the CVAA, which is a component of the Monterey Peninsula Water

Resource System. The CVAA contains waters under the jurisdiction of the SWRCB, which has granted water rights held jointly by CAW and MPWMD to divert waters via alluvial Wells pursuant to SWRCB Permits #20808A and #20808C. [Rule 22-B-7]

- EVIDENCE: MPWMD hydrogeologic maps showing locations of CAW diversion Wells and the jurisdiction of the SWRCB; Permit application materials specified in Finding #1, including SWRCB Division of Water Rights, Permit #20808A dated November 30, 2007 (Phase 1), and Permit #20808C dated November 30, 2011 (Phase 2).
- 14. FINDING: MPWMD Permit #M16-01-L3 does not allow an intertie to any other WDS. Fire flow is already provided by CAW to properties within its Service Area, and any CAW Source of Supply may be used in a fire emergency. [Rule 22-B-8]
 - EVIDENCE:Permit application materials specified in Finding #1; MPWMD Permit
#M16-01-L3, Conditions of Approval #1 through #4, and #13.
- 15. FINDING: A back-flow protection device to prevent contamination of the CAW system is not necessary as CAW will treat water from its Carmel Valley Wells prior to injection in to the Seaside Basin. The CAW system is regulated by the SWRCB, Division of Drinking Water. [Rule 22-B-9]
 - EVIDENCE: Permit application materials specified in Finding #1. MPWMD Permit #M16-01-L3, Conditions of Approval #14 and #15.

Minimum Standards for Granting a Permit (MPWMD Rule 22-C)

- 16. FINDING: The application adequately identifies the Responsible Party for MPWMD Permit #M16-01-L3 as the California-American Water Company, a California Corporation. [Rule 22-C-1]
 - EVIDENCE: Permit application materials specified in Finding #1.
- 17. FINDING: The application meets the definition of a "Multiple-Parcel Connection System" as CAW, a regulated Public Utility, delivers water to roughly 40,000 customers on the Monterey Peninsula. Compliance with California Title 22 water quality standards is the authority of the SWRCB, Division of Drinking Water. [Rule 22-C-2]
 - EVIDENCE: Permit application specified in Finding #1. MPWMD Permit #M16-01-L3, Conditions of Approval #1, #2, #3, and #15. California Administrative Code, Title 22.

- FINDING: The application identifies the location of the Source of Supply as CAW Wells located within the Carmel Valley Alluvial Aquifer, as allowed by SWRCB Permits #20808A and #20808C. [Rule 22-C-3]
 - EVIDENCE: Permit application materials specified in Finding #1; MPWMD Permit #M16-01-L3, Condition of Approval #4.
- 19. FINDING: Approval of the application would not create an Overdraft or increase an existing Overdraft of a Groundwater basin. The Carmel Valley Alluvial Aquifer has not been declared as in overdraft, but the SWRCB has determined it is over-appropriated during certain seasons. CAW has demonstrated water rights for the ASR Project under SWRCB Permits #20808A and #20808C, which were subject to environmental review in compliance with CEQA. The Seaside Groundwater Basin has been determined to be in overdraft, and the ASR Project has been identified by the Monterey County Superior Court as part of the "Physical Solution" in the Seaside Basin Adjudication Decision. [Rule 22-C-4]
 - EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights, Permit #20808A dated November 30, 2007 (Phase 1), and Permit #20808C dated November 30, 2011 (Phase 2). MPWMD Permit #M15-04-L3, Conditions of Approval #1 through #4. Seaside Groundwater Basin Adjudication Judgment dated March 27, 2006, as amended, Monterey Superior Court Case #M66343, *California American Water vs. City of Seaside et al.*
- 20. FINDING: The approval of the application would not adversely affect the ability of existing systems to provide water to Users due to conditions of approval by MPWMD and other entities that limit future water use to a reasonable and acceptable amount, consistent with certified environmental review documents. [Rule 22-C-5]
 - EVIDENCE: Permit application materials specified in Finding #1, including SWRCB, Division of Water Rights Permit #20808A dated November 30, 2007 (Phase 1), and Permit #20808C dated November 30, 2011 (Phase 2). MPWMD Permit #M16-01-L3, Conditions of Approval #1 through #4. California Water Code.

Compliance with California Environmental Quality Act (CEQA)

21. FINDING: In the review of this application, MPWMD has followed the guidelines adopted by the State of California and published in the California Administrative Code, Title 14, Section 15000 *et seq*. Specifically, the MPWMD, as a lead agency for the ASR Project, has complied with CEQA Guidelines Section 15164 by approving the June 2016 Hilby

DRAFT – Findings of Approval for CAW/ASR Amendment WDS Prepared by H. Stern on 6/15/2016; Adopted by MPWMD Board on June ____, 2016 Page 7 of 9 Avenue Pump Station Addendum as Addendum 2 to the ASR Project EIR/EA and as Addendum 1 to the PWM/GWR EIR and adopting the associated Mitigation Monitoring and Reporting Program for the Pump Station and Monterey Pipeline. The MPWMD, as a Responsible Agency, has considered the Notice of Determination filed by the MRWPCA on October 9, 2015 certifying the Final EIR for the PWM/GWR Project, with emphasis on the analysis of the Monterey Pipeline, and has approved the Monterey Pipeline. Copies of the Draft EIR and Final EIR for both the ASR Project and the PWM/GWR Project have been provided to MPWMD Board members for review prior to the public hearing on this matter. The MPWMD Board has reviewed the environmental information and relied on the information as part of its decision-making on this matter.

- EVIDENCE: CEQA and CEQA Guidelines, Section 15096 and 15164; environmental review and Mitigation Monitoring and Reporting Program documents specified in Finding #1. SWRCB Notices of Determination for Approval of Permits #20808A and #20808C in November 2007 and November 2011, respectively. MPWMD Notice of Determination for Approval of Permit #M16-01-L3 dated June _____, 2016, based on Board approval on June 20, 2016. Staff agenda package prepared for MPWMD Board of Directors Public Hearing (Item 17) on June 20, 2016; minutes of MPWMD Board of Directors Public Hearing (Item 17) conducted on June 20, 2016. MPWMD Permit #M16-01-L3, including all Conditions of Approval.
- 22. FINDING: Pursuant to CEQA Sections 15091 and 15092, the MPWMD Board finds that approval of the CAW/ASR Amendment will not have a significant effect on the environment that cannot be mitigated, with the exception of night-time construction associated with the Monterey Pipeline, based on the documentation cited in Finding #21. Mitigation measures are included as Conditions of Approval by MPWMD for this action. The full record for the PWM/GWR project is located at the MRWPCA office, 5 Harris Court, Building D, Monterey, CA.
 - EVIDENCE: Certified environmental documents, Resolutions, and Notices of Determination described in Finding #1 and Finding #21. MRWPCA Resolution 2015-24. MPWMD Notice of Determination for Approval of Permit #M16-01-L3 dated June ____, 2016, based on Board approval on June 20, 2016.
- 23. FINDING: Pursuant to CEQA Section 15093, a Statement of Overriding Considerations was adopted by the MPWMD Board for approval of MPWMD Permit #M16-01-L3 for the CAW/ASR Amendment in relation to significant unavoidable impacts due to nighttime construction noise for portions of the Monterey Pipeline. The

MRWPCA, as part of its certification of the PWM/GWR FEIR, previously adopted a Statement of Overriding Considerations.

EVIDENCE: MPWMD Notice of Determination for Approval of Permit #M16-01-L3 for the CAW/ASR Amendment, dated June ____, 2016, based on Board approval on June 20, 2016. MRWPCA Resolution 2015-24 adopted October 8, 2015.

 $\label{eq:u:staff} U: staff Boardpacket 2016 2016 0620 PublicHrngs 16 Utem-16-Exh-F. docx Prepared by H. Stern on 6/15/2016 – reviewed by L. Hampson on 6/15/2016$

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EXHIBIT 16-G

CONDITIONS OF APPROVAL APPLICATION TO AMEND CALIFORNIA-AMERICAN WATER DISTRIBUTION SYSTEM TO ADD AQUIFER STORAGE AND RECOVERY FACILITIES ("CAW/ASR AMENDMENT") APPLICATION #WDS-20160602CAW; PERMIT #M16-01-L3

Permittee: California-American Water Company (CAW) Permitted System: "Main" CAW Water System Service Area: "Main" CAW Water System Hilby Avenue Pump Station Parcel: APN 012-324-032

Adopted by the MPWMD Board on June ____, 2016 Pursuant to MPWMD Rule 22-D and Ordinance No. 165 Preparation Date: June ____, 2016

Permitted System (Required by MPWMD Rules)

- 1. The California-American Water Company (CAW) "Main" Water Distribution System (WDS), the "Permitted System," is authorized by the Monterey Peninsula Water Management District (MPWMD or District) under Permit #M16-01-L3 to serve all Parcels within the Permitted System, consistent with water rights issued to MPWMD and CAW for the Aquifer Storage and Recovery (ASR) Phase 1 and Phase 2 Projects, as specified in State Water Resources Control Board (SWRCB), Division of Water Rights, Permit #20808A, dated November 30, 2007, and Permit #20808C, dated November 30, 2011, respectively. CAW has roughly 40,000 customers and maps of the service area are on file at the MPWMD and CAW offices. A schematic figure is provided as **Attachment 1**. The "Main" CAW WDS refers to the system supplied by the Monterey Peninsula Water Resource System. This amendment to the CAW WDS is focused on ASR facilities and is referred to as the "CAW/ASR Amendment." [Rule 22-D-1-a]
- 2. This Permit authorizes the Permitted System to provide treated, potable water for residential, commercial, industrial and other land uses allowed by local jurisdictions in the CAW Service Area identified in Condition #1. The Conditions of Approval listed in this Permit #M16-01-L3 supersede those in MPWMD Permit #M11-04-L4 authorized by

Draft -- Authorized by MPWMD Board on ____

Conditions of Approval for CAW/ASR Amendment WDS, Permit #M16-01-L3

the MPWMD Board on August 21, 2006. To enable greater operational efficiency, the "Main" CAW WDS is amended to include the proposed Hilby Avenue Pump Station to be located on CAW property (Parcel APN 012-324-032) at 1561 Hilby Avenue, and the proposed Monterey Pipeline, a component of the proposed Pure Water Monterey/ Groundwater Replenishment Project, which will traverse portions of the Cities of Seaside, Monterey and Pacific Grove. This Permit also amends the CAW WDS to include existing ASR Wells #1, #2, #3 and #4, which were previously approved as part of the ASR Phase 1 and Phase 2 Projects, but were never formally recognized as part of the CAW WDS. Attachment 2 shows the location of these components. [Rule 22-D-1-b]

- 3. There shall be no change to the existing System Limits (annual water production and Connections) of the "Main" CAW system, which is currently controlled by the SWRCB Cease and Desist Order 2009-0060.. Consistent with the SWRCB water right permits identified in Condition #1, the System Capacity (maximum production) for the CAW/ASR Amendment is 5,326 Acre-Feet per Year (AFY). It is noted that the estimated long-term average production would be 1,920 AFY, but actual production in any specific year will be determined by weather, Carmel River environmental conditions, CAW system physical constraints, and other limits that may be imposed by regulatory agencies. The Expansion Capacity Limit for the CAW/ASR Amendment is now two Master Connections to the CAW WDS based on previous approvals -- one Master Connection at the Phase 1 (Santa Margarita) site (MPWMD Permit #M11-04-L4), and one Master Connection at the Phase 2 (Seaside Middle School) site. Existing municipal unit (jurisdiction) water allocations or credits are not changed by this Permit. [Rule 22-D-1]
- 4. The current Sources of Supply for the Permitted System are the Carmel Valley Alluvial Aquifer and the Seaside Groundwater Basin, as regulated by MPWMD, SWRCB, and other state and federal resource agencies. [Rule 22-C-3]

Mandatory Conditions of Approval (MPWMD Rule 22)

- 5. Precedent to use of this Permit, Permittee shall first obtain and comply with the requirements and conditions of Permits and Licenses issued by the SWRCB, California Public Utilities Commission (CPUC), State and/or County Health authorities, and other agencies with jurisdiction, as applicable. [Rule 22-D-1-c and Rule 22-D-3]
- 6. Permittee shall execute an Indemnification Agreement, provided separately, which holds MPWMD harmless, and promises to defend MPWMD from any claims, demands, or expenses of any nature or kind arising from, or in any way related to, the District approval of the Permitted System or the adequacy of the system water supply. This Permit is not valid until the Indemnification Agreement is signed both by Permittee and MPWMD. The Indemnification Agreement must be signed and executed within 60 days of the preparation date shown (see top of page 1 for this Permit to remain valid. [Rule 22-D-1-d]
- 7. Permittee shall comply with MPWMD Rules relating to water Well registration, metering

and annual reporting of production (MPWMD Rules 52 and 54) for any Well owned or operated by the Permittee that is located within the Service Area identified in Condition #1. This includes ASR Wells #1 through #4 at the Santa Margarita and Seaside Middle School sites. [Rule 22-D-1-e; Rule 22-D-2]

- 8. Permittee shall report production by the Water Meter Method (MPWMD Rule 56) for the Wells designated in Conditions #2 and #7. The reporting year is October 1 through September 30 of the next year ("Water Year"). Permittee shall continue to provide monthly reports of water production that identify Well production on a daily basis. [Rule 22-D-2]
- 9. Properties served by the Permittee shall comply with all MPWMD water conservation rules and regulations that pertain to CAW customers as applicable (e.g., commercial, hotel, residential, landscape). Current ordinances specify maximum water use rates for fixtures and require new development to install drought resistant landscapes, and drip irrigation, where appropriate. Contact with the District Permit and Conservation Office at 831/658-5601 is recommended during project planning. [Rule 22-D-1-f]
- 10. No new Connections to the Permitted System may be set until a Water Permit has been secured from MPWMD for each individual Connection in accordance with MPWMD regulations governing issuance of Water Permits. Capacity Fees (Connection Charges) shall be calculated based on water demand estimates using MPWMD's water demand methodology at the time of the application. [Rule 22-D-1-g]
- 11. Any intensification or expansion within the Permitted System shall require a new application and Permit pursuant to MPWMD Rules 23 and 24. [Rule 22-D-1-k]
- 12. Any new facilities, expansion of Service Area boundaries, changed conditions regarding water service by other entities, increase in the production or Connection limits set in Condition #3, or other changes described in MPWMD Rule 22-E shall require a Permit to amend the Permitted System. [Rule 22-E]
- 13. A permanent intertie between the Permitted System and any other WDS is not allowed unless a written Permit is obtained from the District. Properties located within the CAW Service Area and may receive CAW water for emergency fire service. [Rule 22-D-1-h]
- 14. A back-flow protection device to prevent contamination of the CAW system is not required for the CAW/ASR Amendment because the ASR facilities are controlled by CAW and must comply with state health regulations. However, if use of a non-CAW Well on a customer's property is contemplated, CAW and the Parcel owner must take appropriate action to ensure that the CAW system would not be contaminated. [Rule 22-D-1-h]
- 15. Because the Permitted System is a regulated Public Utility that provides water to 40,000 customers, compliance with California Title 22 drinking water standards is already

required and regulated by the SWRCB, Division of Drinking Water. [Rule 22-C-2]

- 16. No additional mitigation measures to offset adverse environmental impacts are required by this Permit above and beyond those already specified in approvals by MPWMD, SWRCB or other regulatory agencies with authority. Please refer to Special Condition #27 for information on previous mitigation requirements. [Rule 22-D-1-i]
- 17. Permittee is required to provide copies of any agreement with public agencies or water purveyors that may substantively affect the Permitted System. [Rule 22-D-1-j]
- 18. Upon MPWMD Board approval of this Permit, the Permittee shall pay to MPWMD the invoiced cost for MPWMD staff, attorney and consultant time spent to process the subject application, as well as direct costs (Rule 60). The initial application fee paid by Permittee is compared to total costs. The Permittee shall be provided documentation to support the invoiced amount. This Permit is not valid until payment for the invoiced amount is received by MPWMD. The payment must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-I]
- 19. Upon finalization of these conditions, Permittee shall sign and notarize an Acceptance of Permit Conditions Form associated with the approval of the Permitted System. By signing the form, Permittee acknowledges that Permittee understands and accepts these conditions as a binding part of the Permit approval, and agrees to carry them out faithfully. The Acceptance Form must be received within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-m]
- 20. Permittee shall disclose to any future owner, successors and assigns of the CAW WDS the requirements for the Permitted System associated with this Permit. MPWMD shall be advised in a timely manner of any changes in system ownership, system name or other substantive changes to the system to facilitate accurate record-keeping. [Rule 22-D-2]
- 21. Given the unique nature of the CAW/ASR Amendment, and the extended timeframes associated with approval and construction of water supply facilities, this Permit does not include deadlines associated with the construction of the proposed Hilby Avenue Pump Station or Monterey Pipeline. [Rule 22-D-4]
- 22. As the Owner of the Parcel on which the new Hilby Avenue Pump Station is located, Permittee shall execute a Deed Restriction prepared by MPWMD regarding the limitation on water use as set forth in these conditions. Permittee shall pay all fees associated with preparation, review and recording of the Deed Restriction. The Deed Restriction must be signed and notarized by the Permittee, and accepted by the Monterey County Recorder for processing within 60 days of the preparation date (see top of page 1) for this Permit to remain valid. [Rule 22-D-1-n]
- 23. Upon notice to the Permittee in writing, e-mail or by telephone, the Permittee shall allow reasonable access to the Permitted System, including the Hilby Avenue Pump Station on

Parcel APN 012-324-032 and the Monterey Pipeline alignment, by MPWMD staff or its designated representative to inspect and document Water-Gathering Facilities and Water Measuring Devices, obtain hydrogeologic data, and take readings from Water Measuring Devices (Note: access to ASR Wells #1 through #4 at the Santa Margarita and Seaside Middle School sites is covered by the Aquifer Storage and Recovery Management & Operations Agreement executed on March 30, 2006). [Rule 22-D-1-o]

24. The Permit granted herein is subject to revocation in the event the Permittee does not fully comply with each and every **c**ondition set forth in this Permit. [Rule 22-D-1-p]

Other Standard Conditions of Approval

- 25. Nothing in this Permit shall be construed to grant or confirm any water right. The District recognizes water right Permits #20808A and #20808C issued by the SWRCB.
- 26. This Permit does not authorize any act that results in the taking of a threatened or endangered species or any act which is now prohibited, or becomes prohibited in the future, under either the California Endangered Species Act (Fish and Game Code Sections 2050 to 2097) or the federal Endangered Species Act (16 U.S.C.A. Sections 1531 to 1544). If a "take" will result from any act authorized under this Permit, the Permittee shall obtain authorization for an incidental take prior to construction or operation of the project. Permittee shall be responsible for meeting all requirements of the applicable Endangered Species Act for the project authorized under this Permit.

Special Conditions of Approval

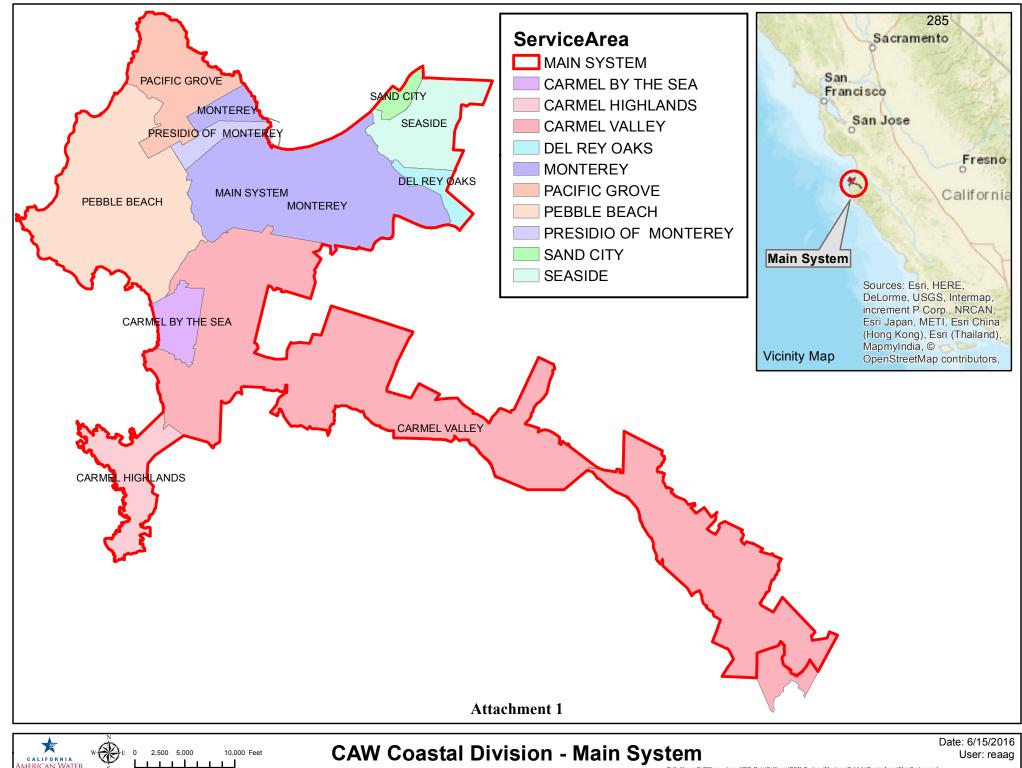
- 27. Permittee shall comply with all mitigation measures required in the Mitigation Monitoring and Reporting Program (MMRP) for the construction of the Hilby Avenue Pump Station and Monterey Pipeline as well as operation of ASR Phase 1 and Phase 2 facilities, including Wells #1 through #4.
- 28. Permittee shall provide to the MPWMD Water Resources Division Manager (or designee) a copy of each report submitted to the SWRCB in compliance with conditions under water right Permits #20808A and #20808C. Notice of a designated website link is acceptable; if a website link is not available, electronic or hard copies are acceptable.

Attachments

- Attachment 1: Schematic figure of CAW Service Area
- Attachment 2: Figure with location of CAW/ASR Amendment components
- Attachment 3: Consolidated Mitigation Monitoring and Reporting Program (this is the same as Exhibit 16-B)

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ASR Wells, Hilby Avenue Pump Station, and Monterey Pipeline Route (Approx. 35,000 feet of 36" inch pipeline)



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ITEM: PUBLIC HEARING

17. CONSIDER ADOPTION OF JULY THROUGH SEPTEMBER 2016 QUARTERLY WATER SUPPLY STRATEGY AND BUDGET

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Kevan Urquhart & Jonathan Lear	Cost Estimate:	N/A

General Counsel Review: N/A

Committee Recommendation: N/A

CEQA Compliance: Notice of Exemption, CEQA, Article 19, Section 15301 (Class 1) ESA Compliance: Consistent with the 2001 Conservation Agreement, 2009 Settlement Agreement between the National Marine Fisheries Service and California American Water to minimize take of listed steelhead in the Carmel River, and SWRCB WR Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.

SUMMARY: The Board will accept public comment and take action on the July through September 2016 Quarterly Water Supply Strategy and Budget for California American Water's (Cal-Am) Main and Laguna Seca Subarea Water Distribution Systems (WDS). The proposed budgets, which are included as **Exhibit 17-A and 17-B**, show monthly production by source of supply that is required to meet projected customer demand in CalAm's Main and Laguna Seca Subarea systems, i.e., Ryan Ranch, Bishop, and Hidden Hills, during the July through September 2016 period. The proposed strategy and budgets are designed to maximize the longterm production potential and protect the environmental quality of the Seaside Groundwater and Carmel River Basins.

Exhibit 17-A shows the anticipated production by Cal-Am's Main system for each production source and the actual production values for the Water Year (WY) 2016 to date through the end of May 2016. The anticipated production values assume that Cal-Am's annual main system production for customer service will not exceed 11,954 acre-feet (AF), including 2,251 AF from Cal-Am's wells in the Coastal Subareas of the Seaside Groundwater Basin, 300 AF from Sand City Desalination Plant, 600 AF recovered from Water Project 1 and 2 (formerly Phase 1 & 2 ASR), and 8,803 AF from the Carmel River Basin. The total from the Carmel River Basin is consistent with State Water Resources Control Board (SWRCB) Order No. 95-10 and 2009-0060. The total from the Seaside Groundwater Basin is consistent with the Seaside Basin Adjudication Decision. For the purpose of this budget, it is conservatively assumed that Dry inflow conditions will occur for the rest of WY 2016.

Exhibit 17-B shows the anticipated production by Cal-Am's Laguna Seca Subarea system for each production source and the actual production values for WY 2016 to date through the end of May 2016. Please note that the budgeted production values assume that Cal-Am's annual production for WY 2016 will not exceed 48 AF from the Laguna Seca Subarea of the Seaside Groundwater Basin, whereas actual demand will exceed that amount. This total is consistent with the Seaside Basin adjudication decision.

RECOMMENDATION: The Board should receive public input, close the Public Hearing, and discuss the proposed quarterly water supply budget. District staff recommends adoption of the proposed budget. The budgets are described in greater detail in **Exhibit 17-C**, Quarterly Water Supply Strategy Report: July – September 2016.

BACKGROUND: The Quarterly Water Supply Strategy and Budget pertains to production within Cal-Am's Main and Laguna Seca Subarea systems for the three-month period of July, August, and September 2016. Staff from the District, California Department of Fish and Wildlife (CDFW), the National Marine Fisheries Service (NMFS), and Cal-Am met to cooperatively review, refine and approve this strategy on June 14, 2016. Staff from the State Water Resources Control Board's, Division of Water Rights (SWRCB-DWR), and the United States Fish and Wildlife Service (USFWS) also attended by phone. Based on current reservoir and Carmel Alluvial Aquifer storage conditions, river flows in October 2015 through May 2016, it was agreed that "Dry" year inflows would be used to conservatively assess Cal-Am's operations and set monthly production targets for Cal-Am's systems.

To meet customer demand in its main system, Cal-Am intends to try to avoid producing any groundwater from its wells in the Upper Carmel Valley during July through September 2016, and will focus instead on producing approximately 1,143, 912, and 761 AF of groundwater from its wells in the Lower Carmel Valley during July, August, and September 2016, respectively.

It was also agreed that, subject to rainfall and runoff conditions in the Carmel River Basin, Cal-Am would produce 300, 321, and 350 AF of native groundwater each month in July, August, and September 2016, respectively, from the Coastal Subareas of the Seaside Basin, in addition to 25 AF per month from the Sand City Desalination Plant, and 150 AF per month of stored water from Water Project 1 and 2 (formerly Phase 1 & 2 ASR), during this period. It was also agreed that Cal-Am would budget to produce 6, 5, and 5 AF of groundwater from its wells in the Laguna Seca Subarea for its customers in the Ryan Ranch, Bishop, and Hidden Hills systems during this period. Cal-Am will operate its wells in the Lower Carmel Valley in a downstreamto-upstream order. If actual inflows are more or less than projected for the budget period, the group will reconvene and adjust the diversion and release rates accordingly.

Rule 101, Section B of the District Rules and Regulations requires that a Public Hearing be held at the time of determination of the District water supply management strategy. Adoption of the quarterly water supply strategy and budget is categorically exempt from the California Environmental Quality Act (CEQA) requirements as per Article 19, Section 15301 (Class 1). A Notice of Exemption will be filed with the Monterey County Clerk's office, pending Board action on this item.

EXHIBITS

- **17-A** Quarterly Water Supply Strategy and Budget for CAW Main System: July September 2016
- **17-B** Quarterly Water Supply Strategy and Budget for CAW Laguna Seca Subarea: July September 2016
- 17-C Quarterly Water Supply Strategy and Budget Report: July September 2016

EXHIBIT 17-A

California American Water Main Distribution System Quarterly Water Supply Strategy and Budget: July - September 2016

Proposed Production Targets by Source and Projected Use in Acre-Feet

SOURCE/USE		MONTH		YEA	AR-TO-DAT	Έ
	Jul-16	Aug-16	Sep-16	Oct-15 - May-16	% of YTD	% of Annual
Source						
Carmel Valley Aquifer						
Upper Subunits	0	0	0	342	N/A	N/A
Lower Subunits (95-10)	1,143	912	761	5,054	88.7%	56.8%
ASR Diversion	0	0	0			
Table 13 Diversion (Service)	0	0	0			
Total	1,143	912	761	5,396		
Seaside Groundwater Basin						
Coastal Subareas	300	321	350	830	75.5%	36.9%
ASR Recovery	150	150	150	0	0.0%	
Sand City Desalination	<u>25</u>	<u>25</u>	<u>25</u>	83	41.7%	27.8%
Total	1,618	1,408	1,286	914		
Use						
Customer Service	1,618	1,408	1,286	6,310	88.0%	
Table 13 in Basin Use	<u>0</u>	<u>0</u>	<u>0</u>			
Total Customer Use	1,618	1,408	1,286	6,310		
ASR Injection	<u>0</u>	<u>0</u>	<u>0</u>			
Total		1,408	1,286			

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.

2. Total monthly production for "Customer Service" in CAW's main system was calculated by multiplying total annual production (11,954 AF) times the average percentage of annual production for July, August, and September (10.2%, 11.9%, and 9.3%, respectively). According to District Rule 160, the annual production total was based on the assumption that production from the Coastal Subareas of the Seaside Groundwater Basin would not exceed 2,251 AF and production from Carmel River sources, without adjustments for water produced from water resources projects, would not exceed 9,703 AF in WY 2016. The average production percentages were based on monthly data for customer service from WY 2006 to 2013. 3. Maximum daily production values for "Phase 1 and 2 ASR Storage" are based on an average diversion rate of approximately 3,000 gallons per minute (gpm) or 13.3 AF per day and 1,500 gpm or 6.6 AF per day, respectively, from CAW's sources in the Carmel River Basin. Maximum daily production for Phase 1 and 2 ASR sites is 19.9 AF per day. Total monthly production is estimated by multiplying the maximum daily production by operational days per month for "Normal"

flow conditions at San Clemente Dam. 4. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the assumption that sufficient flow will occur in the Carmel River at the targeted levels, to support ASR injection. It is planned that Coastal Subarea pumping will not occur, or will be proportionally reduced, if ASR injection does not occur at targeted levels.

5. The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation to be in compliance with SWRCB WRO No. 95-10.

6. It should be noted that monthly totals for Carmel Valley Aquifer sources may be different than those shown in MPWMD Rule 160, Table XV-3. These differences result from monthly target adjustments needed to be consistent with SWRCB WRO 98-04, which describes how Cal-Am Seaside Wellfield is to be used to offset production in Carmel Valley during low-flow periods. Adjustments are also made to the Quarterly Budgets to ensure that compliance is achieved on an annual basis with MPWMD Rule 160 totals.

7. Table 13 values reflect source/use estimates based on SWRCB Permit 21330, which allows diversions from the CVA for "In Basin use" (3.25 AFD) when flows in the River exceed threshold values. In accordance with Water Rights Permits 21330 and CDO2009-0060, water produced and consumed under this right is subtracted from the CVA annual base amount. Actual values will be dependent on the number of days flows exceed minimum daily instream flow requirements.

8. ASR recovery values will be evaluated and adjusted according to climate and River conditions.

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EXHIBIT 17-B

California American Water Laguna Seca Subarea Distribution Systems Quarterly Water Supply Strategy and Budget: July - September 2016

SOURCE/USE		MONTH		YEAR-TO-DATE			
	Jul-16	Aug-16	Sep-16	Oct-15 - May-16	% YTD	% of Annual Budget	
<u>Source</u> Seaside Groundwater Basin Laguna Seca Subarea	6	5	5	182	675.7%	380.1%	
Other	0	0	0	0	0.0%	0.0%	
<u>Use</u> Customer Service	6	5	5				
Tota	al 6	5	5	182			

Proposed Production Targets by Source and Projected Use in Acre-Feet

Notes:

1. The annual budget period corresponds to the Water Year, which begins on October 1 and ends on September 30 of the following Calendar Year.

6. Year to date production numbers are estimated pending finalization of CAW production data.

7. As approved by MPWMD Board on 8/17/2015, an allocation of 3.41 AF production (3.17 AF metered sales) is transferred to CHOMP within the Ryan Ranch Unit of CalAm (in the Laguna Seca Sub-Area) from Cypress Pacific

^{2.} Total monthly production for "Customer Service" in CAW's Laguna Seca Subarea systems was calculated by multiplying total annual production (48 AF) times the average percentage of annual production for July, August, and September (11.7%, 11.4%, and 10.9%, respectively). The annual production total was based on the assumption that production from the Laguna Seca Subarea of the Seaside Groundwater Basin would not exceed 48 AF. The 48 AF annual production limit is specified in the Seaside Basin Adjudication Decision and is subject to change.

^{3.} It should be noted that, based on recent historical use, actual monthly use will likely exceed the proposed monthly production target. In this context, the production targets represent the maximum monthly production that should occur so that CAW remains within its Standard Production Allocation for the Laguna Seca Subarea specified in the Seaside Decision. Accordingly, actual production beyond these production targets will be subject to replenishment assessment by the Seaside Basin Watermaster.

^{4. &}quot;Other" production sources refer to supplies transferred to Laguna Seca Subarea customers from CAW's Carmel River sources or water rights acquired from other producers in the Seaside Basin to produce additional water. For example, under <u>emergency</u> conditions, water can be transferred from sources that serve customers in CAW's main system, via an existing interconnection, to customers in CAW's Ryan Ranch system.

^{5.} The production targets for CAW's wells in the Seaside Coastal Subareas are based on the need for CAW to produce its full Standard Allocation to be in compliance with SWRCB WRO No. 95-10.

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Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: July - September 2016

1. <u>Management Objectives</u>

The Monterey Peninsula Water Management District (District) desires to maximize the longterm production potential and protect the environmental quality of the Carmel River and Seaside Groundwater Basins. In addition, the District desires to maximize the amount of water that can be diverted from the Carmel River Basin and injected into the Seaside Groundwater Basin while complying with the instream flow requirements recommended by the National Marine Fisheries Service (NMFS) to protect the Carmel River steelhead population. To accomplish these goals, a water supply strategy and budget for production within California American Water's (Cal-Am) Main and Laguna Seca Subarea water distribution systems is reviewed quarterly to determine the optimal strategy for operations, given the current hydrologic and system conditions, and legal constraints on the sources and amounts of water to be produced.

2. Quarterly Water Supply Strategy: July - September 2016

On June 14, 2016, staff from the District, California Department of Fish and Wildlife (CDFW), NMFS and Cal-Am, met and discussed the proposed water supply strategy and related topics for the July - September 2016 period. Staff from the United States Fish and Wildlife Service (USFWS) and the State Water Resources Control Board's, Division of Water Rights (SWRCB-DWR) participated in the meeting by conference call. Currently, flow in the Carmel River is not yet regulated by Los Padres Reservoir (LPR) storage releases, and LPR is still spilling. LPR is currently at ~103% of maximum effective storage capacity, i.e., 1,731 AF that occurs with the Los Padres Dam (LPD) spillway's notch flashboard removed, or ~101% of the 1,775 AF of storage capacity achieved when the notch's flashboard is in place. The LPD notch was closed on May 12, 2015, since that was such dry water year. It was placed into the notch about a month earlier than normal. Due to the installation of the new Smolt Emigration Facility at LPD, it is unlikely that the LPD notch flashboard will ever be removed in the future, so as to maximize any potential annual storage for allocation to sustaining minimum flows in the river over the summer and fall. Flow in the Carmel River is continuous to the lagoon at 3.50 CFS. Most of the tributaries from Cachagua Creek to the river mouth have begun to dewater and their pools are becoming isolated. Rainfall during Water Year (WY) 2016 through May at River Mile (RM) 18.61 (the prior San Clemente Dam site) in the upper watershed has totaled 22.25 inches or 106% of the long-term average to date of 20.80 inches at this site, and 105% of the long-term annual average of 21.12 inches. Further, unimpaired runoff at RM 18.61 for WY 2016 through May has totaled approximately 43,675 AF or about 67% of the long-term average to date for this site of 64,985 AF, and 65% of the long-term annual average of 67,407 AF, making this a "Below Normal" Water Year Type, to date. It is expected that the additional flows this coming quarter will bring WY 2016 barely up into the lower limits of a "Normal" WYT.

Carmel River Basin Given these conditions, and runoff to date appearing to be most similar to Water Year (WY) 2012 accelerated by 24 days, it was agreed that "Dry" year inflows

Quarterly Water Supply Strategy and Budget Report California American Water Main Water Distribution System: July - September 2016

analogous to WY 2012 would be initially assumed to assess Cal-Am's operations during the July through September 2016 period. To meet customer demand, Cal-Am would operate its wells in the Lower Carmel Valley in a downstream-to-upstream sequence, as needed. For the quarterly budget, it was agreed that Cal-Am would attempt to produce no groundwater from its wells in the Upper Carmel Valley during July through September 2016. If sufficient flow in the Carmel River at the District's Don Juan Bridge gage in Garland Park, i.e., any day of 20 or more cubic feet per second (cfs), continues to occur to justify operations allowed under the less restrictive high-flow period, Cal-Am could operate these wells if needed. In addition, it is projected that Cal-Am would produce approximately 1,143, 912, and 761 AF of groundwater from its wells in the Lower Carmel Valley during July, August and September 2016, respectively, for customer service. Table 1 included in this month's Staff Note is shows the initial minimum flows agreed to under the 2016 Low Flow Memorandum of Agreement (MOA), but due to the unpredictability of ongoing hydrology in this first post-drought year, the regulatory agencies intend to review the goals monthly through September 2016. This table will be revised and updated monthly with new flow and storage data, for each succeeding Board meeting through December 2016 as a formal part of the Annual Low Flow MOA process.

Seaside Groundwater Basin It was also agreed that, subject to rainfall and runoff conditions in the Carmel River, Cal-Am would continue production at 300, 321, and 350 AF of native groundwater each month in July, August, and September 2016, respectively, from the Coastal Subareas of the Seaside Basin, in addition to 25 AF per month from the Sand City Desalination Plant, and 150 AF per month of stored water from Water Project 1 and 2 (formerly Phase 1 & 2 ASR), during this period. This approach achieves maximum utilization of the native water available in the basin under the Seaside Basin Adjudication Decision and in compliance with SWRCB Orders 95-10 and 2002-0060. It was also agreed that only 6, 5, and 5 AF of groundwater would be budgeted from Cal-Am's wells in the Laguna Seca Subarea of the Seaside Basin for customers in the Ryan Ranch, Bishop, and Hidden Hills systems during July, August and September 2016, respectively. It is recognized that, based on recent historical use, Cal-Am's actual production from the Laguna Seca Subarea during this period will likely exceed the proposed monthly targets, which are based on Cal-Am's allocation specified in the Seaside Basin Adjudication Decision. For example, in the July through September 2015 period, Cal-Am produced 33 AF each month from the Laguna Seca Subarea to meet customer demand in the Ryan Ranch, Bishop, and Hidden Hills systems. In this context, the production targets represent the maximum monthly production that should occur so that Cal-Am remains within its adjudicated allocation for the Laguna Seca Subarea. Under the amended Seaside Basin Adjudication Decision, Cal-Am is allowed to use production savings in the Coastal Subareas to offset over-production in the Laguna Seca Subarea.

					Table 1 [Version	1c - 6/14/	16]								
2016 Low Flow Memorandum of Agreement & Quarterly Water Budget																
Los Padres Reservoir: Release Schedule (All Values in Acre-Feet, except Cubic-Feet-per-Second as indicated)																
Assuming June - November Flows of CY 2012 = WY2012-2013, December Median Flows of a Below Normal WYT, and Drawdown No Lower Than 1000' Elevation = 403 AF																
Month Represents Water Year Type of:	BelowN	CritDry	Normal	AboveN	Dry	Wet	BelowN	BelowN	Dry	Dry	Dry	Dry	Dry	Dry	BelowN	
	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	WY 2015
Los Padres Reservoir																
Estimated Inflow	72	224	937	7,108	2,722	14,537	2,707	1,357	482	235	94	65	183	525	1,510	30,540
Evaporation	14	5	2	16	20	34	23	34	77	81	71	27	16	7	8	404
Outflow as @ BLP Gage																
Spillage	0	0	0	5,513	1,869	13,581	1,791	401	0	0	0	0	0	0	0	23,155
Combined Release (Ladder/Trap/980')	185	175	342	922	833	922	893	922	506	428	428	387	400	400	751	6,943
Actual Mean Daily in CFS @ BLP Gage	3.0	2.8	5.6	104.6	43.9	235.9	43.7	21.5	8.5	7.0	7.0	6.5	6.5	6.5	12.2	
Targeted Min. Mean Daily Flow in CFS									8.0	7.0	7.0	6.5	6.5	6.5	7.0	
Total Storage																
Beginning of Month	607	480	524	1,117	1,775	1,775	1,775	1,775	1,775	1,674	1,400	995	646	413	531	
End of Month	480	524	1,117	1,775	1,775	1,775	1,775	1,775	1,674	1,400	995	646	413	531	1,282	
Between Reservoirs																
Net Inflow from Tributaries	0	20	249	2,906	1,327	7,168	1,672	730	137	0	0	0	0	0	0	14,209
All Estimated Losses (Div. + E.T.)	52	0	0	0	0	0	0	0	0	79	79	69	52	23	18	279
Sleepy Hollow Weir																
Total Estimated Release	133	195	591	9,341	4,029	21,671	4,356	2,053	643	349	349	318	348	377	733	44,028
Estimated Mean Daily Flow in CFS	2.2	3.3	9.6	151.9	72.5	352.4	73.2	33.4	10.8	5.7	5.7	5.3	5.7	6.3	11.9	

Notes:

1. The minimum pool requirements at Los Padres Reservoir is 105 acre-feet at elevation 980 ft.

2. Projected inflows for the June - September 2016 period are based on actual 2012 flows offset forward in time by 24 days to match the accelerated hydrology to date of 2016 vs 2012.

3. Projected inflows for October-November 2016 are the monthly mean unimpaired monthly flows seen in 2012.

4. Projected inflows for December 2016 are the median flows @ Sleepy Hollow Weir for a Below Normal WYT based on 1902-2015 data.

5. Estimated evaporation from LPR in October-December 2016 is based on average monthly reservoir surface area and gross monthly evaporation rates developed by the US Army Corps of Engineers (1981).

6. Estimated evaporation from LPR June - September 2016, are actual measured values from 2012.

7. Releases and diversions are consistent with terms of the 2001 and 2006 Conservation Agreements between the NMFS and Cal-Am and with the conditions in SWRCB Order Nos. 95-10, 98-04, 2002-0002, and 2009-0060.

8. Numbers in **Bold** type are final reported numbers, and those in *Italics* are future estimates.

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ITEM: CONSENT CALENDAR

18 CONSIDER ADOPTION OF PROPOSED FY 2016-2017 MPWMD BUDGET AND RESOLUTION 2016-10

Meeting Date:	June 20, 2016	Budgeted:	N/A			
From:	David J. Stoldt, General Manager	Program/ Line Item No.:				
Prepared By:	Suresh Prasad	Cost Estimate:	N/A			
General Counsel Review: N/A Committee Recommendation: N/A CEQA Compliance: N/A						

SUMMARY: At the May 16, 2016 Board meeting, staff presented the proposed budget for Fiscal Year 2016-2017. After receiving staff's presentation and responses to questions regarding the proposed budget, the Board requested minor changes which have been incorporated in this budget. Staff has reviewed the budget and made further adjustments to the proposed budget. The latest version of the proposed budget for Fiscal Year (FY) 2016-2017 is attached as Exhibit While preparing the proposed budget, District staff was mindful of the continued **18-C.** economic conditions as well as the current status of the District's three main funding sources (Mitigation Program revenue, Property Tax Revenue, and Water Supply Charge). This budget assumes continuation of the adopted annual Water Supply Charge and continued collection of the Mitigation Program revenue from ratepayer of California American Water in FY 2016-2017. This budget does not include collection of user fee revenue from California American Water ratepayers. This budget also takes into account District's existing Rabobank ASR loan debt obligation. Proposed expenditures and revenues each total \$12,560,650, which is a decrease of 12% for expenditures and revenues from the amount budgeted in FY 2015-2016. A more detailed justification of the proposed budget is provided in the transmittal which is part of the budget document. This proposed budget does not include the use of reserves to balance the proposed budget. The FY 2016-2017 Budget also assumes payment of \$230,000 towards debt service (interest and principal) for the Rabobank ASR Loan. The budget document has been presented in same format as in prior years.

RECOMMENDATION: Staff recommends that the Board adopt Resolution No. 2016-10, A Resolution of the Board of Directors of the Monterey Peninsula Water Management District Adopting the Budget for Fiscal Year 2016-2017.

BACKGROUND: After compilation of the original requests from all Divisions, a detailed review and several adjustments by Division Managers and the General Manager, culminated this budget with proposed expenditures and revenues for FY 2016-2017 totaling \$12,560,650, of which \$2,731,600 or 22% includes reimbursement funds from grants, California American Water and other agencies.

In the past, District budgets had been balanced by use of previously accumulated reserves. At the District's strategic planning session on September 29, 2004, staff recommended that a balanced budget be prepared for FY 2005-2006 using a combination of revenue and expenditure adjustments to eliminate the use of reserve funds. At the January 19, 2005 budget workshop, the Board adopted an eight-part strategy for balancing the FY 2005-2006 Budget. In being mindful of the 2005 Board adopted strategy, every effort was made to balance this proposed budget without the use of reserves. This proposed FY 2016-2017 Budget was balanced without the use of reserves to maintain all of District's programs and services. This budget assumes the continued collection of the annual Water Supply Charge and California American Water Mitigation Program revenues. This budget does not include user fee revenue.

EXHIBITS

- 18-A Draft Resolution No. 2016-10
- **18-B** Draft Copy Certification
- **18-C** Fiscal Year 2016-2017 Budget (separate document)

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RESOLUTION NO. 2016-10

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2016-2017, a copy of which is on file at the District's office.

WHEREAS, the Board of Directors has examined, and deliberated on, the budget during meetings held on May 16, 2016 and June 20, 2016.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula as follows:

- 1. That the said budget as approved at the June 20, 2016 Board of Directors Meeting is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2016-2017.
- 2. That the General Manager may delegate the authority to implement this resolution to the Administrative Services Manager/Chief Financial Officer.
- 3. That the General Manager is authorized and directed to transfer funds from one activity to another within a given fund, and from one Division to another Division, as such times are appropriate, in accordance with generally-accepted accounting principles and consistent with the objectives outlined in the approved budget.
- 4. That any contract for professional services, or other expenditures for procuring equipment, supplies or services, included in the budget that exceeds \$15,000 shall be executed by the General Manager only upon approval by the Board of Directors at a meeting of the Board of Directors.

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 20th day of June 2016 by the following votes:

Ayes: 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 20^{th} day of June 2016.

Witness my hand and seal of the Board of Directors this 20th day of June 2016.

	David J. Stoldt Secretary to the Board
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~	



COPY CERTIFICATION

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Resolution No. 2016-10 duly adopted on the 20th of June 2016.

David J. Stoldt, Secretary to the Board

Date

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Fiscal Year 2016-2017 Budget

Adopted June 20, 2016

2016-2017 BUDGET

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RESOLUTION NO. 2016-XX

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ADOPTING THE BUDGET FOR FISCAL YEAR 2016-2017

WHEREAS, the General Manager has proposed a budget for Fiscal Year 2016-2017, a copy of which is on file at the District's office.

WHEREAS, the Board of Directors has examined, and deliberated on, the budget during meetings held on May 16, 2016 and June 20, 2016.

NOW, THEREFORE BE IT RESOLVED by the Board of Directors of the Monterey Peninsula as follows:

- 1. That the said budget as approved at the June 20, 2016 Board of Directors Meeting is hereby approved and adopted as the budget for the Monterey Peninsula Water Management District for Fiscal Year 2016-2017.
- 2. That the General Manager may delegate the authority to implement this resolution to the Administrative Services Manager/Chief Financial Officer.
- 3. That the General Manager is authorized and directed to transfer funds from one activity to another within a given fund, and from one Division to another Division, as such times are appropriate, in accordance with generally-accepted accounting principles and consistent with the objectives outlined in the approved budget.
- 4. That any contract for professional services, or other expenditures for procuring equipment, supplies or services, included in the budget that exceeds \$15,000 shall be executed by the General Manager only upon approval by the Board of Directors at a meeting of the Board of Directors.

On a motion by Director _____ and seconded by Director _____ the foregoing resolution is duly adopted this 20^{th} day of June 2016 by the following votes:

Ayes: 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 20^{th} day of June 2016.

Witness my hand and seal of the Board of Directors this 20th day of June 2016.

David J. Stoldt Secretary to the Board

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COPY CERTIFICATION

I, David J. Stoldt, Secretary to the Board of Directors of the Monterey Peninsula Water Management District, hereby certify the foregoing is a full, true and correct copy of Resolution No. 2016-XX duly adopted on the 20^{th} of June 2016.

David J. Stoldt, Secretary to the Board

Date

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June 20, 2016

Chairperson Byrne and Board Members Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey, California 93940

Dear Chairperson Byrne and Board Members:

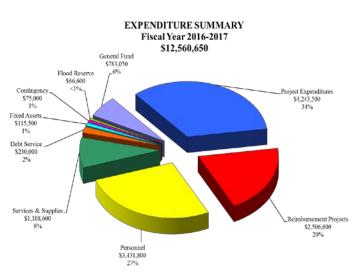
Budget Overview

This letter transmits the recommended budget for Fiscal Year (FY) 2016-2017. While preparing the budget, District staff was mindful of the continuing uncertain economic conditions as well as the current status of the District's existing funding sources, including the user fee revenue. In preparing this year's budget, staff adhered to the strategy to adopt balanced budgets as directed by the Board of Directors in 2005. The FY 2016-2017 Budget does not include use of reserves in order to maintain District programs and services, and it does assume continued collection of the previously adopted Water Supply Charge and continued collection of the Carmel River Mitigation Program revenue from ratepayers of California American Water. This budget does not include user fee revenue.

After compilation of the original requests from all Divisions, a detailed review, and several adjustments by Division Managers and the General Manager, culminated this budget with proposed expenditures and revenues for FY 2016-2017 totaling \$12,560,650, of which \$2,731,600 or 22% includes reimbursement funds from grants, California American Water ratepayers and other agencies.

Expenditures

As shown in the graph on the right and in the expenditures portion of the FY Budget, budgeted 2016-2017 the expenditures of \$12,560,650 decreased by 12% from the amount budgeted in FY 2015-2016. Most of the decrease is attributed to the project expenditures portion of the budget. The project expenditures portion of the budget includes \$3,517,300 towards water supply projects (Water Projects 1 & 2 or Aquifer Storage Recovery Project), Pure Water Monterey (Groundwater Replenishment Project), Local Water



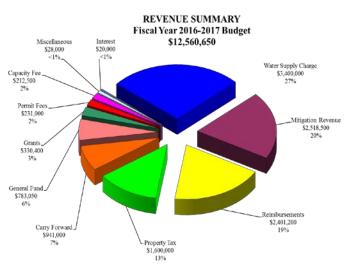
Projects, and other Water Supply Projects), \$534,200 towards mitigation projects, \$192,000 towards non-reimbursable conservation & rebate program activities, and \$2,506,600 towards reimbursement project costs. The reimbursable project expenditure budget includes funds for the operation of Water Projects 1 & 2, Los Padres Dam Plan, grant funded projects, and conservation & rebate program costs. The budget was prepared with the assumption that Cal-Am would continue to reimburse the District for the operation of Water Project 1, and reimburse the cost of both operation and construction of Water Project 2.

Other large project expenditures include \$113,000 for riparian and erosion control activities, \$261,100 for the operation of the Sleepy Hollow fish rearing facility and related fish rescue activities, \$112,100 for lagoon and hydrologic monitoring, \$192,000 for conservation related activities, \$193,700 for retrofit and other conservation devices, and \$1,000,000 for water conservation rebates. The latter two amounts are reimbursable by Cal-Am ratepayers. The expenditure budget also includes \$200,000 for design and permitting of a new water intake system at Sleepy Hollow, paid for with grant funds.

The budget for legal expenses is \$400,000 which is maintained at the same level from last fiscal year. The budget also assumes payment of \$230,000 for debt service (interest and principal) towards the Rabobank ASR loan. The FY 2016-2017 Budget also includes a Capital Improvement Project Forecast as requested by the Board of Directors in 2005.

Revenues

The FY 2016-2017 revenue budget totals \$12,560,650 which decreased by 10% from the amount budgeted in FY 2015-2016. All of the decrease is attributed to the use of reserves in prior year. This budget assumes fiscal collection of the previously adopted Water Supply Charge for FY 2016-2017. This budget also assumed continued collection of the Carmel River Mitigation revenue in the amount of \$2,518,500 from ratepayers of California American Water. This projection is based on an Agreement



between MPWMD and California American Water. This budget does not include user fee revenue. Property tax revenues are projected to be \$1,600,000 which is slightly higher than the amount budgeted in FY 2015-2016. Capacity Fees are estimated to be \$212,500, permit revenues are budgeted at \$231,000 are both projected at the same level as prior fiscal year. Projected revenues also include reimbursements of \$426,900 from Cal-Am for ASR 1 and ASR 2 operational costs, \$500,000 from Cal-Am rate payers towards Los Padres Dam long term plan, \$1,333,700 from Cal-Am ratepayers for rebates and other water conservation activities, \$74,600 for services provided to the Seaside Basin Watermaster, and \$330,400 in grant funds for projects as detailed in the expenditure section of the budget.



Reserves

The following table summarizes the ending balances in the reserve accounts. There are changes to reserve balances as a result of the proposed budget:

Reserve Description	Balance 07/01/16	FY 2016-2017 Change	Balance 06/30/17
Insurance/Litigation Reserve	\$250,000	\$0	\$250,000
Flood/Drought Reserve	254,891	66,000	321,491
Capital Equipment Reserve	142,300	0	142,300
Debt Reserve Fund	219,136	0	219,136
General Operating Reserve	592,008	0	592,008
Totals	\$1,458,335	\$66,000	\$1,524,935

As the above table indicates the total reserve is expected to have a balance of approximately \$1,524,935, or 27% of the operating budget.

Summary

The 2016-2017 Budget was prepared using the strategies adopted in 2005 by the Board of Directors to adopt balanced budgets on an annual basis. The FY 2016-2017 Budget does not include use of reserves to balance the budget. This budget assumes continued collection of the District's three main sources of revenues (Water Supply Charge, Carmel River Mitigation Program, and Property Tax), which will allow the District to maintain its service levels currently provided by the District, and sustain its ability to achieve the objectives in the District's Strategic Plan, including Mission and Vision Statements. The District Management Team would like to thank the Board of Director's and other District employees for their contributions and participation in the development of the FY 2016-2017 Budget. They have made contribution to the development of the budget under difficult circumstances and we acknowledge their efforts. As always, this challenging process has produced an excellent document worthy of recognition.

Respectfully submitted:

David J. Stoldt General Manager Suresh Prasad Administrative Services Manager/ Chief Financial Officer

Larry Hampson Planning & Engineering Manager/ District Engineer Stephanie Locke Water Demand Manager

Joe Oliver Water Resources Manager





MISSION STATEMENT

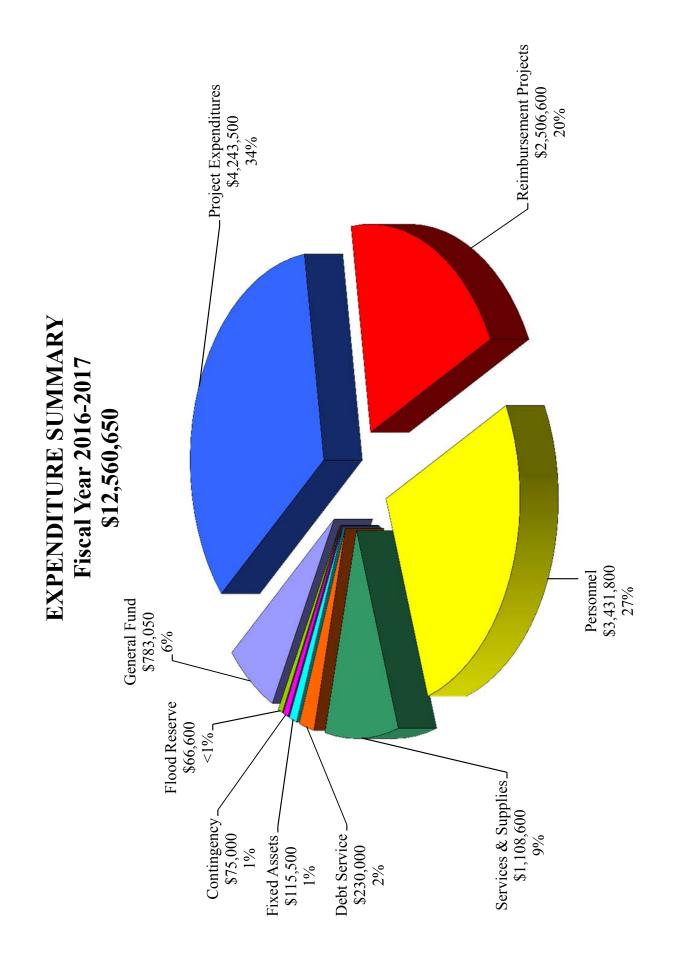
The mission of the Monterey Peninsula Water Management District is to promote or provide for long-term sustainable water supply, and to manage and protect water resources for the benefit of the community and the environment.

VISION STATEMENT

The MPWMD:

 will strive to ensure a public role in development, ownership, and oversight of water supply solutions in collaboration with private or other public entities, resulting in sustainable, legal, affordable, and environmentally responsible water supply, consistent with adopted general plans;

2) shall carry out its leadership role in water resource management in a fiscally responsible and professional manner.



Monterey Peninsula Water Management District Expenditures Comparison by Year Fiscal Year 2016-2017 Budget

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Retirement 1 390,000 401,000 407,600 $6,600$ 1.65% Unemployment Compensation 4.800 6.000 6.000 0 0.00% Deferred Compensation 7.000 7.800 8.400 600 7.99% Deferred Compensation 7.000 7.800 44.00 442,600 4.200 9.46% Employee Insurance 38.4200 44.00 442,600 16.800 4.200 9.46% Medicare & FICA Taxes 27.600 39.700 41,500 1.800 4.33% Personnel Recruitment 1.300 6.000 5.341,800 (812,500) -9.87% Subtoal S12,02,600 S3,443,00 S1,400 -0.00% Ret -0.00% Ret 20,900 23,600 33,700 S7,000 23.33% Board Expenses 4,500 1.000 -0.00% Ret 20,900 23,600 23,200 (400) -1.09% Utilities 35,300 35,00 35,00 2.22% Felphone 1.84,500 <td>PERSONNEL</td> <td></td> <td></td> <td>.</td> <td></td> <td></td>	PERSONNEL			.		
$\begin{array}{l l} eq:linear_line$	Salaries	\$2,270,400	\$2,415,600	\$2,406,700	(\$8,900)	-0.37%
Auto Allowance 4.00 6.000 6.000 0 0.00% Deferred Compensation 7.000 7.000 41.200 (29,800) -41.97% Workers Comp. Ins. 39.300 44.400 48,600 4.200 9.46% Employee Insurance 384.200 41.800 42.1600 16.800 4.200 Medicare & FICA Taxes 27.600 39.700 41,500 16.800 4.200 Staff Development 33.700 38.500 3.44.700 (3.800) -9.87% Subtoal \$3.202.600 \$3.444.300 \$3.43.1800 (\$12.500) -0.09% Rent 20.900 23.600 23.200 (400) -1.69% Utilities 35.300 38.400 38.200 (200) -0.22% Felephone 38.400 44.100 49.200 (1.200) -1.69% Utilities 35.300 3.600 5.000 16.200 -1.69% Utilities 35.300 3.600 4.000 10.000 10.000	Retirement	390,000	401,000	407,600	6,600	1.65%
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$\begin{split} \hline Temporry Personnel & 40,800 & 71,000 & 41,200 & (29,800) & 41.976 \\ Furphoyee Insurance & 39,300 & 44,400 & 48,600 & 42.00 & 94.656 \\ Furphoyee Insurance & 384,200 & 410,800 & 427,600 & 16,800 & 4.095 \\ Medicare & FICA Taxes & 27,600 & 39,700 & 41,500 & 1.800 & 4.535 \\ Starf Development & 33,700 & 38,500 & 34,700 & (3800) & -0.076 \\ Subtotal & $$2,202,600 & $$3,444,300 & $$3,341,800 & ($12,500 & -0.365 \\ \hline \\ SERVICES & SUPPLIES & & & & & & & & & & & & & & & & & & &$		· · · · ·	· · · · ·			
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Monterey Peninsula Water Management District Expenditures by Operating Fund Fiscal Year 2016-2017 Budget

		Water		
	Mitigation	Supply	Conservation	Total
PERSONNEL	<u>v</u>	<u> </u>		
Salaries	\$1,017,600	\$830,200	\$558,900	\$2,406,700
Retirement	172,500	148,100	87,000	407,600
Unemployment Compensation	1,300	1,000	700	\$3,000
Auto Allowance	1,200	3,600	1,200	\$6,000
Deferred Compensation	1,700	5,000	1,700	\$8,400
Temporary Personnel	500	400	40,300	\$41,200
Workers Comp. Ins.	29,800	16,300	2,500	\$48,600
Employee Insurance	180,100	134,300	113,200	\$427,600
Medicare & FICA Taxes	18,700	13,300	9,500	\$41,500
Personnel Recruitment	2,700	2,000	1,800	\$6,500
Staff Development	12,400	11,000	11,300	34,700
Subtotal	\$1,438,500	\$1,165,200	\$828,100	\$3,431,800
CEDVICES & CUDDUES				
SERVICES & SUPPLIES	15 500	11,500	10,000	\$27,000
Board Member Comp	15,500	11,500	10,000	\$37,000
Board Expenses	4,200 10,800	3,100 9,700	2,700	10,000
Rent Utilities	,	· · · · ·	2,700	23,200 38,200
Telephone	16,100 17,700	11,900 13,900	10,200 11,300	42,900
Facility Maintenance	16,100	12,300	9,500	37,900
Bank Charges	1,700	1,200	1,100	4,000
Office Supplies	5,700	4,400	3,900	14,000
Courier Expense	3,300	2,400	2,100	7,800
Postage & Shipping	2,700	2,400	1,600	6,400
Equipment Lease	5,900	4,300	3,800	14,000
Equip. Repairs & Maintenance	3,200	2,300	2,000	7,500
Printing/Duplicating/Binding	2,100	1,500	6,300	9,900
IT Supplies/Services	39,100	28,900	25,000	93,000
Operating Supplies	2,300	1,800	14,700	18,800
Legal Services	112,000	240,000	48,000	400,000
Professional Fees	71,400	52,700	45,900	170,000
Transportation	10,300	10,300	6,000	26,600
Travel	10,600	8,600	12,900	32,100
Meeting Expenses	2,400	1,800	3,900	8,100
Insurance	18,900	14,000	12,200	45,100
Legal Notices	1,900	1,700	700	4,300
Membership Dues	10,100	7,600	11,400	29,100
Public Outreach	2,100	1,600	1,400	5,100
Assessors Administration Fee	_,- • •	12,800	7,200	20,000
Miscellaneous	1,500	1,100	1,000	3,600
Subtotal	\$387,600	\$463,500	\$257,500	\$1,108,600
FIXED ASSETS	25,600	19,800	70,100	\$115,500
PROJECT EXPENDITURES				
Water Supply	0	3,517,300	0	3,517,300
Mitigation	472,850	61,350	0	534,200
Conservation	0	0	192,000	192,000
Reimbursement Projects	229,000	1,077,900	1,199,700	2,506,600
DEBT SERVICE	0	230,000	0	230,000
FLOOD/DROUGHT RESERVE	66,600	0	0	66,600
GENERAL FUND BALANCE	783,050	0	0	783,050
CONTINGENCY	31,500	23,200	20,300	75,000
EXPENDITURE TOTAL	\$3,434,700	\$6,558,250	\$2,567,700	\$12,560,650

Monterey Peninsula Water Management District Labor Allocation by Operating Funds Fiscal Year 2016-2017

	Water				
	Mitigation	Supply	Conservation	<u>Total</u>	
General Manager's Office					
General Manager	20%	60%	20%	100%	
Executive Assistant	25%	50%	25%	100%	
Administrative Services					
ASD Mgr/CFO	33%	34%	33%	100%	
Accountant	33%	34%	33%	100%	
Human Resources Analyst	33%	34%	33%	100%	
Office Services Supervisor	33%	34%	33%	100%	
Office Specialist II	33%	34%	33%	100%	
Information Technology Manager	30%	37%	33%	100%	
GIS Specialist	51%	39%	10%	100%	
Planning & Engineering					
P&E Mgr/District Engineer	58%	42%	0%	100%	
Water Resources Engineer	85%	15%	0%	100%	
Riparian Projects Coordinator	80%	20%	0%	100%	
River Maintenance Specialist	100%	0%	0%	100%	
River Maintenance Worker	100%	0%	0%	100%	
Water Demand					
Water Demand Manager	0%	20%	80%	100%	
Conservation Rep II	0%	75%	25%	100%	
Conservation Rep II	0%	25%	75%	100%	
Conservation Rep I	0%	0%	100%	100%	
Conservation Rep I	0%	0%	100%	100%	
Conservation Technician II	0%	0%	100%	100%	
Water Resources	200/	710/	00/	1000/	
Water Resources Manager	29%	71%	0%	100%	
Senior Hydrogeologist	0%	100%	0%	100%	
Hydrography Programs Coordinator	90%	10%	0%	100%	
Associate Hydrologist	2%	98%	0%	100%	
Senior Fisheries Biologist	95%	5%	0%	100%	
Associate Fisheries Biologist	100%	0%	0%	100%	
Associate Fisheries Biologist	100%	0%	0%	100%	
Average Percentage	42%	31%	27%	100%	

Monterey Peninsula Water Management District Expenditures by Division Fiscal Year 2016-2017 Budget

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Staff Development 4,000 10,000 8,600 7,500 4,600 34,700 Subtoral \$378,200 \$\$857,200 \$\$656,000 \$\$14,80				· · · · · ·			-
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SERVICES & SUPPLIES Board Member Comp 50 \$37,000 \$0 \$0 0 10,000 Beart 10,000 0 0 0 0 10,000 Rent 0 37,800 0 0 400 38,200 Telephone 1,300 33,000 4,600 0 0 37,800 Bank Charges 0 4,000 0 0 0 37,800 Office Supplies 500 12,200 400 0 0 4,000 Office Supplies 500 12,200 400 0 0 7,800 Postges & Shipping 0 6,000 0 0 14,000 0 14,000 Guipment Lease 0 7,500 0 0 0 9,900 Fishing/Services 2,600 90,000 400 0 0 9,900 Transportation 0 0 6,000 14,000 0 0 9,900	•		· · · · · ·	· · · · · ·	· · · · · · · · · · · · · · · · · · ·	5	<i>,</i>
Board Member Comp \$0 \$37,000 \$0 \$0 \$0 \$17,000 Board Expenses 10,000 <	Subtotal	\$378,200	\$807,200	\$030,000	\$014,800	\$915,000	\$5,451,800
Board Expenses 10,000 0 0 0 0 10,000 Rent 0 10,000 6,600 0 6,600 23,200 Telephone 1,300 33,000 4,600 2,000 2,000 42,900 Facility Maintenance 0 35,100 1,400 0 0 4,000 Ordice Supplies 500 12,200 400 500 4000 14,000 Ordice Supplies 500 12,200 400 0 0 7,800 Postage & Shipping 0 6,000 0 0 7,800 0 0 7,800 Postage & Shipping 0 6,000 0 0 0 7,500 0 0 0 7,500 Printing/Duplicating/Binding 1,000 4,000 0 0 0 9,3000 17 k000 9,3000 14,600 2,600 17,000 7,500 0 0 0 10,000 17,000 17,000 17,000	SERVICES & SUPPLIES						
Rest 0 10,000 6,600 0 6,600 23,200 Utilities 0 33,000 0 0 400 38,200 Facility Maintenance 0 35,100 1,400 0 1,400 37,800 Bank Charges 0 4,000 0 0 0 4,000 Office Supplies 500 12,200 400 500 400 14,000 Corrier Expense 0 7,800 0 0 0 6,400 Postage & Shipping 0 6,000 0 0 0 14,000 Equipment Lease 0 14,000 0 0 9,900 Printing/Duplicating/Binding 1,000 4,000 0 0 9,900 I's supplies/Services 2,600 90,000 0 0 0 40,000 Legal Services 10,000 8,000 0 0 0 40,000 Legal Services 0 4,500 0	Board Member Comp	\$0	\$37,000	\$0	\$0	\$0	37,000
Utilities 0 37,800 0 0 400 38,200 Telephone 1,300 33,000 4,600 2,000 42,900 Bank Charges 0 4,000 0 0 1,400 37,800 Bank Charges 0 4,000 0 0 0 4,000 Office Supplies 500 12,200 400 500 400 14,000 Courier Expense 0 7,800 0 0 0 7,800 Postage & Shipping 0 6,600 0 0 0 7,800 Operating Strephese 0 14,000 0 0 0 7,500 Operating Strephese 2,600 90,000 400 0 0 9,3000 IT supplies/Services 2,600 90,000 400 0 0 0 9,3000 Irasportation 0 0 0 0 0 0 179,000 Irasportation 0	Board Expenses	10,000	0	0	0	0	10,000
Telephone 1,300 33,000 4,600 2,000 2,000 42,900 Facility Maintenance 0 35,100 1,400 0 1,400 37,900 Bank Charges 0 40,000 0 0 0 0 40,000 Office Supplies 500 12,200 4000 500 400 14,000 Courier Expense 0 7,800 0 0 0 7,800 Postage & Shiphing 0 6,000 0 0 0 14,000 Equipment Lease 0 14,000 0 0 0 9,900 Printing/Duplicaring/Binding 1,000 4,000 0 0 0 9,900 Trauplies/Services 2,600 90,000 400 0 0 9,000 Legal Services 0 40,000 0 0 0 9,000 Transportating Supplies 500 4,000 400 0 1,00,00 Iransportation	Rent	0	10,000	6,600	0	6,600	23,200
Facility Maintenance 0 35,100 1,400 0 1,400 37,900 Bank Charges 0 4,000 0 0 0 4,000 Office Supplies 500 12,200 400 500 400 14,000 Courier Expense 0 7,800 0 0 0 7,800 Postage & Shipping 0 6,000 0 0 0 4,000 Equipment Lease 0 14,000 0 0 4,000 14,000 Printing/Duplicating/Binding 1,000 4,000 0 4,900 0 9,900 Operating Supplies 500 4,000 400 0 0 9,900 Operating Supplies 500 4,000 0 0 0 9,900 Operating Supplies 120,000 6,000 0 0 170,000 Transportation 0 0 0 0 0 3,100 Insurance 0 4,500	Utilities	0	37,800	0	0	400	38,200
Bank Charges 0 4,000 0 0 0 4,000 Office Supplies 500 12,200 400 500 400 14,000 Courier Expense 0 7,800 0 0 0 7,800 Postage & Shipping 0 6,000 0 0 0 14,000 Equip. Repairs & Maintenance 0 7,500 0 0 0 9,900 Printing Duplicating/Binding 1,000 4,000 0 4,900 0 9,900 Operating Supplies 500 4,000 400 0 0 9,000 Legal Services 0 400,000 0 0 0 400,000 Professional Fees 120,000 50,000 0 0 170,000 Travel 10,000 8,100 1,000 8,000 5,000 32,100 Insutrace 0 45,100 0 0 0 3,100 Insutrace 500 2,200	Telephone	1,300	33,000	4,600	2,000	2,000	42,900
Office Supplies 500 12,200 400 500 400 14,000 Corrier Expense 0 7,800 0 0 0 7,800 Postage & Shipping 0 6,000 0 0 400 6,400 Equipment Lesse 0 14,000 0 0 0 14,000 Equipment Lesse 0 7,500 0 0 0 7,500 Printing/Duplicating/Binding 1,000 4,000 0 4,900 0 9,900 IT Supplies/Services 2,600 90,000 400 0 0 9,900 IT Supplies/Services 0 400,000 0 0 0 9,900 IT supplies/Services 0 400,000 0 0 0 9,900 IT supplies/Services 0 400,00 0 0 0 0 9,000 It supplies 120,000 5,000 0 0 0 17,000 0 0 <t< td=""><td>Facility Maintenance</td><td>0</td><td>35,100</td><td>1,400</td><td>0</td><td>1,400</td><td>37,900</td></t<>	Facility Maintenance	0	35,100	1,400	0	1,400	37,900
Courier Expense 0 7.800 0 0 7.800 Postage & Shipping 0 6.000 0 0 4.000 6.400 Equipment Lease 0 14.000 0 0 0 14.000 Equip. Reprise & Maintenance 0 7.500 0 0 0 9.900 Printing/Duplicating/Binding 1.000 4.000 4.000 0 9.900 IT Supplies/Services 2.600 90.000 400 0 0 9.900 Carls Exprise 2.600 90.000 400 13.500 400.000 18.800 Legal Services 0 400.000 0 0 0 400.000 Professional Fees 120.000 5.000 2.600 0 0 14.600 25.600 Transportation 0 0 6,000 6,000 5,000 2.100 1.600 4.300 Meeting Expenses 700 4,500 40 0 0 5.100	Bank Charges	0	4,000	0	0	0	4,000
Postage & Shipping 0 6.000 0 0 400 6,400 Equipment Lease 0 14,000 0 0 14,000 Equip. Repairs & Maintenance 0 7,500 0 0 0 7,500 Printing/Duplicating/Binding 1,000 4,000 0 4,900 0 9,900 IT Supplies/Services 2,600 90,000 400 0 0 93,000 Operating Supplies 500 4,000 0 0 0 93,000 Legal Services 0 400,000 0 0 0 400,000 Professional Fees 120,000 5,000 0 0 17,000 Travel 10,000 8,100 1,000 8,000 2,500 0 8,100 Insurance 0 45,100 0 0 0 4,300 Meeting Expenses 5,100 0 0 0 2,000 Assessors Administration Fee 0 20,000	Office Supplies	500	12,200	400	500	400	14,000
Equipment Lase014,00000014,000Equipment Lase07,5000007,500Printing/Duplicating/Binding1,0004,00004,90009,900Operating Supplies2,60090,000400009,900Operating Supplies5004,00040013,50040018,800Legal Services0400,000000170,000Professional Fees120,00050,000000170,000Travel10,0008,1001,0008,0005,00032,100Insurance04,510040026,6004,5004,500Legal Notices5002,2000004,500Meetrship Dues22,2001,500004,500Public Outreach5,10000002,100Miscellaneous1,0002,600003,5100Subtotal\$175,400\$836,400\$21,200\$42,400\$33,200\$1,108,600FIXED ASSETS042,200073,3000115,500PROJECT EXPENDITURES000003,21,200Water Supply282,50002,190,400003,21,200Conservation00003,21,200534,200DEBT SERVICE0230,000000230,000	Courier Expense	0	7,800	0	0	0	7,800
Equip. Repairs & Maintenance 0 7,500 0 0 0 7,500 Printing/Duplicating/Binding 1,000 4,000 0 4,900 0 9,900 IT Supplies/Services 2,600 90,000 400 0 0 9,900 Legal Services 0 400,000 0 0 0 400,000 Printing/Supplies 500 4,000 0 0 0 400,000 Legal Services 0 400,000 0 0 0 170,000 Transportation 0 0 6,000 6,000 14,600 26,600 Insurance 0 4,510 400 2,500 0 8,100 Insurance 0 45,100 0 0 0 45,100 Membership Dues 22,200 1,500 0 0 0 20,000 Public Outreach 5,100 0 0 0 0 20,000 Subtotal \$175,400	Postage & Shipping	0	6,000	0	0	400	6,400
Printing/Duplicating/Binding 1,000 4,000 0 4,900 0 9,900 IT Supplies/Services 2,600 90,000 400 0 0 93,000 Operating Supplies 500 4,000 400 0 0 93,000 Legal Services 0 400,000 0 0 0 400,000 Professional Fees 120,000 50,000 0 0 0 170,000 Travel 10,000 8,100 1,000 8,000 2,500 0 8,100 Insurace 0 45,100 0 0 0 43,00 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurace 0 45,100 0 0 0 0 4,300 Meeting Expenses 22,200 1,500 0 0 0 20,000 Meting Treach 5,100 0 0 0 0 20,000 Mitr	Equipment Lease	0	14,000	0	0	0	14,000
IT Supplies/Services 2,600 90,000 400 0 0 93,000 Operating Supplies 500 4,000 400 13,500 400 18,800 Legal Services 0 400,000 0 0 0 400,000 Professional Fees 120,000 50,000 0 0 0 170,000 Transportation 0 0 6,000 6,000 14,600 26,600 Travel 10,000 8,100 1,000 8,000 5,000 32,100 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 0 45,100 Legal Notices 5,100 0 0 0 29,100 Public Outreach 5,100 0 0 0 20,000 Assessors Administration Fee 0 20,000 0 0 33,200 \$1,108,600 FIXED ASSETS 0 42,200 0 73,300 0 115,500 92,900 2,190,400 1,044,4	Equip. Repairs & Maintenance	0	7,500	0	0	0	7,500
Operating Supplies 500 4,000 400 13,500 400 18,800 Legal Services 0 400,000 0 0 0 400,000 Professional Fees 120,000 50,000 0 0 0 170,000 Transportation 0 0 6,000 6,000 14,600 26,600 Iravel 10,000 8,100 1,000 8,000 5,000 32,100 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 0 4,500 Membership Dues 22,200 1,500 0 0 0 29,100 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 33,200 \$1,108,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 PROJECT EXPE	Printing/Duplicating/Binding	1,000	4,000	0	4,900	0	9,900
Legal Services 0 400,000 0 0 0 400,000 Professional Fees 120,000 50,000 0 0 0 0 170,000 Transportation 0 0 0,000 6,000 6,000 14,600 26,600 Travel 10,000 8,100 1,000 8,000 50,000 32,100 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 1,600 4,300 Membership Dues 22,200 1,500 0 5,000 400 29,100 Public Outreach 5,100 0 0 0 0 5,000 Assessors Administration Fee 0 20,000 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 PROJECT EXPENDITURES 0 2,200 0 73,300 0 115,50	IT Supplies/Services	2,600	90,000	400	0	0	93,000
Professional Fees 120,000 50,000 0 0 0 170,000 Transportation 0 0 6,000 6,000 14,600 26,600 Travel 10,000 8,100 1,000 8,000 5,000 32,100 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 45,100 0 4,500 4,00 Legal Notices 500 2,200 0 0 1,600 4,300 Public Outreach 5,100 0 0 0 0 29,100 Assessors Administration Fee 0 20,000 0 0 0 20,000 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 21,90,400 0 192,000 0192,000	Operating Supplies	500	4,000	400	13,500	400	18,800
Transportation 0 0 6,000 6,000 14,600 26,600 Travel 10,000 8,100 1,000 8,000 5,000 32,100 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 0 4,300 Membership Dues 22,200 1,500 0 5,000 4,300 Membership Dues 22,200 1,500 0 0 0 29,100 Public Outreach 5,100 0 0 0 0 20,000 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 21,200 \$42,400 \$33,200 \$1,108,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300	Legal Services	0	400,000	0	0	0	400,000
Travel 10,000 8,100 1,000 8,000 5,000 32,100 Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 0 4,300 Legal Notices 500 2,200 0 0 1,600 4,300 Membership Dues 22,200 1,500 0 5,000 400 29,100 Public Outreach 5,100 0 0 0 0 20,000 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 333,200 \$11,08,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 163,000 0 192,000 192,000 192,000	Professional Fees	120,000	50,000	0	0	0	170,000
Meeting Expenses 700 4,500 400 2,500 0 8,100 Insurance 0 45,100 0 0 0 45,100 Legal Notices 500 2,200 0 0 1,600 4,300 Membership Dues 22,200 1,500 0 5,000 400 29,100 Public Outreach 5,100 0 0 0 0 0 20,000 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$11,08,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 192,000 Reimburseme	Transportation	0	0	6,000	6,000	14,600	26,600
Insurance 0 45,100 0 0 45,100 Legal Notices 500 2,200 0 0 1,600 4,300 Membership Dues 22,200 1,500 0 5,000 400 29,100 Public Outreach 5,100 0 0 0 0 0 20,000 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 192,000 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600	Travel	10,000	8,100	1,000	8,000	5,000	32,100
Legal Notices 500 2,200 0 0 1,600 4,300 Membership Dues 22,200 1,500 0 5,000 400 29,100 Public Outreach 5,100 0 0 0 0 0 29,100 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 371,200 534,200 Conservation 0 0 192,000 192,000 192,000 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500	Meeting Expenses	700	4,500	400	2,500	0	8,100
Membership Dues 22,200 1,500 0 5,000 400 29,100 Public Outreach 5,100 0 0 0 0 0 0 29,100 Assessors Administration Fee 0 20,000 0 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 FIXED ASSETS 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 42,200 0 73,300 0 115,500 Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 34,200 Conservation 0 192,000 192,000 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 230,000 0	Insurance	0	45,100	0	0	0	45,100
Public Outreach 5,100 0 0 0 0 5,100 Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 FIXED ASSETS 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 371,200 534,200 Conservation 0 0 163,000 0 371,200 534,200 DEBT SERVICE 0 230,000 0 0 230,000 0 230,000 GENERAL FUND BALANCE 0 783,050 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 0	Legal Notices	500	2,200	0	0	1,600	4,300
Assessors Administration Fee 0 20,000 0 0 0 20,000 Miscellaneous 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 FIXED ASSETS 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 66,600 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000	Membership Dues	22,200	1,500	0	5,000	400	29,100
Miscellaneous Subtotal 1,000 2,600 0 0 0 3,600 Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 FIXED ASSETS 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 66,600 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 75,000	Public Outreach	5,100	0	0	0	0	5,100
Subtotal \$175,400 \$836,400 \$21,200 \$42,400 \$33,200 \$1,108,600 FIXED ASSETS 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 0 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 66,600 0 0 783,050 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 75,000 75,000	Assessors Administration Fee	0	20,000	0	0	0	20,000
FIXED ASSETS 0 42,200 0 73,300 0 115,500 PROJECT EXPENDITURES 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 666,600 0 0 783,050 0 0 783,050 CONTINGENCY 0 75,000 0 0 0 75,000 75,000 0 75,000	Miscellaneous	1,000	2,600	0	0	0	3,600
PROJECT EXPENDITURES Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 666,600 0 0 666,600 66,600 66,600 783,050 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 75,000 0 75,000 75	Subtotal	\$175,400	\$836,400	\$21,200	\$42,400	\$33,200	\$1,108,600
PROJECT EXPENDITURES Water Supply 282,500 0 2,190,400 0 1,044,400 3,517,300 Mitigation 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 666,600 0 0 666,600 66,600 66,600 783,050 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 75,000 0 75,000 75	FIXED ASSETS	0	42,200	0	73,300	0	115,500
Mitigation 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 666,600 0 0 0 666,600 GENERAL FUND BALANCE 0 783,050 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 75,000	PROJECT EXPENDITURES		-				-
Mitigation 0 0 163,000 0 371,200 534,200 Conservation 0 0 0 192,000 0 192,000 Reimbursement Projects 110,400 528,000 1,199,700 668,500 2,506,600 DEBT SERVICE 0 230,000 0 0 0 230,000 FLOOD/DROUGHT RESERVE 0 666,600 0 0 0 666,600 GENERAL FUND BALANCE 0 783,050 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 75,000	Water Supply	282,500	0	2,190,400	0	1,044,400	3,517,300
Reimbursement Projects110,400528,0001,199,700668,5002,506,600DEBT SERVICE0230,000000230,000FLOOD/DROUGHT RESERVE0666,60000066,600GENERAL FUND BALANCE0783,050000783,050CONTINGENCY075,0000075,00075,000	Mitigation	0	0	163,000	0	371,200	534,200
DEBT SERVICE0230,000000230,000FLOOD/DROUGHT RESERVE066,60000066,600GENERAL FUND BALANCE0783,050000783,050CONTINGENCY075,00000075,000	Conservation	0	0	0	192,000	0	192,000
FLOOD/DROUGHT RESERVE 0 66,600 0 0 0 66,600 GENERAL FUND BALANCE 0 783,050 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 0 75,000	Reimbursement Projects	110,400		528,000	1,199,700	668,500	2,506,600
GENERAL FUND BALANCE 0 783,050 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 0 75,000 0 75,000 0 75,000 0 75,000 75,000 0 75,000 75,	DEBT SERVICE	0	230,000	0	0	0	230,000
GENERAL FUND BALANCE 0 783,050 0 0 0 783,050 CONTINGENCY 0 75,000 0 0 75,000 0 75,000 0 75,000 0 75,000 0 75,000 75,000 0 75,000 75,				0	0	0	
	GENERAL FUND BALANCE	0	783,050	0	0	0	783,050
Expenditure Total \$946,500 \$2,900,450 \$3,558,600 \$2,122,200 \$3,032,900 \$12,560,650	CONTINGENCY	0	75,000	0	0	0	75,000
	Expenditure Total	\$946,500	\$2,900,450	\$3,558,600	\$2,122,200	\$3,032,900	\$12,560,650

EXHIBIT 18-C MONTEREY PENINSULA WATER MANAGEMENT DISTRICT PROJECT EXPENDITURES FISCAL YEAR 2016-2017 BUDGET

	Objective	Timeline	Total	Account	Division	Reimbursable	Source
JGMENT	WATER SUPPLY						
perations N	Modeling						
1-1-1	GSFLOW Development (formerly CVSIM)	June	49,000	35-03-782900	P&E		
	Los Padres Dam Long Term Plan	June	500,000	35-03-786015	P&E	500,000	CAW
	A Los Padres Reservoir Expansion Simulation	June	25,000	35-03-7860XX	P&E		
ater Suppl	ly Projects						
1-2-1	Water Project 1 (Aquifer Storage Recovery 1)						
	A. Santa Margarita Site						
	1. Site work	. ·	10.000				
	a. FORA / regulatory agency compliance	Ongoing	10,000		WRD		
	b. Site expansion engineering	Ongoing	276,200	35-04-786004	WRD		
	c. Backup ASR well design/bid specification	Summer/Fall		35-04-786004	WRD		
	d. Facility PLC interface	Fall/Winter	118,100	35-04-786004	WRD		
	e. ASR-1 and 2 permanent soundproof enclosures	Fall/Winter	25,000	35-04-786004	WRD		
	f. City of Seaside easement (ground lease)	Ongoing	16,500		WRD		
	g. Grading Project (pit expand)	Winter/Spring	323,500	35-04-786004	WRD		
	h. ASR1 turbidimeter/PLC interlock	Winter/Spring	20,000	35-04-786004	WRD		
	i. Lube water booster system installation	Winter/Spring	23,000	35-04-786004	WRD		
	j. Supplemental Sampling and Analysis Plan (SSAP)	Ongoing	65,000	35-04-786004	WRD		
	k. Contingency (15%)	Ongoing	133,800	35-04-786004	WRD		
	2. Operations and Maintenance						
	a. Operations support	Ongoing	30,000	35-04-786004	WRD	30,000	CAW
	 b. Water quality lab analysis 	Ongoing	25,000	35-04-786004	WRD	25,000	CAW
	c. Electrical power	Ongoing	93,800	35-04-786004	WRD	93,800	CAW
	d. Replacement parts for water quality field meters	Ongoing	5,000	35-04-786004	WRD	5,000	CAW
	e. Backup 500' water level probe	Ongoing	1,500	35-04-786004	WRD	1,500	CAW
	f. Transducers maintenance / replacement	Ongoing	4,000	35-04-786004	WRD	4,000	CAW
	g. Misc supplies - ASR field office	Ongoing	500	35-04-786004	WRD	500	CAW
	h. Security cameras	Ongoing	300	35-04-786004	WRD	300	CAW
	i. Facility building DSL line internet (air modem charge)	Ongoing	500	35-04-786004	WRD	500	CAW
	j. Facility building maintenance	Ongoing	1,000	35-04-786004	WRD	1,000	CAW
	k. Grunfos sample pump repair / replacement	Ongoing		35-04-786004	WRD	3,000	CAW
	I. Site Service	Ongoing	1,200	35-04-786004	WRD	1,200	CAW
	m. Contingency (10%)	Ongoing	16,600	35-04-786004	WRD	16,600	CAW
	D. Woton Designet 2 (Aguifan Stanogo Dessayan 2)						
	B. Water Project 2 (Aquifer Storage Recover 2)						
	1. Seaside Middle School Site	G /E 11	125 000	25.04.70(007	WDD	125 000	CAN
	a. ASR well rehab testing	Summer/Fall	125,000	35-04-786007	WRD	125,000	CAW
	 b. ASR wells baseline injection testing c. Contingency (15%) 	Winter/Spring Ongoing	14,000 20,900	35-04-786007 35-04-786007	WRD WRD	14,000 20,900	CAW CAW
	e. contingency (1976)	Ongoing	20,700	55-04-780007	WILD	20,700	CAW
	2. Operations & Maintenance	Onesine	10.000	25.04.786006	WDD	10.000	CAW
	a. Operations support	Ongoing	10,000	35-04-786006	WRD	10,000	CAW
	b. Water quality lab analysis	Ongoing		35-04-786006	WRD	18,800	CAW
	c. Electrical power	Ongoing		35-04-786006	WRD	46,900	CAW
	d. Facility building maintenance	Ongoing	1,200		WRD	1,200	CAW
	e. Contingency (15%)	Ongoing	7700	35-04-786006	WRD	7,700	CAW
1-4-1	Water Rights Permits Fees	Ongoing	5,000	35-03-781200	P&E		
1-5-1	Ground Water Replenishment Project (PWM)	Ongoing	1,576,500	35-03-786010	GMO/P&E		
1-7-1	A. ASR Expansion Study - Carmel Valley	Ongoing	18,500	35-04-786016	WRD		
1-8-1	A. Other Water Supply Projects - IFIM feasibility studies	Ongoing	103,000	35-03-786019	P&E		
1-9-1	Cal-Am Desal Project	Ongoing	200,000	35-01-786025	GMO		
	Local Water Projects	Ongoing	386,900	35-03-786033	P&E		
1-10-1		Ongoing	0	35-03-786035	P&E		
	1 Alternate Desal Project	Oligoling					
1-11-1	1 Alternate Desal Project 1 Carmel River Basin Study	Ongoing	45,000	35-03-7860XX	P&E		
1-11-1 1-10-1			45,000 192,900	35-03-7860XX 35-03-7860XX	P&E GMO	110,400	Rec Bure

EXHIBIT 18-C MONTEREY PENINSULA WATER MANAGEMENT DISTRICT PROJECT EXPENDITURES FISCAL YEAR 2016-2017 BUDGET

	Objective	Timeline	Total	Account	Division	Reimbursable	Source
ROTECT I	ENVIRONMENTAL QUALITY						
parian Mi							
parian 1911							
2-1-1	Irrigation Program						
	A. Operate and maintain 4 well systems	Ongoing	10,000	24-03-785011	P&E		
	B. Operate and maintain District project systems	Ongoing	15,000	24-03-785012	P&E		
	C. Refurnish DeDampierre well vault	June	5,000	24-03-785012	P&E		
2-1-2	Riparian Corridor Management						
	A. Maintain and diversify plantings at District projects						
	1. Seed collection and propagation	Ongoing	1,000	24-03-787030	P&E		
	2. Supplemental planting	Ongoing	500	24-03-787033	P&E		
	B. Riparian corridor maintenance (projects/equipment)	Ongoing	1,000	24-03-787080	P&E		
212	Pinarian Manitaring Program						
2-1-5	Riparian Monitoring Program A. Vegetation and soil moisture monitoring	Ongoing	500	24-03-787021	P&E		
	B. Wildlife monitoring	August & May	0	24-03-787022	P&E		
	C. Field Biology Assistant	Ongoing	0	24-03-787010	P&E		
		o :	15 000	24.02.707040	Dec		
2-1-4	Address Vegetation Hazards and Remove Trash	Ongoing	15,000	24-03-787040	P&E		
osion Prot	tection						
2-2-1	Repair Bank Damage at District Restoration Projects						
	A. Work at lower San Carlos restoration project	June	50,000	24-03-789541	P&E		
	Carmel Riverbed Topographic Data	Ongoing	15,000	24-03-7895XX	P&E		
2-2-2	Carnier Riveroed Topographic Data	Oligonig	15,000	24-03-789377	ræE		
uatic Res	ources Fisheries						
2-3-1	Sleepy Hollow Facility Operations						
	A. General operations and maintenance	Ongoing	26,000	24-04-785813	WRD		
	B. Power	Ongoing		24-04-785813	WRD		
	C. Road maintenance	June		24-04-785813	WRD		
	D. Replacement of standby generator fuel	Ongoing		24-04-785813	WRD		
	E. Generator maintenance service	Spring		24-04-785813	WRD		
	F. Design and permiting for new intake system	2016		24-04-785812	WRD	200.000 Co	astal Conservanc
	G. Facility upgrade (construction)	2017		24-04-785812	WRD	200,000 00	Justan Conservane
	H. ESA Section 10 SHSRF Evaluations	Ongoing		24-04-785811	WRD		
	I. Intake/cold well repair & maintenance	Ongoing		24-04-785813	WRD		
	J. Rearing channel screen replacement	July	10,000	24-04-785813	WRD		
	K. Alarm System Redesign/Replacement	July-Sept.		24-04-785813	WRD		
	L. Water Resources Assitant for Weekend Shift	JunJan.		24-04-785811	WRD		
	Conduct Investile Deserves						
2-3-2	Conduct Juvenile Rescues	O	5 200	24.04.795912	WRD		
	A. Miscellaneous fish rescue supplies	Ongoing	5,300				
	B. Water Resources Assistant	Ongoing		24-04-787010	WRD		
	C. Seasonal Fish Rescue Workers	Ongoing		24-04-787010	WRD		
	D. Recalibrate backpack electro-fisher	Ongoing	900		WRD		
	E. Waders	Ongoing		24-04-785813	WRD		
	F. On-call fish rescue crew leader	Ongoing	6,500		WRD		
	E. Equipment Expenses	Ongoing	500	24-04-785811	WRD		
2-3-3	Rescue & Transport Smolts						
	A. Smolt rescue supplies	Feb-May	1,500	24-04-785833	WRD		
	B. Water Resources Assistant	March-May	9,900	24-04-787010	WRD		
	C. Seasonal Fish Rescue Worker	March-May	9,200	24-04-787010	WRD		
2-3-4	Monitoring of Adult Steelhead Counts - San Clemente Dam						
	A. DIDSON Steelhead counting station components	Fall-Spring	7,800	24-04-785851	WRD		
	B. Water Resources Assistant	Fall-Spring	16,500	24-04-787010	WRD		
2-3-5	Adult & kelt rescue and transport	Ongoing	1,000	24-04-785900	WRD		
	Contracted Aquatic Invertebrate Identification & Retraining	Oct.	4,000	24-04-785860	WRD		
			.,				
2-3-7	Carmel River & Lagoon Water Quality Monitoring Samples	Ongoing	1,200	24-04-785870	WRD		
	Water Resources Assistant	Ongoing	4,800	24-04-787010	WRD		

EXHIBIT 18-C MONTEREY PENINSULA WATER MANAGEMENT DISTRICT PROJECT EXPENDITURES FISCAL YEAR 2016-2017 BUDGET

	Objective	Timeline	Total	Account	Division	Reimbursable	Source
goon Miti	gation Activities						
2-4-1	Monitoring						
	A. Bi-annual inter-agency cooperative Steelhead survey	June/Dec	500	24-04-785871	WRD		
	B. YSI Automatic Vertical Water Quality Profiler	Ongoing	5,000	24-04-782203	WRD		
drologic							
2-5-1	Carmel Valley						
	A. Monitor Carmel River near Carmel (USGS)	Ongoing	15,200	35-04-785600	WRD		
	B. Water quality chemical analyses	Ongoing	1,600	35-04-781510	WRD		
	C. Replace CVA coastal monitor well cluster	Ongoing	39,400	xx-04-785502	WRD		
	D. Fractured rock well monitoring	Ongoing	2,000	xx-04-785507	WRD		
	E. CVA wells digitization	Ongoing	-	4/5-785505	WRD		
	F. Water resources intern (WQ)	Ongoing	4,500	35-04-7815XX	WRD		
2-5-2	Seaside Basin Watermaster						
	A. MMP implementation (non-labor portion, + \$35k for labor)	Ongoing	35,000	35-04-786003	WRD	,	S./Side Watermaste
	B. MPWMD monitor well maintenance (pumps)	Ongoing	1,000	35-04-786003	WRD	,	S./Side Watermaste
	C. Replace LS Driving range well with QED pump (SCS-Deep)	Ongoing	3,100	35-04-786003	WRD	,	S./Side Watermaste
	D. ROE renewal for Ft Ord Dunes State Park access	Ongoing	500	35-04-786003	WRD	500	S./Side Watermaste
2-5-3	District Wide						
	A. Stream flow monitoring program						
	 Miscellaneous equipment 	Ongoing	10,000		WRD		
	Data line rental - 7 sites	Ongoing	3,000	xx-04-785603	WRD		
	3. Hydstra Time Series Software Annual Support	Ongoing	2,100	xx-04-785603	WRD		
	Hydstra consulting - report customization/website	Summer-Fall	4,000	xx-04-785603	WRD		
	5. Purchase (5) RV50 Cellular Modems	Summer-Fall	3,500	xx-04-785603	WRD		
	B. Other Hydrologic Monitoring						
	1. Monitor well conversions	Ongoing	2,000	xx-04-785502	WRD	2,000	Applicant
	Annual Well Reporting	Ongoing	2,600	xx-04-781602	WRD		
	Misc. equipment (2 well probes)	Ongoing	1,500	xx-04-781602	WRD		
	SCD replacement rain/temp stations (incl site fencing)	Ongoing	10,000	xx-04-781602	WRD		
	5. FO-09 monitor replacement XD's and rugged cables	Ongoing	5,200	xx-04-781603	WRD		
tegrated R	legional Water Management						
2-6-1	Integrated Regional Water Management						
	A. Prop 1 coordination	June	25,000	24-03-785505	P&E		
ater Distri	bution System Permitting						
2-8-1	Permit Processing Assistance	Ongoing	30,000	24-03-785503	P&E	15,000	Applicant
2-8-2	Hydrogeologic Impact Review	Ongoing	2,000	24-03-785503	P&E	2,000	Applicant
2-8-3	County Fees - CEQA Posting and Recording	Ongoing	3,000	24-03-785503	WDD	3,000	Applicant
2-8-4	WDS Permit Package Review (MPWMD Counsel)	Ongoing	8,000	24-03-785503	WDD	8,000	Applicant
2-8-5	Document Management/File Scanning (Temporary service)	June	5,000	24-03-785503	P&E		
2-8-6	Temporary staff	June	5,000	24-03-785503	P&E		
	PROTECT ENVIRONMENTAL QUALITY TOTAL	-	803,800			269.600	
	INOTECT ENVIRONMENTAL QUALITITIOTAL	-	000,000			209,000	

EXHIBIT 18-C MONTEREY PENINSULA WATER MANAGEMENT DISTRICT PROJECT EXPENDITURES FISCAL YEAR 2016-2017 BUDGET

	Objective	Timeline	Total	Account	Division	Reimbursable	Source
TER DE!	MAND						
nand Mar	nagement						
4-1-1	Rule Implementation/Enforcement						
	A. Deed Restriction recording	Ongoing	15,000	26-05-781900	WDD	6,000	Applicant (40%
	B. CEQA Compliance	Fall	15,000	26-05-780100	WDD		
4-1-2	Database Project						
	A. Maintenance & Programming	Ongoing	60,000	26-05-781161	WDD		
ter Conse	rvation						
4-2-1	Conservation Outreach						
	A. Outreach and communication	Ongoing	34,500	26-05-781140	WDD		
4-2-2	Conservation Programs (non-reimbursable)						
	A. Best management practices	Ongoing	15,000	26-05-781155	WDD		
	B. Water audits/budgets - stage 2	Ongoing		26-05-781181	WDD		
	C. Conservation Website Maintenance	Ongoing		26-05-781160	WDD		
	D. Conservation devices - nonreimbursable	Ongoing		26-05-781187	WDD		
	E. Drought response	Ongoing		26-05-781190	WDD		
	F. Aquacue barnacle	Ongoing	3,000	26-05-7811XX	WDD		
	G. School Water Education	Ongoing	1,000	26-05-7811XX	WDD		
	H. Community Gardens	Ongoing	10,000	26-05-781164	WDD		
4-2-3	Conservation Programs (Reimbursable)						
	A. CIMIS Stations	Ongoing	3,400	26-05-781311	WDD	3,400	CAW
	B. Website Upgrades	Ongoing	5,000	26-05-781360	WDD	5,000	CAW
	C. Community Gardens	Ongoing		26-05-781364	WDD	0	CAW
	D. Linen/Towel Program	Ongoing	25,000	26-05-781380	WDD	25,000	CAW
	E. Water audits/budgets	Ongoing	10,000	26-05-781381	WDD	10,000	CAW
	F. Conservation & efficiency workshops/training	Ongoing	25,000	26-05-781382	WDD	25,000	CAW
	G. In-Line Meter Pilot Program	Ongoing	10,000	26-05-781383	WDD	10,000	CAW
	H. GardenSoft WateWise Gardening	Ongoing	5,300	26-05-781386	WDD	5,300	CAW
	I. Conservation devices - Reimbursable	Ongoing	40,000	26-05-781387	WDD	40,000	CAW
	J. Conservation printed material	Ongoing	10,000	26-05-781388	WDD	10,000	CAW
	K. Pressure Regulator Pilot Program	Ongoing	.,	26-05-781389	WDD	0	CAW
	L. Pressure Reducing Valve Program	Ongoing	50,000	26-05-7813XX	WDD	50,000	CAW
	M. Community Gardens	Ongoing	10,000	26-05-781364	WDD	10,000	CAW
4-2-4	Rebate Program						
	A. CAW	Ongoing	1,000,000	26-05-781412	WDD	1,000,000	CAW
	B. Seaside Municipal	Ongoing		26-05-781499	WDD	0	
	C. Non-CAW (MPWMD funded)	Ongoing	40,000	26-05-781499	WDD		
	D. Rebate & Other Forms	Ongoing	4,500	26-05-781400	WDD		
	WATER DEMAND TOTAL		1,391,700			1,199,700	
	PROJECT EXPENDITURES TOTAL		6,750,100			2,506,600	

Division	Project Description	FY 2016-2017	FY 2017-2018	FY 2018-2019	Funding <u>Source</u>
Funded Fro P&E/GMO	Funded From District Revenues P&E/GMO Groundwater Renlenishment Proiect	\$1.576.500	\$1,000.000	80	District Revenues
P&E/GMO	GWR Operating Reserve Fund	80	\$223,500	\$894,000	District Revenues
P&E/GMO	GWR Drought Reserve Fund	\$0	\$0	\$162,931	District Revenues
WRD	Phase 1 Aquifer Storage & Recovery	1,025,900	22,000	11,680	District Revenues
WRD	ASR Expansion	18,500	50,000	0	District Revenues
₽&E	Cal-Am Desal Project - Public Financing	200,000	300,000	30,000	District Revenues
P&E	Local Water Projects	386,900	200,000	200,000	District Revenues
P&E	Operations Modeling - Los Padres Reservoir Expansion	25,000	0	0	District Revenues
P&E	Operations Modeling - IFIM/GSFlow	152,000	250,000	125,000	District Revenues
P&E	Carmel & Salinas Rivers Basin Study	45,000	95,000	80,000	District Revenues
P&E	Los Padres Dam Long Term Plan	0	200,000	300,000	District Revenues
P&E/GMO	Drought Contingency Plan	82,500	102,000	40,500	District Revenues
All	Capital Asset Purchases	115,500	100,000	100,000	District Revenues
GMO	Water Allocation Process	0	900,000	400,000	District Revenues
	SUBTOTAL	\$3,627,800	\$3,442,500	\$2,344,111	
Reimbursed	Reimbursed from Grants or Reimbursements				
P&E/GMO	Drought Contingency Plan	110,400	0	0	USBR
P&E	Los Padres Dam Long Term Plan	500,000	300,000	200,000	CAW
WRD	Phase 2 Aquifer Storage & Recovery	159,900	0	0	CAW
WRD	Sleepy Hollow Facility Raw Water Intake Retrofit	200,000	0	0	SCC Grant
	SUBTOTAL	\$970,300	\$300,000	\$200,000	
No Identific	No Identified Source of Funds				
WDD	Database Project	0	600,000	0	Unknown
	SUBTOTAL	0	600,000	0	
	TOTAL CIP	4,598,100	4,342,500	2,544,111	

Monterey Peninsula Water Management District Large Projects and Capital Improvement Plan Fiscal Year 2016-2017 Budget EXHIBIT 18-C

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Monterey Peninsula Water Management District Capital Asset Purchases Fiscal Year 2016-2017 Budget

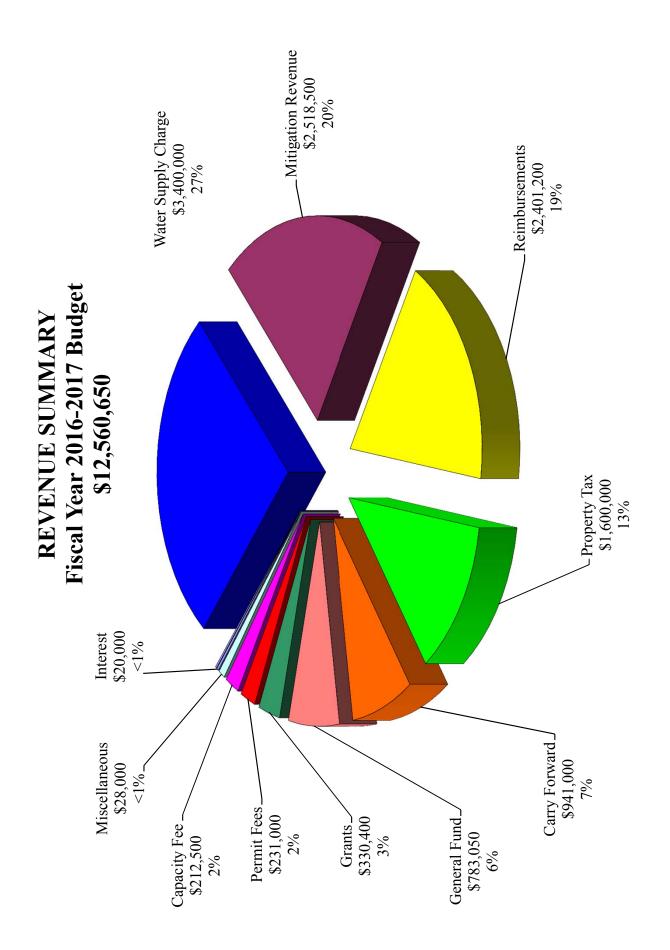
	Division	<u>Cost</u>	Account <u>Number</u>
<u>Capital Assets</u>			
Replacement Laptops Staff Use (Surface)	ASD	3,800	99-02-916000
Server Refresh	ASD	13,800	99-02-916000
Workstation Refresh	ASD	2,500	99-02-916000
GIS Workstation	ASD	1,900	99-02-916001
Microtek Flatbed Scanner - Replacement	ASD	2,600	99-02-916001
Server Room Air Conditioner	ASD	10,000	99-02-918000
POE Switches	ASD	2,500	99-02-916000
AV Room Upgrade	ASD	5,100	99-02-916000
Tablet	WDD	1,800	99-05-916000
Stand-up Desks	WDD	1,500	99-05-912000
New Vehicle	WDD	35,000	99-05-914000
Unit 12 (Taurus) Replacement	WDD	35,000	99-05-914000

Total Capital Assets

\$115,500

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT CAPITAL ASSET REPLACEMENT/REPAIR SCHEDULE FISCAL YEAR 2016-2017 BUDGET

Item	Unit Cost	Qty.	Total Cost	Purchase In Fiscal Year	Years to Purchase	Prior Years <u>Accrual</u>	Balance Left to Accrue	Accrual This Fiscal Year	<u>Remarks</u>
Server Room Air Conditioner	\$10,900	1	\$10,900	2016-17	0	\$0	\$10,900	\$0	Air Conditioner
Ford Taurus	\$25,000	1	\$35,000	2016-17	0	\$0	\$35,000	\$0	Unit 12, '04 Ford Taurus
1/2 Ton Pickup	\$36,600	1	\$36,600	2017-18	1	\$36,600	\$0	\$0	Additional Vehicle
Telephone System	\$51,000	1	\$51,000	2017-18	1	\$51,000	\$0	\$0	Nortel IS 3-00
Board Room A/V Equipment	\$50,000	1	\$50,000	2017-18	1	\$0	\$50,000	\$0	A/V Equipment
Orthoimagery	\$66,000	1	\$66,000	2017-18	1	\$33,000	\$33,000	\$0	Updated 10/08
Information System	\$120,000	1	\$120,000	2017-18	1	\$40,700	\$79,300	\$0	In Service 06/08
1 Ton Pickup	\$50,000	1	\$50,000	2017-18	1	\$12,500	\$37,500	\$0	Unit 3, '97 3500 D 4x4
Harris Court A/C Unit #2	\$20,000	1	\$20,000	2017-18	1	\$0	\$20,000	\$0	Air Conditioner
1/2 Ton Pickup	\$30,000	1	\$30,000	2017-18	1	\$0	\$30,000	\$0	Unit 1, '03 Ram 1500
Ford Explorer	\$25,000	1	\$25,000	2017-18	1	\$0	\$25,000	\$0	Unit 2, '95 Explorer
3/4 Ton Pickup	\$35,000	1	\$35,000	2017-18	1	\$0	\$35,000	\$0	Unit 9, '03 Ram 2500
Harris Court A/C Unit #3	\$20,000	1	\$20,000	2017-18	1	\$0	\$20,000	\$0	Air Conditioner
3/4 Ton Pickup	\$40,000	1	\$40,000	2018-19	2	\$0	\$40,000	\$0	Unit 8, '05 F250 D
1/2 Ton Pickup	\$30,000	1	\$30,000	2018-19	2	\$0	\$30,000	\$0	Unit 10, '95 F150
1 Ton Pickup	\$50,000	1	\$50,000	2018-19	2	\$0	\$50,000	\$0	Unit 11, '03 Ram D 3500
Harris Court A/C Unit #4	\$20,000	1	\$20,000	2018-19	2	\$0	\$20,000	\$0	Air Conditioner
Multifunction Plotter/Scanner	\$25,000	1	\$25,000	2019-20	3	\$3,100	\$21,900	\$0	Replace 2 separate units
Ford Escape	\$25,000	1	\$25,000	2019-20	3	\$0	\$25,000	\$0	Unit 14, '09 Ford Escape
Harris Court A/C Unit #5	\$20,000	1	\$20,000	2019-20	3	\$0	\$20,000	\$0	Air Conditioner
Chipper	\$25,000	1	\$25,000	2019-20	3	\$0	\$25,000	\$0	Chipper (P&E Dept)
1/2 Ton Pickup	\$30,000	1	\$30,000	2020-21	4	\$8,000	\$22,000	\$0	Unit 7, '14 F150 4x4
Honda Insight	\$25,000	1	\$25,000	2020-21	4	\$0	\$25,000	\$0	Unit 5, '10 Honda Insight H
1/2 Ton Pickup	\$34,500	1	\$34,500	2020-21	4	\$0	\$34,500	\$0	Unit 4, '99 F150 4x4
Harris Court A/C Unit #1	\$12,000	1	\$12,000	2021-22	5	\$0	\$12,000	\$0	Air Conditioner
1 Ton Pickup	\$50,000	1	\$50,000	2021-22	5	\$50,000	\$0	\$0	Unit 6, '96 F350 D 4x4
T - 1	#00 5 000		\$00 < 000			#001000	0701 100	<i>ه</i> م	_
Totals -	\$926,000		\$936,000			\$234,900	\$701,100	\$0	=



Monterey Peninsula Water Management District Revenues Comparison by Year Fiscal Year 2016-2017 Budget

	FY 2014-2015	FY 2015-2016	FY 2016-2017	Change From	Percentage
	Revised	Revised	Proposed	Previous Year	Change
Property Taxes	\$1,500,000	\$1,570,000	\$1,600,000	\$30,000	1.91%
Permit Fees - WDD	175,000	175,000	175,000	0	0.00%
Permit Fees - PED	56,000	56,000	56,000	0	0.00%
Capacity Fee	175,000	175,000	212,500	37,500	21.43%
User Fees	75,000	75,000	95,000	20,000	26.67%
Water Supply Charge	3,400,000	3,400,000	3,400,000	0	0.00%
Mitigation Revenue	2,127,000	2,412,000	2,518,500	106,500	4.42%
Recording Fees	8,000	8,000	8,000	0	0.00%
Interest	15,000	15,000	20,000	5,000	33.33%
Other	15,000	15,000	20,000	5,000	33.33%
Subtotal District Revenues	7,546,000	7,901,000	8,105,000	204,000	2.58%
Reimbursements - CAW	\$2,147,100	\$1,247,800	\$2,260,600	\$1,012,800	81.17%
Reimbursements - Watermaster	69,000	70,200	74,600	4,400	6.27%
Reimbursements - Reclamation	0	0	20,000	20,000	100.00%
Reimbursements - Other	43,250	56,000	36,000	-20,000	-35.71%
Reimbursements - Legal Fees	15,000	15,000	10,000	-5,000	-33.33%
Grants	460,800	275,000	330,400	55,400	20.15%
Subtotal Reimbursements	2,735,150	1,664,000	2,731,600	1,067,600	64.16%
Line of Credit Proceeds	\$0	\$0	\$0	\$0	0.00%
Rabobank Project Fund	0	0	0	0	0.00%
Carry Forward From Prior Year	0	1,220,000	941,000	-279,000	-22.87%
From Capital Equip. Reserve	87,900	89,700	0	-89,700	-100.00%
From Flood/Drought Reserve	115,000	0	0	0	0.00%
From Fund Balance	1,307,500	3,056,150	783,050	-2,273,100	-74.38%
Other Financing Sources:	-, ,	-,,	,,	_,_,_,_,_,	
Transfers In	0	0	1,001,600	1,001,600	100.00%
Transfers Out	0		-1,001,600	-1,001,600	100.00%
Revenue Totals	\$11,791,550	\$13,930,850	\$12,560,650	-\$1,370,200	-9.84%

Monterey Peninsula Water Management District Revenues by Operating Fund Fiscal Year 2016-2017 Budget

		Water		
	<u>Mitigation</u>	<u>Supply</u>	Conservation	<u>Total</u>
Property Taxes	\$0	\$1,600,000	\$0	\$1,600,000
Permit Fees - WDD	0	0	175,000	175,000
Permit Fees - PED	56,000	0	0	56,000
Capacity Fee	0	212,500	0	212,500
User Fees	87,500	0	7,500	95,000
Water Supply Charge	0	3,400,000	0	3,400,000
Mitigation Revenue	2,518,500	0	0	2,518,500
Recording Fees	0	0	8,000	8,000
Interest	2,500	14,000	3,500	20,000
Other	10,000	10,000	0	20,000
Subtotal District Revenues	2,674,500	5,236,500	194,000	8,105,000
Reimbursements - CAW	\$426,900	\$500,000	\$1,333,700	\$2,260,600
Reimbursements - Watermaster	0	74,600	0	74,600
Reimbursements - Reclamation	0	20,000	0	20,000
Reimbursements - Other	29,000	1,000	6,000	36,000
Reimbursements - Legal Fees	0	0	10,000	10,000
Grants	200,000	110,400	20,000	330,400
Subtotal Reimbursements	655,900	706,000	1,369,700	2,731,600
Line of Credit Proceeds	\$0	\$0	\$0	\$0
Rabobank Project Fund	0	0	0	0
Carry Forward From Prior Year	104,300	834,300	2,400	941,000
From Capital Equip. Reserve	0	0	0	0
From Flood/Drought Reserve	0	0	0	0
From Litigation Reserve	0	0	0	0
From Fund Balance	0	783,050	0	783,050
Other Financing Sources:				
Transfers In	0	0	1,001,600	1,001,600
Transfers Out	0	-1,001,600	0	-1,001,600
Revenue Totals	\$3,434,700	\$6,558,250	\$2,567,700	\$12,560,650

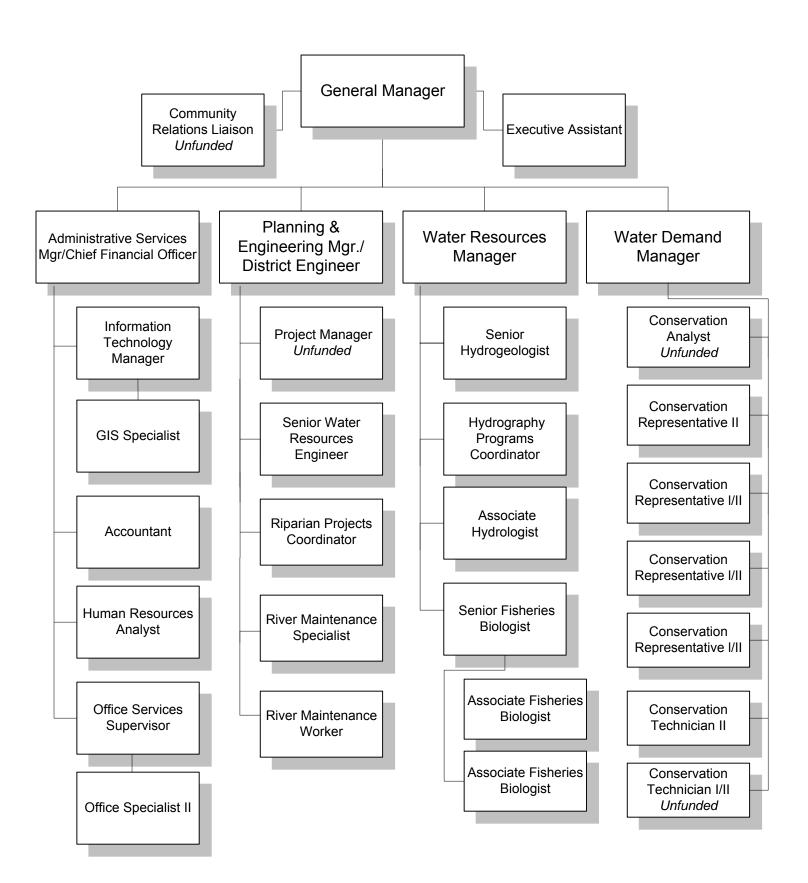
Monterey Peninsula Water Management District Reimbursable Amounts & Grants Fiscal Year 2016-2017 Budget

Reimbursement Source	Amount
CAW - ASR 1 Operation	182,400
CAW - ASR 2 Site Engineering	159,900
CAW - ASR 2 Operation	84,600
CAW - Los Padres Dam Long Term Plan	500,000
CAW - Conservation Activities	193,700
CAW - Conservation Rebates	1,000,000
CAW - Conservation Rep I (Salary & Benefits)	140,000
Watermaster (non labor \$39,600, plus \$35,000 in labor)	74,600
Reclamation Project (labor & legal)	20,000
Grants - Sleepy Hollow Intake Upgrade (Coastal Conservancy)	200,000
Grants - Drought Contingency Plan (Bureau Reclamation)	110,400
Grants - Monterey Bay Air Resources District	20,000
Direct Bill - Well Monitoring Conversions	2,000
Direct Bill - Deed Restriction	6,000
Direct Bill - WDS Permitting, Hydrogeologic Analysis, etc.	28,000
Direct Bill - Legal Reimbursement	10,000
Total Reimbursements	\$2,731,600

Monterey Peninsula Water Management District Analysis of Reserves Fiscal Year 2016-2017 Budget

Estimated Reserves as of 07/01/2016 Prepaid Expenses Litigation/Insurance Reserve Capital Equipment Reserve Flood/Drought Reserve Debt Reserve General Operating Reserve Totals	Mitigation <u>Fund</u> \$0 66,740 94,901 254,891 0 37,138 \$453,670	Water Supply <u>Fund</u> \$0 171,354 2,866 0 219,136 (500,591) (\$107,235)	Conservation <u>Fund</u> \$0 11,906 44,533 0 0 1,055,461 \$1,111,900	<u>Totals</u> \$0 250,000 142,300 254,891 219,136 592,008 \$1,458,335
Litigation/Insurance Reserve Analysis		* • - • • • •		
07/01/2016 Balance (above)	\$66,740	\$171,354	\$11,906	\$250,000
Fiscal Year 2016-2017 Budgeted	0	0	0	0
06/30/2017 Budgeted Balance	\$66,740	\$171,354	\$11,906	\$250,000
Capital Equipment Reserve Analysis 07/01/2016 Balance (above) Fiscal Year 2016-2017 Budgeted	\$94,901 0	\$2,866 0	\$44,533 0	\$142,300 0
06/30/2017 Budgeted Balance	\$94,901	\$2,866	\$44,533	\$142,300
<u>Flood/Drought Reserve Analysis</u> 07/01/2016 Balance (above) Fiscal Year 2016-2017 Budgeted 06/30/2017 Budgeted Balance	\$254,891 66,600 \$321,491	\$0 0 \$0	\$0 0 \$0	\$254,891 66,600 \$321,491
Debt Reserve Analysis 07/01/2016 Balance (above) Fiscal Year 2016-2017 Budgeted 06/30/2017 Budgeted Balance	\$0 0 \$0	\$219,136 0 \$219,136	\$0 0 \$0	\$219,136 0 \$219,136
General Operating Reserve Analysis 07/01/2016 Balance (above) Fiscal Year 2016-2017 Budgeted 06/30/2017 Budgeted Balance	\$37,138 783,050 \$820,188	(\$500,591) (783,050) (\$1,283,641)	\$1,055,461 0 \$1,055,461	\$592,008 0 \$592,008
Budgeted Reserves as of 06/30/2017	\$1,303,320	(\$890,285)	\$1,111,900	\$1,524,935

MONTEREY PENINSULA WATER MANAGEMENT DISTRICT ORGANIZATION CHART FY 2016-2017



Monterey Peninsula Water Management District Divisions Fiscal Year 2016-2017 Budget

General Manager's Office

financial activities, management of the District's legal strategies, support for the Board of Directors and Committees. Priorities for the past and next fiscal year include The General Manager's Office activities include strategic planning, oversight of divisional activities and execution, public outreach, coordination and oversight of budget and development of a secure and reliable revenue stream and implementation of permanent water supply resources. The services provided include general management of District activities on a day-to-day basis, strategic planning, program and activity evaluation, staff meetings and evaluations, meeting with jurisdictions and interest groups, regular interaction and direction with financial personnel, regular interaction and review of performance of District legal team, coordination of Board schedule and activities, preparation of Board packages and minutes.

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
Classification	Revised	Revised	Proposed	Change
General Manager	1	1	1	0
Executive Assistant	1	1	1	0
Community Relations Liaison	0	0	0	0
TOTAL POSITIONS	2	2	2	0
TOTAL DISTRICT-WIDE POSITIONS	28	29	29	0

General Manager's Office	Office			
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
<u>Personnel</u> Solonico	Contract Con	Kevised	Proposed	Change ©1 000
Salates	\$244,000	006,0120	32/4,900	\$1,UUU
Retirement	42,600	40,500	50,800	10,300
Unemployment Compensation	0	0	0	
Auto Allowance	4,800	6,000	6,000	ı
Deferred Compensation	7,000	7,800	8,400	009
Temporary Personnel	0	0	0	ı
Workers' Comp.	1,000	1,000	1,400	400
Employee Insurance	23,500	24,200	28,600	4,400
Medicare & FICA Taxes	2,600	3,900	4,100	200
Personnel Recruitment	0	0	0	ı
Pre-Employment Physicals	0	0	0	I
Staff Development	6,000	4,000	4,000	I
Sub-total Personnel Costs	331,500	361,300	378,200	16,900
<u>Services & Supplies</u>				
Services & Supplies	136,100	137,300	175,400	38,100
Fixed Assets			ı	
Project Expenditures	295,000	315,000	392,900	77,900
Debt Service	I	ı	I	I
Election Expense	ı	ı	I	I
Contingency	•			
Sub-total	431,100	452,300	568,300	116,000
TOTAL EXPENDITURES	762,600	813,600	946,500	149,800
1 000 000		́н	FY 2016-17 Budget	at
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Services & Sumplies		AG	Administrative Services	

Planning & Engineering

Personnel

FY 2014-15 FY 2015-16 FY 2016-17

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Water Resources

Water Demand

Monterey Peninsula Water Management Distric	DIVISIONS	Fiscal Year 2016-2017 Budget
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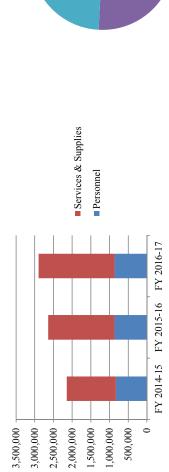
The Administrative Services Department activities include revenue and debt management, procurement, payroll, safety, risk management, human resources, records management, rules and regulations updates and distribution, building services and repairs, administrative support for the Board of Directors, administrative work in support of District-wide program and activities, and information technology services.

maintenance of personnel policies and procedures, employee development/training, employee recognition, legal issues and labor relations activities, and fulfilling public financial reporting, grant administration, debt administration, overseeing District's financial obligations, management of assets, payroll administration, acquisition and payment of all goods and services, financial aspect of risk management, administering safety training programs, accident investigation, recruitment, selection, development and records requests. Additional services provided are the administration of benefit programs, overseeing workers compensation and ensuring compliance with DMV requirements. This department also maintains the District wide records management program, the repair & maintenance and improvements of the District's information and The services provided include cash and investment management, day-to-day accounting operations for the District and Pebble Beach Reclamation Project, internal and external communication technology systems.

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
Classification	Revised			Change
Administrative Services Manager/CFO	1	1	1	0
Information Technology Manager	1	1	1	0
GIS Specialist	1	1	1	0
Accountant	1	1	1	0
Human Resources Analyst	1	1	1	0
Office Services Supervisor	1	1	1	0
TOTAL POSITIONS	L	7	7	0
TOTAL DISTRICT-WIDE POSITIONS	28	29	29	0

Administrative Services

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
Personnel	Revised	Revised	Proposed	Change
Salaries	\$565,400	\$583,000	\$581,700	(\$1,300)
Retirement	94,000	95,500	99,200	3,700
Unemployment Compensation	3,000	3,000	3,000	I
Auto Allowance	0	0	0	ı
Deferred Compensation	0	0	0	I
Temporary Personnel	1,000	1,000	1,200	200
Workers' Comp.	2,300	2,200	2,300	100
Employee Insurance	135,800	148,900	151,100	2,200
Medicare & FICA Taxes	8,300	11,300	12,200	906
Personnel Recruitment	1,500	6,000	6,500	500
Pre-Employment Physicals	300	500	0	(200)
Staff Development	18,700	17,600	10,000	(7,600)
Sub-total Personnel Costs	830,300	869,000	867,200	(1,800)
Services & Supplies				
Services & Supplies	793,900	847,100	836,400	(10,700)
Fixed Assets	119,000	74,500	42,200	(32, 300)
Project Expenditures		ı	ı	ı
Debt Service	230,000	230,000	230,000	ı
Election Expense		60,000		(60,000)
Reserves	98,550	488,150	849,650	361,500
Contingency	75,000	75,000	75,000	ı
Sub-total	1,316,450	1,774,750	2,033,250	258,500
TOTAL EXPENDITURES	0 146 750	J 643 750	7 900 450	254 900



FY 2016-17 Budget General Manger's Office

Planning & Engineering

Water Resources

Water Demand

Administrative
 Services

EXHIBIT 18-C

Monterey Peninsula Water Management District	Divisions	Fiscal Year 2016-2017 Budget
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The Planning and Engineering Division activities include review and investigation of proposed water supply projects, evaluation of proposed Carmel River water rights decisions, preservation of existing District water rights, coordination of Water Distribution System permits, implementation of portions of the Carmel River Mitigation Program, and coordination of water resource management throughout the District. Water Supply – Analysis of impacts and benefits of proposed water supply projects; review and completion of environmental compliance documents under the California • Water Supply – Analysis of Impacts and Completion of Engineer's Reports; Environmental Quality Act and National Environmental Policy Act); completion of Engineer's Reports;

Water Rights - Coordinate District review of proposed Carmel River water rights issued by the State Water Resources Control Board; track and preserve existing District water rights; prepare applications for changes to District water rights; •

Water Distribution System (WDS) permits – Review and process applications for WDS permits; make determinations of level of review; coordinate staff, consultant, and T-0107 T. 1.1 ZUIU-1/ N1-CIN7 I J CI-+IV2 1 District Counsel work on WDS permits; prepare findings; issue WDS permits; •

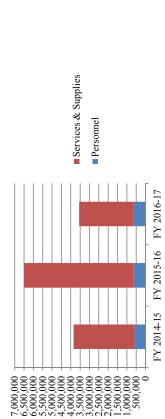
management, and project monitoring: install, operate, and maintain high-volume irrigation systems along 15 miles of the lower Carmel River; monitor and assess streamside conditions; provide technical assistance to river front property owners; determine erosion potential; enforce District rules for the Carmel River; assist the Water Resources Carmel River Mitigation Program - Conduct Carmel River restoration projects, including problem assessment, design, bid preparation, permit acquisition, construction Division with steelhead rescues and Sleepy Hollow Steelhead Rearing Facility operations; provide technical analysis and advice to agencies responsible for Carmel River lagoon management; •

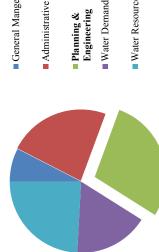
Integrated Regional Water Management (IRWM) – facilitate the development and implementation of a comprehensive IRWM Plan for the Monterey Peninsula region, including projects involving Carmel River resources, groundwater, recycled water, desalination, stormwater, flood control, ecosystem restoration, water conservation, and public recreation; conduct stakeholder outreach; prepare grant applications for specific projects; administer grant funds on behalf of the District and local area project proponents.

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Planning & Engineering				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
Personnel	Revised	Revised	Proposed	Change
Salaries	\$446,800	\$465,900	\$479,400	\$13,500
Retirement	78,000	79,000	73,500	(5,500)
Unemployment Compensation	0	0	0	•
Auto Allowance	0	0	0	·
Deferred Compensation	0	0	0	
Temporary Personnel	0	0	0	
Workers' Comp.	9,100	15,600	18,200	2,600
Employee Insurance	66,400	68,350	69,300	950
Medicare & FICA Taxes	5,000	7,800	7,000	(800)
Personnel Recruitment	0	0	0	
Pre-Employment Physicals	0	0	0	
Staff Development	0	2,000	8,600	6,600
Sub-total Personnel Costs	605,300	638,650	656,000	17,350
Services & Supplies				
Services & Supplies	22,050	19,400	21,200	1,800
Fixed Assets	52,500	76,000		(76,000)
Project Expenditures	3,172,000	5,765,700	2,881,400	(2,884,300)
Debt Service	ı	ı		ı
Election Expense	ı	ı		,
Contingency				
Sub-total	3,246,550	5,861,100	2,902,600	(2,958,500)
TOTAL EXPENDITURES	3,851,850	6,499,750	3,558,600	(2,923,800)
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Monterey Peninsula Water Management District Divisions ar 2016-2017 Budoe Fieral Ve





Water Resources

Water Demand

Administrative Services

EXHIBIT 18-C

Monterey Peninsula Water Management District	Divisions	Fiscal Year 2016-2017 Budget
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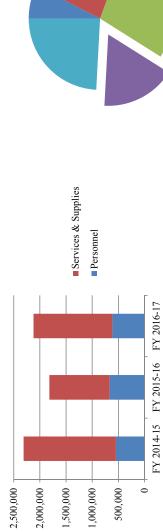
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education and outreach, development of incentives and training programs, and by implementing and enforcing permitting and conservation regulations, thereby reducing the community's need for potable water. The Water Demand Division strives to provide responsive and accurate customer service that exceeds the expectations of the people we This is achieved through community The Water Demand Division provides information and programs to achieve efficient water use and maximize available supplies. serve. Services include customer service related to permit review and processing, conservation program administration and reporting, site visits and inspections, water waste and rationing enforcement, rebate program administration, and data management and data systems design related to demand management. Other services include project and The Water Demand Division also reviews projects for environmental compliance related to water supply, collaborates with jurisdictions to develop and track efficiency program coordination and training with eight local cities and county, local water purveyors, local and statewide agencies, builders, contractors, architects, Realtors and others. standards and conditions for development projects, assists with ratemaking and proposes policies and programs to encourage and promote indoor and outdoor water efficiency, conservation, reuse, alternative water sources, and non-residential best management practices.

Classification Water Demand Manager			11_0107 1 1	1-0107 1.1
Water Demand Manager Concervation Analyset (unfinded)	Revised	Revised	Proposed	Change
Conservation Analyse (infinded)	1	1	1	0
CONSCIPTION PARTON STILLED SI (UNITALIACU)	0	0	0	0
Conservation Representative II	1	2	2	0
Conservation Representative I	1	1	1	0
Conservation Representative I	1	1	1	0
Conservation Technician II	1	1	1	0
Data Entry (temporary)	1	1	1	0
Enforcement (temporary)	0	0	0	0
TOTAL POSITIONS	9	7	7	0
TOTAL DISTRICT-WIDE POSITIONS	28	29	29	0

Monterey Peninsula Water Management District	Divisions	Fiscal Year 2016-2017 Budget
Monterey		I

Water Demand				
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
Personnel	Revised	Revised	Proposed	Change
Salaries	\$368,400	\$433,000	\$414,800	(\$18,200)
Retirement	62,500	73,500	62,900	(10,600)
Unemployment Compensation	0	0	0	
Auto Allowance	0	0	0	
Deferred Compensation	0	0	0	
Temporary Personnel	39,800	70,000	40,000	(30,000)
Workers' Comp.	1,600	1,700	1,800	100
Employee Insurance	65,700	74,150	81,700	7,550
Medicare & FICA Taxes	5,200	5,600	6,100	500
Personnel Recruitment	0	0	0	
Pre-Employment Physicals	0	0	0	·
Staff Development	5,000	10,500	7,500	(3,000)
Sub-total Personnel Costs	548,200	668,450	614,800	(53,650)
Services & Supplies				
Services & Supplies	38,900	40,300	42,400	2,100
Fixed Assets	2,500	0	73,300	73,300
Project Expenditures	1,723,500	1,111,000	1,391,700	280,700
Debt Service	0	0	0	ı
Election Expense	0	0	0	ı
Contingency	0	0	0	
Sub-total	1,764,900	1,151,300	1,507,400	356,100
TOTAL EXPENDITURES	2,313,100	1,819,750	2,122,200	248,800
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General Manger's OfficeAdministrative Services

EXHIBIT 18-C

Monterey Peninsula Water Management District	Divisions	Fiscal Year 2016-2017 Budget
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include surface and groundwater data collection and reporting programs, fishery protection activities in the Carmel River basin, quarterly water supply strategies and budgets for Cal-Am's main and satellite water distribution systems, and the annual Carmel River Memorandum of Agreement among Cal-Am, CDFG and the District that governs reservoir releases to the lower Carmel River during the low-flow season. WRD staff coordinates closely with the Planning & Engineering and Water Demand Divisions on The Water Resources Division (WRD) is comprised of two staff functionary units, the Hydrologic unit and the Fisheries unit. Program responsibilities and services provided certain activities to more efficiently share internal staff resources and expertise. Water Supply – Develop and implement plans for water supply augmentation projects; design, permit, construct, operate Seaside Basin ASR projects; analyze water supply project alternatives; operate water resources simulation models. Fisheries Resource Program - Rescue stranded steelhead from the Carmel River; rear rescued fish at the Sleepy Hollow Rearing Facility (SHSRF); rescue downstream migrant smolts in spring and transport them to a holding facility or the ocean; prevent stranding of early fall and winter migrant juvenile steelhead; rescue steelhead kelts and transport them to a holding facility or the ocean; support future interagency captive brood-stock program for landlocked steelhead during successive years of drought; prepare designs, retain contractors and manage construction contracts for SHSRF projects.

Hydrologic Monitoring Program - Conduct: (a) precipitation monitoring, (b) streamflow monitoring, (c) reservoir and groundwater storage monitoring, (d) surface water and groundwater production monitoring,(e) surface water and groundwater quality monitoring, and (f) Carmel River lagoon water level, quality, bathymetric and habitat

Water Resources Management – Prepare quarterly water supply strategy budgets; participate in annual Carmel River Low Flow Memorandum of Agreement process; conduct monitoring and management functions as part of Seaside Basin Watermaster Monitoring & Management Plan; provide technical assistance and expert testimony on Cal-Am rate cases before the CPUC; prepare annual Mitigation Program reports. Water Use and Permitting – Collect, analyze and report data from approximately 1,000 wells and other sources for annual District-wide water production summary; coordinate with Planning & Engineering and Water Demand Divisions on Water Distribution System permitting

Classification	Revised	Revised	Proposed	Change
Water Resources Manager	1	1	1	0
Senior Hydrogeologist	1	1	1	0
Hydrography Programs Coordinator	1	1	1	0
Associate Hydrogeologist	1	1	1	0
Senior Fisheries Biologist	1	1	1	0
Associate Fisheries Biologist	1	1	1	0
Associate Fisheries Biologist	1	1	1	0
Water Resources Assistant (limited term)	0.5	0.5	0.5	0
TOTAL POSITIONS	7.5	7.5	7.5	0
TOTAL DISTRICT-WIDE POSITIONS	28	29	29	0

Wate	Water Resources			
	FY 2014-15	FY 2015-16	FY 2016-17	FY 2016-17
Personnel	Revised	Revised	Proposed	Change
Salaries	\$645,800	\$659,800	\$655,900	(\$3,900)
Retirement	112,900	112,500	121,200	8,700
Unemployment Compensation	0	0	0	ı
Auto Allowance	0	0	0	I
Deferred Compensation	0	0	0	·
Temporary Personnel	0	0	0	ı
Workers' Comp.	25,300	23,900	24,900	1,000
Employee Insurance	92,800	95,200	96,900	1,700
Medicare & FICA Taxes	6,500	11,100	12,100	1,000
Personnel Recruitment	0	0	0	·
Pre-Employment Physicals	0	0	0	I
Staff Development	4,000	4,400	4,600	200
Sub-total Personnel Costs	887,300	906,900	915,600	8,700
Services & Supplies				
Services & Supplies	27,450	30,000	33,200	3,200
Fixed Assets	25,000	23,700	0	(23,700)
Project Expenditures	1,777,500	1,193,400	2,084,100	890,700
Debt Service	0	0	0	I
Election Expense	0	0	0	ı
Contingency	0	0	0	
Sub-total	1,829,950	1,247,100	2,117,300	870,200
TOTAL EXPENDITURES	2,717,250	2,154,000	3,032,900	887,600
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		■ Ge	 General Manger's Office 	
2,000,000 Services & Supplies			 Administrative Services 	
Personnel		Pla	 Planning & Engineering 	
1,000,000			 Water Demand 	

Water DemandWater Resources

FY 2014-15 FY 2015-16 FY 2016-17

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BUDGET PROCESS CALENDAR

FISCAL YEAR 2016-2017

2015 Target Dates	Action	Responsibility
April 15	Budget Memorandum and Forms Distributed	Administrative Services
April 22	Budget Request Forms Due to ASD	Division Managers
May 6	Draft Budget Distributed	Administrative Services
April 26	Budget Review Session	Team Management
May 10	Budget Review Session – Follow Up	Team Management
May 16	Proposed Budget Presented to Board	Board of Directors
June 20	Board Adopts Budget Board Sets Appropriation Limit	Board of Directors

Glossary

Article XIII (B):

Article XIII (B) is a section of the California State Constitution relating to the amount of a public entities tax revenues that may be expended in a given fiscal year. In the instance of the MPWMD, the article limits the amount of property tax revenue that may be spent in a fiscal year. It is calculated based upon the prior year's limit multiplied by a factor representing annual growth in population and consumer prices. The latter is furnished by the State Treasurer's Office. The calculation, required since the passage of Proposition 13 in 1978, is contained in each District budget and is identified as "Property Tax Appropriation."

Budget Assumptions:

The budget assumptions are generally accepted statements, which if untrue, would materially alter the financial planning and budget of the agency.

Capital Assets:

Capital assets are equipment and components that have a useful life greater than one year and with an initial, individual cost of more than \$1,000 for equipment and \$5,000 for facilities and improvements.

Contingency:

The contingency is a nominal amount budgeted for expenditure for unforeseen emergencies or special purposes requiring Board approval.

Designated Reserves:

Designated reserves are funds set aside by the Board for specific, restricted uses. Examples include capital equipment, litigation, flood/drought, and pre-paid expenses.

Expenditures:

Expenditures are associated with each operating fund, as well with each program category. Personnel costs, services and supplies, capital assets and project expenditures are the principal categories. A pie chart graphically shows percentages of expenditures by line item.

Fiscal Year:

The fiscal year is the twelve-month period beginning July 1 and ending June 30 of the following year. The District uses the fiscal year as the basis for reporting financial information a twelve-month accounting period.

General Operating Reserves:

General operating reserves are the balances in each operating fund of the District that remain after all budgeted expenses are paid. Normally, the general operating reserve balance is carried forward from one fiscal year to the next. The value is verified annually by the independent auditor and reported in the annual audit report.

Labor Allocation by Operating Funds:

The Labor Allocation by Operating Funds is a budget schedule that relates employee output to the three operating funds. It shows the output of each employee as a percentage of total time by

operating fund. This percentage is used throughout the budget as the basis of allocating general and administrative (overhead) costs to the operating funds.

Labor Allocation by Program Category:

The Labor Allocation by Program Category is a budget schedule that relates employee output to the budgeted program categories. It shows the output of each employee as a percentage of total time by program category. This percentage is used throughout the budget as the basis of allocating general and administrative (overhead) costs to the program categories.

Mitigation Revenue:

This is the revenue derived from the Agreement for Carmel River Mitigation Program between California American Water and Monterey Peninsula Water Management District.

Performance Measures:

Performance Measures have been developed for various program categories to evaluate the level of services provided within the categories.

Program Categories:

Program Categories are major service programs that have been identified. All expenditures, including labor costs, are allocated to each program category in order to identify what each program actually costs.

Project Expenditures:

The Summary of Project Expenditures is a listing of costs for the coming year that are projected as a result of specific projects and programs carried-out by the staff, consultants and contractors. Project expenditures do not include staff compensation for regular employees.

Reimbursement Revenues:

Reimbursement revenues are received from various sources and allocated to offset expenditures related to the revenue source. These reimbursements received by the District are for projects carriedout by the District. Some of these reimbursements include grants, Cal-Am Water Conservation & Rebate Program funds, ASR operations reimbursement, direct-billed reimbursements, etc. All of the reimbursement revenues collected within the fiscal year is related to the expenses in the same fiscal year.

Revenues:

Revenues are derived from various sources and allocated to each operating fund. Property taxes, permits fees, water connection charges, water supply charge, mitigation program revenue, user fees, interest on investments, reimbursements to the District for projects carried-out by the District and grants are the principal revenue sources. Revenues may include a portion of the prior-year fund balance used to offset expenditures. A pie chart graphically shows percentages of revenues according to source.

Water Supply Charge:

The Water Supply Charge is a rate or charge that funds costs related to the provision of water. This annual charge raised by the District, 100% of which will support District water supply activities, including capital acquisition and operational costs for Aquifer Storage and Recovery, Groundwater Replenishment, and related water supply purposes for the general benefit of the District as a whole.

ITEM: ACTION ITEM

19. CONSIDER APPROVAL OF SETTLEMENT TERMS FOR DISMISSAL OF PROTESTS TO MONTEREY COUNTY WATER RESOURCES AGENCY WATER RIGHTS APPLICATION FOR PURE WATER MONTEREY

Meeting Date:	June 20, 2016	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 Committee Reco CEQA Complian	mmendation:		

SUMMARY: Because the water from the Blanco Drain and Reclamation Ditch are tributary to the Salinas River, withdrawing that water for the Pure Water Monterey Project (PWM) requires a water rights permit from the State Water Resources Control Board - Division of Water Rights. That permit states the amount of water that can be withdrawn, times it can be withdrawn, and the purpose to which the water will be put.

On June 9, 2016, NMFS and CDFW agreed to our proposed settlement terms (with three exceptions, two of which were subsequently worked out). The remaining issue is to find a mutually agreeable way to address a 2 cfs bypass in Blanco Drain related to lagoon conditions/operations in dry years, requested by NMFS. In abbreviated terms, the settlement terms we proposed are as follows:

- 1. Tembladero Slough would not be further pursued for the Pure Water Monterey Project
- 2 We will monitor water quality of diverted water for construction and during operations.
- 3. We will install a flow meter and totalizer on the Blanco Drain Diversion.
- 4. We will divert no more than 6 cfs (about 2700 gallons per minute) with certain bypass flows at different times of the year for either fish migration or habitat considerations.
- 5. We will consult NMFS engineering staff on the design of the diversion facility on the Reclamation Ditch.

The unresolved issue is a proposal that in drought years (when the Salinas River Diversion Facility has not operated and the lagoon is closed to the ocean) we would monitor lagoon water levels and if certain conditions occurred, we would either release 2 cubic feet per second (cfs) (about 900 gallons per minute) or find an alternate water source to provide that amount of flow into the lagoon until the situation is remedied.

The full proposed settlement terms are attached as Exhibit 19-A.

The matter will be considered by the MRWPCA Board on June 27, and will be presented to the MCWRA Board on June 27, 2016.

If all three Boards of Directors approve the settlement terms both NFMS and CDFW will notify the State Water Resources Control Board of the terms under which those agencies will then withdraw their protests of the water rights applications on Blanco Drain and the Reclamation Ditch.

RECOMMENDATION: The General Manager recommends the Board approve the proposed settlement, subject to MCWRA discretion to resolve the dry year bypass flow/Salinas River lagoon management issue.

DISCUSSION: In response to water rights filings, the State Water Resources Control Board solicits any protests that a party may have against those water rights being granted. If any are received the filing agency has 30 days to respond to the protest and a maximum of 180 days in which to resolve it.

On February 19, 2016, both National Marine Fisheries Service (NMFS) and the California Department of Fish and Wildlife (CDFW) filed protests against our water rights applications for Blanco Drain, Reclamation Ditch, and Tembladero Slough.

The PWM team submitted a timely response to the protest in mid-March in which we made the case that any potential impacts to fisheries or habitat had been adequately covered and minimized or mitigated in the final Environmental Impact Report for the project. Our response opened up negotiations with the agencies. NMFS and CDFW expressed concern that the three water rights diversions would reduce the amount of water flowing in the lower Salinas Valley watershed area (specifically the Salinas river lagoon, the Tembladero Slough, and the Old Salinas River Channel) possibly resulting in adverse impacts on steelhead populations. The PWM project team expressed concern that any further delays in the project, or any more bypass flows than have already been committed to in the EIR could endanger the project.

Staff from the Monterey County Water Resources Agency, the Monterey Regional Water Pollution Control Agency, and the Monterey Peninsula Water Management Agency represented PWM in several meetings and many submittals from agency to agency since the original response to the protests back in March.

After modeling the impact on the amount of water these sources could now produce and concluding the CSIP and PWM would still work (albeit with slightly less source water than we had planned). **Exhibit 19-B** shows the proposed yield from the proposed settlement versus the initial water rights application. Please note, an additional 16 acre-feet in June would be lost in dry years under the settlement. The final terms to the settlement agreement were agreed upon by the staff of all agencies contingent upon Board approval.

EXHIBITS

- 19-A Proposed Protest Dismissal Settlement Terms
- **19-B** Graph of Yield Reduction due to Settlement v Application

EXHIBIT 19-A

REVISED MEMORANDUM

то:	ALECIA VAN ATTA, JOYCE AMBROSIUS, BILL STEVENS, AND JOEL CASAGRANDE, NATIONAL MARINE FISHERIES SERVICE (NMFS)
FROM:	PAUL SCIUTO, MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY (MRWPCA), DAVID STOLDT, MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (MPWMD) AND DAVID CHARDAVOYNE, MONTEREY COUNTY WATER RESOURCES AGENCY (MCWRA)
SUBJECT:	PROPOSED PROTEST DISMISSAL TERMS - WATER RIGHTS APPLICATIONS 32263A, BLANCO DRAIN, AND 32263B, RECLAMATION DITCH, MONTEREY COUNTY
DATE:	JUNE 15, 2016
CC:	SHAUNNA JUAREZ, MCWRA; BILL KOCHER, MRWPCA; DAVE STOLDT, MPWMD; LARRY HAMPSON, MPWMD; MIKE MCCULLOUGH, MRWPCA; ALISON IMAMURA, DD&A BRENT BUCHE, MCWRA; JULIE VANCE, CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE (CDFW); ANNEE FERRANTI, CDFW; ANNETTE TENNEBOE, CDFW

This letter is in response to a request for a synopsis of the Pure Water Monterey Project, issues of concern to National Marine Fisheries Service (NMFS), and a proposal of key protest dismissal terms regarding NMFS's protest of Monterey County Water Resources Agency's (MCWRA) Water Rights Applications #32263A (Blanco Drain), #32263B (Reclamation Ditch), and #32263C (Tembladero Slough).

The Pure Water Monterey Project provides safe, resilient, and sustainable replacement water for Monterey County that includes advanced water recycling technology, replenishment of regional groundwater basins to offset use of existing water supplies, and protection of the environment. The Pure Water Monterey Project will be the first of its kind to utilize not just municipal wastewater and stormwater, but also Clean Water Act Section 303(d) listed, impaired surface waters that flow to the Salinas River, Salinas River Lagoon, Reclamation Ditch, Tembladero Slough, and the Monterey Bay National Marine Sanctuary/Pacific Ocean. The proposed Blanco Drain and Reclamation Ditch diversions are key components of the Pure Water Monterey Project. The Blanco Drain and Reclamation Ditch diversions are estimated to provide about a third of the approximately 10,000 AFY of source water, including unused existing winter wastewater flow, needed as influent to the Regional Wastewater Treatment Plant to implement the Pure Water Monterey Project.

We understand NMFS is concerned that the proposed diversions from Blanco Drain, Reclamation Ditch, and Tembladero Slough, individually and in combination, would reduce the amount of water flowing into the lower Salinas Valley watershed area (specifically, the Salinas River Lagoon, the Tembladero Slough and the Old Salinas River Channel) possibly resulting in adverse effects on S-CCC Steelhead Distinct Population Segment (S-CCC steelhead). Key NMFS comments that the local agencies heard and hereby acknowledge include:

- Requests for adequate bypass flows in the Salinas River, Reclamation Ditch, and Tembladero Slough for fish passage.
- Requests for adequate flows, surface water elevations, and water quality in the Salinas Lagoon (between April 1 and October 31 of certain years), Reclamation Ditch, Tembladero Slough, and Old Salinas River Channel, for fisheries, including ensuring adequate water for any potential future restoration or habitat enhancement in these areas.

The Pure Water Monterey Project team consisting of MRWPCA, MPWMD, MCWRA, and their consultants (Hagar Environmental Services, HDR, Schaaf and Wheeler Consulting Hydrologists and Engineers, Denise Duffy and Associates) and others spent considerable time and resources analyzing the effects of reduced flow on S-CCC steelhead and associated habitat in these waterbodies. The extensive analysis concluded that the Blanco Drain, Reclamation Ditch, and Tembladero Slough diversions would not adversely impact S-CCC steelhead individuals or habitat with approved mitigation and there would be substantive water quality benefits by diverting and treating Blanco Drain and Reclamation Ditch flows. Water produced by Pure Water Monterey from these diversions would have greater benefits overall for public trust resources than the existing benefits provided by these waters to the downstream waters because of both the Carmel River and lower Salinas Valley watershed and groundwater benefits.

In light of the urgent need for protest resolution and NMFS's ongoing concerns, the MRWPCA, MCWRA, and MPWMD present the following offer for proposed terms to enable your protest dismissal on the Blanco Drain and Reclamation Ditch water rights applications. Please note that this offer of settlement is made in the context of seeking a global settlement that resolves the protests filed with the State Water Resources Control Board by NMFS and the California Department of Fish & Wildlife. If NMFS is willing to withdraw its protest on the terms outlined below, then MRWPCA, MCWRA, and MPWMD intend to offer the California Department of Fish & Wildlife (CDFW) identical terms as the basis for the withdrawal of CDFW's protest. Finally, this offer of settlement is conditioned on the issuance of Water Recycling Requirements (WRRs) by the Regional Water Quality Control Board, Central Coast Region (Regional Board) for all of the activities associated with the Pure Water Monterey Project and the three associated water rights. MCWRA hereby offers the following terms and commitments in the event that NMFS and CDFW agree that SWRCB can dismiss the protests on Water Rights A32263A and A32263B:

1. MCWRA would commit to cease efforts to pursue the Tembladero Slough diversion (Water Right A32263C) for the Pure Water Monterey Project. MCWRA reserves the right to pursue Water Right A32263C, independently, <u>only</u> if all of the following circumstances occur: (1) a future, new project (i.e., not the Pure Water Monterey Project) is proposed by MCWRA that would divert and use the diversion, (2) the new project or projects are subject to a new California Environmental Quality Act process, and (3) the water right application is amended, for example, through filing a petition to change the water right application, to be consistent with that future proposed project. The water right application will remain active with the State Water Control Resources Board, and NMFS protest of application A32663C would also remain active and be addressed when and if MCWRA proceeds with a new project.

- 2. To address recommendation #1 in NMFS protest letter on Water Right A32263A, between April 1 and October 31 of drought years when the Salinas River Diversion Facility has not operated and the Salinas River Lagoon is closed to the ocean, MCWRA would commit to monitor and report the water levels in the Salinas River Lagoon and the operational characteristics of the slide gate between the lagoon and the Old Salinas River Channel. If, during this time period, both of the following conditions occur, MCWRA will cause MRWPCA to limit diversions of Blanco Drain to flows above 2 cfs, such that up to 2 cfs will bypass into the Salinas River, or to provide up to 2 cfs from an alternative water source as feasible, if not prohibited by other regulations:
 - The slide gate between the lagoon and the Old Salinas River channel is closed for more than 30 days consecutively; <u>and</u>
 - The water levels in the lagoon drop below 3-feet NGVD 29 or the then-current lagoon water surface elevation management requirement, for a minimum of two weeks. If within this two-week time period, the water levels in the lagoon drop below 2.7-feet NGVD 29 or 0.3 feet below the then-current lagoon water surface elevation, Blanco Drain diversions will also be limited as described above.

This will occur until October 31 or such time as the water levels return to a minimum of 3 feet NGVD 29, or the then-current management level for the lagoon. Water levels in the lagoon need to stabilize before diversions are modified; therefore, diversions will not be turned on and off multiple times within a day. If diversions are reduced during this time period in one calendar year to comply with the bypass requirement described above, then MCWRA must continue to limit diversions to allow 2 cfs (or portion thereof available) to strive to maintain lagoon elevations must remain at or above an elevation of 3.5 feet NGVD 29, if feasible, through a combination of continued bypass and slide gate operation.

Regarding NMFS recommendations #2 on Water Right A32263A, the diversions would result in no adverse water quality impacts and would in fact result in substantive and quantifiable pollutant load reductions, as documented in previous correspondence. There is no nexus for requiring that the local agencies treat bypassed flows when the Pure Water Monterey Project is resulting in purely beneficial water quality effects.

- 3. In compliance with recommendation #3 on Water Right A32263A, MCWRA will cause MRWPCA to commit to monitoring water quality of diverted water as required by the SWRCB and RWQCB for construction activities and during operations. ¹
- 4. In compliance with NMFS' recommendations #4 and #5 on Water Right A32263A, MCWRA will cause MRWPCA to commit to including a flow meter and totalizer on the Blanco Drain diversion.

¹ Water treatment measures would not be necessary because the proposed diversions (Water Right A32263A and A32263B) would not result in any adverse water quality effects on the downstream water bodies during operation.

- 5. To comply with NMFS's recommendations #1 and #2 in their protest letter to Water Right A32263B, MCWRA will cause MRWPCA to commit to divert no more than 6 cfs under the Reclamation Ditch diversion water right and those diversions would be subject to the following minimum bypass flows (as measured at the USGS San Jon Road Gage and as available):
 - Bypass a minimum of 2.0 cfs, as available, from December 1 through May 31 (in-and outmigration period)
 - Bypass a minimum of 1.0 cfs, as available, from June 1 through June 30 (transitional period)
 - Bypass a minimum of 0.7 cfs, as available, from July 1 through November 30 (non-migration period). Note: This bypass minimum applies through the end of February of the following year, if no storm event has occurred that results in a flow of 30 cfs or more at the San Jon Road gage (the flow required for adult steelhead to pass San Jon Road).

To ensure adequate flows for both adult upstream and smolt/kelt downstream migration in the Reclamation Ditch below Davis Road, the MCWRA will cause MRWPCA to commit to cease diverting:

• When flows measured at San Jon Road gage are above 30 cfs (the most conservatively low passage threshold for the San Jon Road USGS gage weir). Diversion may resume when streamflow recedes below 20 cfs at the San Jon Road gage.

Operational decisions will be based on provisional mean daily and real-time USGS stream flow data. Such provisional USGS data used to make flow-related diversion decisions may not always coincide with final published USGS data.

 In compliance with NMFS' recommendation #3 on Water Rights A32263B, MCWRA and MRWPCA would request technical assistance from NMFS' engineer staff on the design for the new diversion facility on the Reclamation Ditch.

In addition, NMFS has requested additional considerations for dismissal of the Blanco Drain Water Right that are outside the scope of the Pure Water Monterey Project and water right application (specifically, that MCWRA change their Salinas River Lagoon management protocol). As discussed in the memorandum from the Pure Water Monterey/MCWRA team to NMFS dated May 17, 2016, changes to lagoon management protocol such as increasing the water surface elevation is considered infeasible as part of the Pure Water Monterey Project.

Attachment 1 shows the flows proposed for diversion in the original Water Rights Applications for A32263A and A32263B compared to the diversions and resulting yields anticipated with these proposed terms. If the above terms, or other similar terms, are acceptable to NMFS, the project partners request that the federal agencies find that diversions for the Pure Water Monterey Project are not likely to adversely affect S-CCC steelhead per Section 7 of the Endangered Species Act. If the U.S. EPA determines and requests NMFS' concurrence on a finding that the Pure Water Monterey Project may affect, but is not likely to adversely affect, S-CCC steelhead, it is requested that NMFS commit to concur in a letter with the federal lead agency's determination within 30 days.

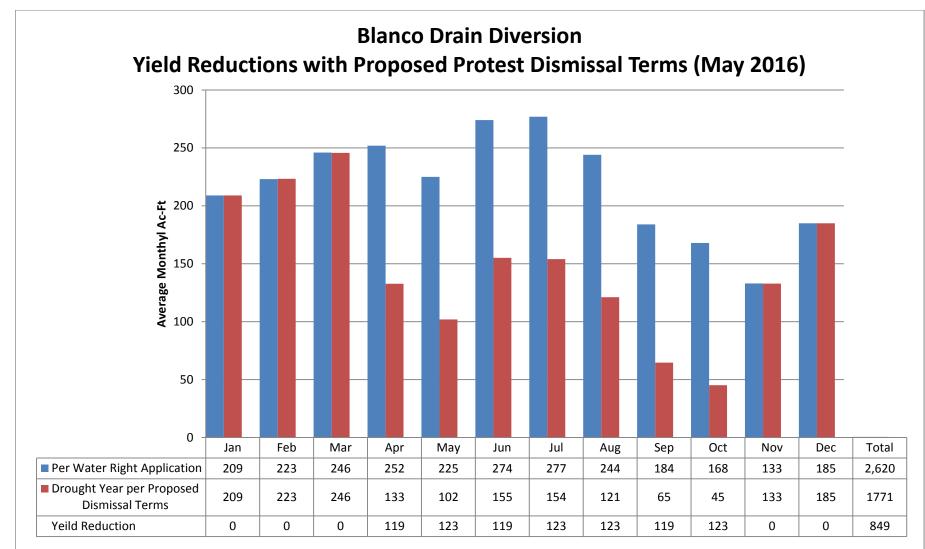
Finally, as mentioned above, this offer of settlement has three conditions: (i) written acceptance by NMFS no later than June 15, 2016; (ii) written acceptance of this identical offer by CDFW by June 30, 2016; and (iii) written concurrence by the RWQCB no later than July 31, 2016, that it will provide documentation to satisfy Paragraph 16.15.3 of the November 3, 2015 Amended and Restated Water Recycling Agreement between MRWPCA and MCWRA. In the event that any one of those three events fails to occur in a timely manner, this offer shall have no binding effect on the Pure Water Monterey Project, MRWPCA, MCWRA, or MPWMD. Please also note that, in an effort to expedite reaching resolution on these very complicated matters, MCWRA has not yet presented this proposal either to the MCWRA Board of Directors or to the Board of Supervisors of the County of Monterey. Both governing boards will need to approve any final resolution of these matters and these offers are subject to such approval at an appropriate time.

Because further delays may harm the Pure Water Monterey Project's ability to timely meet Carmel River replacement water supply needs of the Monterey Peninsula related to the State Board Cease and Desist Order, we look forward to reaching a mutually agreeable resolution to the protest very quickly. As you know, the Pure Water Monterey Project is vital to the socioeconomic and environmental conditions of the region, and is universally supported by virtually all Monterey Peninsula cities, the Planning and Conservation League, the Surfrider Foundation, the Monterey Bay Aquarium, and local state and federal legislators If you should have any questions or require additional information, please contact Shaunna Juarez at juarezsl@co.monterey.ca.us or (831) 755-4865.

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EXHIBIT 19-B



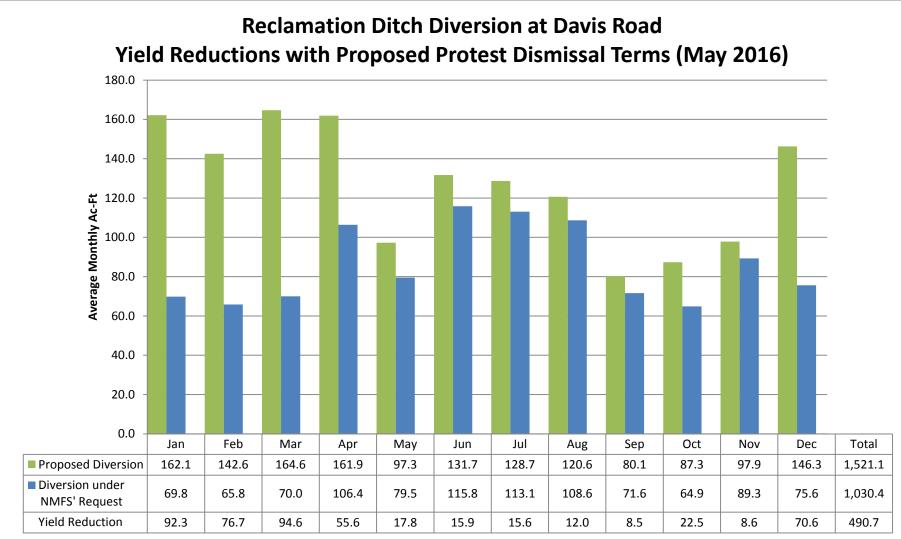
Notes:

1. Application 32263A assumed no minimum bypass and maximum 6 cfs diversion rate (blue bars). Average Yeild 2,620 AFY

2. NMFS requested that 2 cfs be bypassed from APR 1 to OCT 31 in years when the SDRF is not operating (Letter of 2/16/2016).

3. Local agencies propose to comply with a 2 cfs bypass, if lagoon conditions warrant the bypass (see May 2016 Memo). Yield reductions shown reflect a year when the conditions for the 2 cfs bypass are met for the full time period of interest (April 1 through and including October 31). Average Yield 1771 AF (32% reduction)

EXHIBIT 19-B



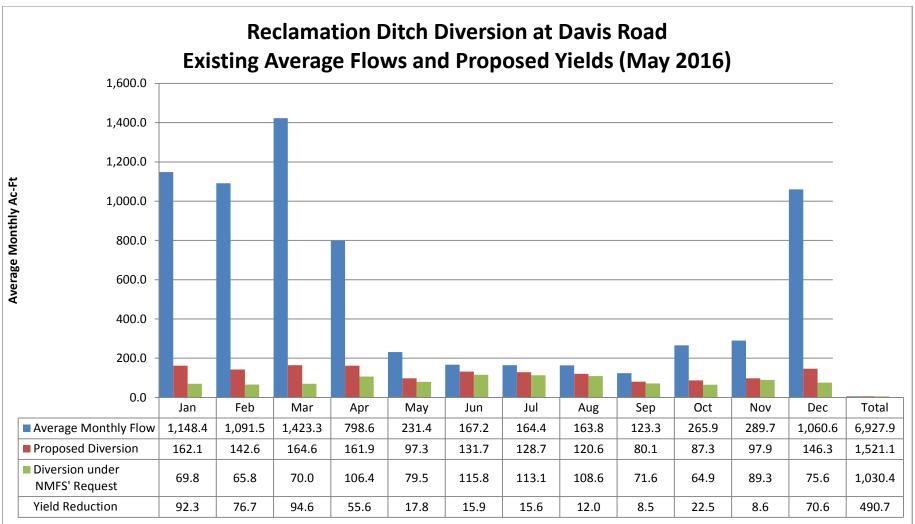
Notes:

1. Proposed diversion (A32263B) included seasonal bypass of 0.7 cfs (JUN-NOV) and 2.0 cfs (DEC-MAY). Average annual yield 1,521 AFY.

2. EIR mitigation measure and MCWRA Protest Response (March 2016) offered to cease diverting when flows reached 40 cfs and to not commence diverting for 72 hours after flow recedes below 40 cfs

3. NMFS requested and local agencies agree to cease diverting from Reclamation Ditch when flows exceed 30 cfs, and to not recommence diverting again until flows recede below 20 cfs. Average annual yield 1,030 AFY (32% reduction)

EXHIBIT 19-B



Notes:

1. Blue bars show average monthly flow in Reclamation Ditch at the San Jon Road gage. Average flow 6,928 AFY.

2. Proposed diversion (A32263B) included seasonal bypass of 0.7 cfs (JUN-NOV) and 2.0 cfs (DEC-MAY). Average annual yield 1,521 AFY.

3. EIR mitigation measure and MCWRA Protest Response (March 2016) offered to cease diverting when flows reached 40 cfs and to not commence diverting for 72 hours after flow recedes below 40 cfs

4. NMFS requested and local agencies agree to cease diverting from Reclamation Ditch when flows exceed 30 cfs, and to not recommence diverting again until flows recede below 20 cfs. Average annual yield 1,030 AFY (32% reduction).

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ITEM: ACTION ITEM

20. CONSIDER APPROVAL OF BRINE DISCHARGE SETTLEMENT AGREEMENT UNDER A.12-04-019 Meeting Date: June 20, 2016 Budgeted: N/A

Meeting Date.	June 20, 2010	Duugeteu.	$1 \sqrt{A}$
From:	David J. Stoldt General Manager	Program/ Line Item No.:	N/A
	General Manager		
Prepared By:	David J. Stoldt	Cost Estimate:	N/A
General Counse	el Approval: N/A		
Committee Reco	ommendation:		
CEQA Complia	nce: N/A		

SUMMARY: On January 22, 2016 supplemental testimony on the issue of "brine disposal" was presented to the California Public Utilities Commission (CPUC) by parties in Application 12-04-019. At that time a draft term sheet on brine disposal was submitted by representatives of Cal Am, the District, the Monterey Regional Water Pollution Control Agency (MRWPCA), the Surfrider Foundation, and the Monterey Peninsula Regional Water Authority. Its purpose was to reduce the likelihood of extensive rebuttal or litigation over brine disposal monitoring, resolve one of the outstanding issues in the "large" Settlement Agreement of 2013, and incur the least possible cost to the ratepayers. Rebuttal testimony on brine disposal was submitted to the CPUC on March 22, 2016 following two months of settlement discussions.

A proposed final brine term sheet was presented to the CPUC at hearings the week of April 11, 2016. Since that time, negotiations led to a motion to the California Public Utilities Commission (CPUC) to approve a Brine Discharge Settlement Agreement (**Exhibit 20-A** attached) and the proposed Brine Discharge Settlement Agreement (**Exhibit 20-B** attached).

The proposed Brine Discharge Settlement Agreement does not have any impact on District operations or the District's interests in the Monterey Peninsula Water Supply Project. District support of the agreement is primarily to demonstrate joint support with the other settling parties in the CPUC proceeding.

RECOMMENDATION: The General Manager recommends the Board authorize its General Counsel to sign the Brine Discharge Settlement Agreement on behalf of the District and to join in the motion to the CPUC to approve the Brine Discharge Settlement Agreement, in both cases subject to non-substantive changes prior to filing.

DISCUSSION: The Settlement Agreement provides for monitoring and, if necessary, mitigation of brine discharge from the Monterey Peninsula Water Supply Project ("Project") into Monterey Bay. The proposed brine disposal facilities would consist of a 3 million gallon brine storage basin and a brine discharge pipeline, which would connect to a new brine mixing structure that will connect in turn to the existing MRWPCA outfall. The outfall rests on the ocean floor and terminates in a diffuser with 171 2-inch ports, 129 of which are open, spaced 8

feet apart. During the non-irrigation season (approximately November through March), Project brine would be diluted prior to discharge with treated wastewater from the MRWPCA Regional Wastewater Treatment Plant. During the irrigation season that wastewater is diverted for irrigation and undiluted Project brine, or brine diluted with the Pure Water Monterey reject water, would be discharged into boundaries of the Monterey Bay National Marine Sanctuary.

Surfrider Foundation has been concerned with potential impacts from brine discharges into the marine environment. In late 2015 and early 2016, Surfrider and Cal-Am engaged in discussions to develop terms of a potential settlement of contested issues related to the Project's brine discharge. The proposed Brine Discharge Settlement Agreement is the outcome of those discussions.

EXHIBITS

20-A Settling Parties' Motion To Approve Brine Discharge Settlement Agreement20-B Proposed Brine Discharge Settlement Agreement

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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.

A.12-04-019 (Filed April 23, 2012)

SETTLING PARTIES' MOTION TO APPROVE BRINE DISCHARGE SETTLEMENT AGREEMENT

[SETTLEMENT AGREEMENT ATTACHED]

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Attorneys for Coalition of Peninsula Businesses

Dated: June 14, 2016

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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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.

A.12-04-019 (Filed April 23, 2012)

SETTLING PARTIES' MOTION TO APPROVE BRINE DISCHARGE SETTLEMENT AGREEMENT

[SETTLEMENT AGREEMENT ATTACHED]

I. INTRODUCTION

Pursuant to Rule 12.1(a) of the Rules of Practice and Procedure of the California Public Utilities Commission, California-American Water Company ("Cal-Am"), Monterey Peninsula Regional Water Authority ("MPRWA"), Monterey Regional Water Pollution Control Agency ("MRWPCA"), the Coalition of Peninsula Businesses, the Monterey Peninsula Water Management District,¹ Surfrider Foundation ("Surfrider"), and the Planning and Conservation League, (collectively, "the Parties") submit this motion requesting that the Commission adopt and approve the accompanying Brine Discharge Settlement Agreement, included as "<u>Attachment</u> A."

The Parties jointly support the proposed Settlement Agreement as reasonable, consistent with the law, and in the public interest. The Settlement Agreement provides for monitoring and, if necessary, mitigation of brine discharge from the Monterey Peninsula Water Supply Project

¹ Due to its board's meeting schedule, the Monterey Peninsula Water Management District proposes to sign the Settlement Agreement after the submission of this Motion.

("Project") into Monterey Bay. The Agreement resolves a key contested issues in this proceeding and enjoys the support of a broad coalition of parties representing diverse interests. The Parties request that the Commission approve the Settlement Agreement without modification as part of any decision to grant California American Water a certificate of public convenience and necessity for the Project.

II. BACKGROUND

On April 23, 2012, California American Water initiated Commission proceeding A.12.04.019 (the "Proceeding") by filing an application for a Certificate of Public Convenience and Necessity ("CPCN") for the Monterey Peninsula Water Supply Project and Authorization to Recover All Present and Future Costs in Rates. The purpose of the Project is to replace a significant portion of the existing water supply from the Carmel River, as directed by the State Water Resources Control Board.² The Project includes, inter alia, a desalination plant and related facilities including slant intake wells, brackish water pipelines, the desalination plant, product water pipelines, brine disposal facilities, and other appurtenant facilities.

The proposed brine disposal facilities would consist of a 3 million gallon brine storage basin and a brine discharge pipeline, which would connect to a new brine mixing structure that will connect in turn to the existing MRWPCA outfall. The outfall rests on the ocean floor and terminates in a diffuser with 171 2-inch ports, 129 of which are open, spaced 8 feet apart. During the non-irrigation season (approximately November through March), Project brine would be diluted prior to discharge with treated wastewater from the MRWPCA Regional Wastewater Treatment Plant. During the irrigation season (approximately April through October), that

² State Water Resources Control Board Order Nos. WR 95-10 (July 6, 1995) and WR 2009-0060 (Oct. 20, 2009).

wastewater is diverted for irrigation and undiluted Project brine would be discharged into boundaries of the Monterey Bay National Marine Sanctuary ("Sanctuary").

On February 22, 2013, Surfrider served its opening testimony, which addressed potential impacts from brine discharges into the marine environment, as well as pending amendments to California's Ocean Plan addressing such discharges, specifically from desalination plants.³ On May 6, 2015, the State Water Resources Control Board adopted the final Ocean Plan amendment.⁴ The Commission released the Draft Environmental Impact Report for the Project in spring 2015 ("DEIR"). Both Surfrider and MPRWA submitted comments on the DEIR's analysis of environmental impacts from the Project's brine discharge.

In late 2015 and early 2016, Surfrider, MPRWA, and Cal-Am engaged in discussions to develop terms of a potential settlement of contested issues related to the Project's brine discharge. ALJ Weatherford meanwhile included brine discharge among the topics to be covered in additional testimony.⁵ These parties reached consensus on terms, which MPRWA included in its January 22, 2016 testimony.⁶

Cal-Am served notice of an all-party settlement meeting on April 29, 2016. The all-party settlement meeting was held telephonically on May 6, 2016. Settlement discussions continued through May and early June 2016.

http://www.waterboards.ca.gov/water_issues/programs/ocean/desalination/.

³ See generally SF-1 (Geever Testimony); SF-2 (Letter from Victoria Whitney, Deputy Director, Division of Water Quality, State Water Resources Control Board, dated November 13, 2012); SF-3 (Jones Testimony); SF-4 (Management of Brine Discharges to Coastal Waters Recommendations of a Science Advisory Panel); SF-5 (Damitz Testimony); SF-6 (Guidelines for Desalination Plants of the Monterey Bay National Marine Sanctuary).

⁴ See Amendment to the Water Quality Control Plan for Ocean Waters of California, addressing Desalination Facility Intakes, Brine Discharges, and the Incorporation of other Non-Substantive Changes (May 6, 2015) (Ocean Plan Amendment), available at

⁵ Administrative Law Judge's Ruling Setting Evidentiary Issues and Schedule to Complete the Record for Phases 1 and 2 (November 17, 2015).

⁶ RWA-22 (Preston Testimony, Exhibit A).

III. THE SETTLEMENT AGREEMENT IS REASONABLE IN LIGHT OF THE WHOLE RECORD, CONSISTENT WITH THE LAW, AND IN THE PUBLIC **INTEREST**

Pursuant to Rule 12.1(d), the Commission will approve settlements if the settlement is reasonable in light of the whole record, consistent with law, and in the public interest. The Commission has a well-established policy of settling disputes if they are fair and reasonable in light of the whole record.⁷ This policy reduces the expense of litigation, conserves scarce Commission resources, and allows parties to "reduce the risk that litigation will produce unacceptable results."⁸ In the Southern California Gas Co. decision, the Commission held that the Parties' evaluation should carry material weight in the Commission's review of a settlement.⁹

The record in this proceeding demonstrates that the terms of the Settlement Agreement are reasonable. The brine discharged from the project will be denser than ambient sea water. Without sufficient dilution, it could pool on the ocean floor and harm marine life in the Sanctuary.¹⁰ The Settlement Agreement establishes a monitoring program to evaluate the effect of these discharges.¹¹ Experts from Surfrider, MPRWA, and Cal-Am have developed a program to monitor salinity of the waters that will receive the Project's discharge, which will indicate whether brine has been effectively dispersed and diluted to safe levels in those waters.¹² These experts identified preferred monitoring locations, technology, and procedures for monitoring the anticipated brine discharge.

⁷ See. e.g. Application of Golden State Water Company on Behalf of its Bear Valley Electric Service Division (U913E), for Approval of RPS Contract with BioEnergy Solutions, LLC, and for Authority to Recover the Costs of the Contract in Rates, Decision 11-06-023, 2011 Cal. PUC LEXIS 330, **17-18. ⁸ Id.

⁹ Order Instituting Investigation into the operations and practices of the Southern California Gas Company, concerning the accuracy of information supplied to the Commission in connection with its Montebello Gas Storage Facility, D.00-09-034, 2000 Cal. PUC LEXIS 694, **29, 31. ¹⁰ SF-3 at 4 (Jones Testimony).

¹¹ See Attachment A, § 3.

¹² RWA-21 at 2, 4-5 (Preston Testimony).

To determine whether brine discharge is sufficiently diluted in the receiving waters, the Settlement Agreement applies the standard proposed by the Ocean Plan Amendment: in general, the Project will be in compliance with the Settlement Agreement if salinity in the area of the outfall is not more than 2 parts per thousand ("ppt") more saline than ambient ocean water as measured at a similar location unaffected by the Project.¹³ In the event salinity exceeds this standard, the Settlement Agreement requires mitigation to bring the Project into compliance. The Parties will jointly select a mitigation approach to increase brine dilution and decrease salinity levels below the 2 ppt threshold.¹⁴ The record supports use of such mitigation techniques, including outfall modifications to increase discharge pressure and brine dilution.¹⁵

The Settlement Agreement is consistent with applicable law concerning both environmental review in general and brine discharges into the marine environment. Both Public Utilities Code section 1002(a) and the California Environmental Quality Act, Public Resources Code section 21000 *et seq.*, require the Commission to consider the potential effect of the Project on the environment before issuing a CPCN. In particular, CEQA sets out California's overarching environmental policy: "The maintenance of a quality environment for the people of this state now and in the future is a matter of statewide concern," and "[t]here is a need to understand the relationship between the maintenance of high-quality ecological systems and the general welfare of the people of the state, including their enjoyment of the natural resources of the state."¹⁶ To this end, CEQA requires agencies to analyze a project's significant

¹³ See Attachment A, § 4; Ocean Plan Amendment at 43.

¹⁴ See Attachment A, \S 4.4(a).

¹⁵ SF-1 at 5-6 (Geever Testimony); Transcript, Vol. 8 at 1259 (Svindland, Cal-Am); CA-12, Attachment 9 at 11-13 (Svindland Testimony).

¹⁶ Pub. Res. C. § 21000(a), (c).

environmental impacts prior to approval.¹⁷ When that analysis reveals such impacts will be significant, agencies must identify mitigation to reduce or avoid them.¹⁸ The Settlement Agreement will carry that commitment forward, past approval. It will require the continued monitoring and analysis of potential impacts and impose mitigation if they arise.

The Settlement Agreement also supports the purposes of the recent Ocean Plan Amendment. It applies the Amendment's 2 ppt receiving water standard and its requirement of continuous monitoring of brine discharges to ensure that standard is met.¹⁹ Federal guidelines for desalination plant operations in the Sanctuary similarly state that dischargers should dilute brine discharges and adopt a "continuous monitoring program" to evaluate impacts of such discharges.²⁰

By establishing a continuous monitoring program and contingent mitigation options, the Settlement Agreement is consistent with and promotes the purposes of each of these applicable laws and regulations. The Settlement Agreement further ensures the consistency of its terms with brine discharge regulations by allowing the Parties to modify the monitoring program to ensure compliance with any additional monitoring requirements imposed on Cal-Am and MRWPCA by other regulatory agencies.²¹

Finally, the Settlement Agreement is in the public interest. First, it reflects compromise and consensus between the Parties on a critical outstanding component of the Project. This compromise will advance the Project while conserving Commission and the Parties' resources by avoiding further adjudication of this issue. Moreover, the Settlement Agreement protects both the

¹⁷ Pub. Res. C. § 21083; Cal. C, of Regs, title 14 (CEQA Guidelines) §§ 15091, 15092.

¹⁸ Pub. Res C. § 21081.

¹⁹ Ocean Plan Amendment at 46-47.

²⁰ NOAA, Guidelines for Desalination Plants of the Monterey Bay National Marine Sanctuary (May 2010) at 6-7 (marked as exhibit SF-6).

²¹ See Attachment A, § 3.2 (discuss alternative monitoring programs).

ratepayers and the environment. It protects the ratepayers from unnecessary costs by avoiding construction of expensive and potentially unnecessary mitigation technology and allowing Cal-Am to pursue cost-effective mitigation, if and when needed.²² At the same time, it is undisputed that brine discharge into the marine environment is one of the primary environmental impacts from desalination plants.²³ Through monitoring and contingent mitigation, the Settlement Agreement pursues environmentally-protective adaptive management, thus safeguarding the public interest in California's environment.²⁴

Finally, the Settlement Agreement sets valuable policy precedent in California. To the Parties' knowledge, it will be the first investor-owned utility program to implement the Ocean Plan's monitoring standards for desalination plants. It will additionally provide the opportunity to validate the EIR's modeling and analysis of brine dilution, which may offer projects interesting and important insights for the analysis of future such projects.

For all of these reasons this Settlement Agreement is reasonable in light of the entire record, is consistent with the law, and is in the public interest.

IV. CONCLUSION

The Parties respectfully request that the Commission adopt and approve the attached Brine Discharge Settlement Agreement as part of any decision granting Cal-Am a CPCN authorizing it to construct the Project.

²² CA-12, Attachment 9 at 11-13 (Svindland Testimony); Attachment A, § 4.4(b)..

²³ SF-1 (Geever Testimony); SF-3 (Jones Testimony); SF-4 (Management of Brine Discharges to Coastal Waters Recommendations of a Science Advisory Panel); SF-5 (Damitz Testimony); SF-6; RWA-17 at 5-6 (Burnett Testimony).

²⁴ SF-6 at 13 (noting that such program is recommended for the Sanctuary by its administrator, the National Oceanographic and Atmospheric Administration).

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DATED: June 14, 2016 SHUTE, MIHALY & WEINBERGER LLP By: /s/ Gabriel M.B. Ross GABRIEL M.B. ROSS Attorneys for Surfrider Foundation CALIFORNIA AMERICAN WATER COMPANY DATED: June 14, 2016 By: /s/ Sarah E. Leeper SARAH E. LEEPER Attorney for California American Water Company PERKINS COIE LLP DATED: June 14, 2016 /s/ James W. Mctarnaghan By: JAMES W. MCTARNAGHAN Attorneys for Monterey Regional Water Pollution Control Agency DATED: June 14, 2016 WELLINGTON LAW OFFICES By: /s/ Robert Wellington **ROBERT WELLINGTON** Attorneys For Monterey Regional Water Pollution Control Agency

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BRINE DISCHARGE SETTLEMENT AGREEMENT (A.12-04-019)

1. GENERAL

1.1 Pursuant to Article 12 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), California-American Water Company ("California American Water"), Monterey Peninsula Regional Water Authority ("MPRWA"), Monterey Regional Water Pollution Control Agency ("MRWPCA"), the Coalition of Peninsula Businesses, the Monterey Peninsula Water Management District, Surfrider Foundation ("Surfrider"), and the Planning and Conservation League, (collectively, the "Parties"), to avoid the expense and uncertainty of litigation of some of the matters In dispute between them before the Commission, agree on the terms of this Brine Discharge Settlement Agreement ("Agreement"), which they now submit for review, consideration, and approval by the Commission.

1.2 On April 23, 2012, California American Water initiated Commission proceeding A.12.04.019 (the "Proceeding") by filing an application for a Certificate of Public Convenience and Necessity ("CPCN") for the Monterey Peninsula Water Supply Project ("Project") and Authorization to Recover All Present and Future Costs in Rates ("Application"). The purpose of the Project is to replace a significant portion of the existing water supply from the Carmel River, as directed by the State Water Resources Control Board ("SWRCB"). (SWRCB Order Nos. WR 95-10 (July 6, 1995) and; WR 2009-0060 (Oct. 20, 2009).) The Project requires, inter alia, a desalination plant and related facilities including slant intake wells, brackish water pipelines, product water pipelines, brine disposal facilities, and related appurtenant facilities.

1.3 The proposed brine disposal facilities would consist of a 3 million gallon brine storage basin and a brine discharge pipeline, which would connect to a new brine mixing structure that will connect in turn to the existing MRWPCA outfall. The outfall rests on the ocean floor and terminates in a diffuser with 171 2-inch ports 129 of which are open, spaced 8 feet apart. During the non-irrigation season (November through March), Project brine would be diluted prior to discharge with treated wastewater from the MRWPCA Regional Wastewater Treatment Plant. During the irrigation season (April through October), that wastewater is diverted for irrigation purposes and undiluted Project brine would be discharged into Monterey Bay.

1.4 The Draft Environmental Impact Report ("DEIR") for the Project determined that the Project's environmental impact related to brine discharge would be less than significant. The DEIR is presently under revision and will be recirculated as a combined revised draft environmental impact

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report/environmental impact statement ("RDEIR/DEIS") pursuant to the California Environmental Quality Act (Public Resources Code sections 21000 et seq.) ("CEQA") and the National Environmental Policy Act (42 U.S.C. sections 4321 et seq.) ("NEPA"), with the Commission and the Monterey Bay National Marine Sanctuary (the "Sanctuary") as lead agencies. It is the Parties' understanding that the analysis of brine-related impacts may be revised as well.

1.5 Surfrider submitted comments on the DEIR challenging the assumptions and methodology supporting the DEIR's conclusions concerning the impacts of brine discharge on benthic communities and the Sanctuary ecosystem as a whole. MPRWA also submitted comments regarding the assumptions and methodology respecting impacts of brine discharge.

1.6 This Agreement, if adopted by the Commission, would provide a compromise resolution of Surfrider's concerns about marine impacts related to brine discharge. This Agreement would avoid the uncertainty of a continued challenge, based upon those marine impacts, to the adequacy of environmental review and to Commission issuance of a CPCN for the Project, without excessive costs to ratepayers.

The Effective Date of this Agreement shall be the date on which the 1.7 last Party executes the Agreement. Subsequent to the Effective Date, the Parties contemplate obtaining the Commission's approval of this Agreement, and if such approval is not obtained or if the Agreement is modified by the Commission, any Party may exercise the options afforded in such circumstances by Section 6.6. Nevertheless, as of the Effective Date and continuing during the period until the Commission approves the Agreement, approves the Agreement with modifications which are agreed to by two or more Parties, or rejects the Agreement, the Monitoring Program obligations set forth in Section 3.1(c) shall be in force. In the event that the Commission approves the Agreement or approves the Agreement with modifications which are accepted by two or more Parties (unless the Agreement is void pursuant to Section 6.6), such obligations shall continue in effect pursuant to Section 3.1(c), as modified if appropriate. In the event that the Commission rejects the Agreement, such obligations shall be of no effect as of the date of the Commission's rejection. Additionally, as of the Effective Date and during the period until the Commission grants or denies the CPCN, the Parties shall abide by the procedures and obligations set out in Sections 2, 3.2(a), and 3.2(d).

2. AGREEMENT TO NOT OPPOSE BRINE DISCHARGE

Surfrider will not oppose in the Proceeding the use of the MRWPCA outfall to discharge brine from the Project desalination facility, as currently proposed in the Proceeding. Surfrider reserves the right to support or oppose other potential Project brine discharge locations and methods, including locations that have been identified as contingencies or alternatives in the Proceeding. Notwithstanding the foregoing, if

any Party requests that the Commission not impose any mitigation measure identified by a revised and recirculated DEIR to reduce or avoid the Project's environmental impacts related to brine, Surfrider may advocate for the imposition of such mitigation. Additionally, if a revised and recirculated DEIR identifies significant and unavoidable environmental impacts related to the Project's brine discharge, Surfrider may advocate for mitigation measures to reduce such impacts to less-than-significant levels.

3. MONITORING PROGRAM

3.1 Monitoring and Data Collection. California American Water shall implement a brine monitoring program (the "Agreed Monitoring Program") as follows:

a. At least one year prior to the first discharge of the Project's brine into the Sanctuary, California American Water shall install equipment required either to monitor the salinity levels in the seawater ("Salinity") by measuring the specific conductivity of the monitored seawater at intervals of no more than 15 minutes or to perform any equivalent protocol required pursuant to either an Alternative Monitoring Program (as defined in Section 3.2 below) or a standard imposed pursuant to Section 4.1(a)(B) below (the "Monitoring Equipment"). California American Water shall install the Monitoring Equipment in at least four locations (the "Monitoring Locations"). Unless modified pursuant to Section 3.2 below, the Monitoring Locations shall be within 3 meters of the ocean floor in each of the following locations, which are depicted for illustrative purposes only on Exhibit A:

i. The Zone of Initial Dilution Location: 10 meters downslope of the outfall;

ii. The Compliance Point Location: 100 meters downslope of the outfall;

iii. The Far Field Location: 1000 meters downslope of the outfall, intended to measure far-field effects;

iv. The Reference Location: 1000 meters north of the outfall, and along the same elevation contour as the outfall, which is intended to measure conditions without the influence of the outfall.

b. Commencing at installation of the Monitoring Equipment and continuing throughout the life of the Project, California American Water shall operate and maintain the Monitoring Equipment in good working order, ensuring that it is collecting and recording data at intervals of no more than 15 minutes or is performing all data collection required under an Alternative

Monitoring Program, as appropriate. California American Water shall replace and maintain the Monitoring Equipment as necessary to ensure such data collection.

c. Beginning on the Effective Date and continuing until the date that the Project begins to regularly provide customers with water from the desalination component of the Project (the "Project Commencement Date"), California American Water shall collect data on the Salinity, and any other brine constituent for which a standard is imposed pursuant to Section 4.1(a)(B) below, from each Monitoring Location no less than once each calendar month. Prior to the time the Monitoring Equipment is installed, data shall be collected from at least the following four approximate locations—on the outfall, 500 meters north of the outfall, 500 meters south of the outfall, and 1000 meters downslope of the outfall. After the Monitoring Equipment is installed, data shall be collected from each Monitoring Location. Each data collection shall include the following protocol:

i. Collect all data recorded since the last collection, or, during the period of monthly monitoring, take sufficient samples to analyze Salinity, and any other brine constituent for which a standard is imposed pursuant to Section 4.1(a)(B) below.

ii. After the installation of the Monitoring Equipment, check and re-calibrate the Monitoring Equipment's Salinity probe using standard commercial practices.

iii. Record the amount of re-calibration required.

iv. Measure and record a vertical Salinity profile, taking measurements at depth intervals of less than one meter.

d. Beginning at Project Commencement Date, California American Water shall collect data at each Monitoring Location no less than once very sixty (60) days, using the protocol described in Section 3.1(c).

e. Following each data collection, California American Water shall analyze the collected data and post the analyzed data on the Project website and/or the California American Water website. Upon posting the data, California American Water shall notify the Parties and the Commission of such posting and shall inform them of how to obtain the raw data, which it shall make freely available to any Party and the Commission. If at the later of two years after the Project Commencement Date and the close of the period of Watershed Sanitary Survey mandated by the State Water Resources Control Board's Division of Drinking Water pursuant to the California Surface Water Treatment Rule (California Code of Regulations Title 22, Division 4,

Chapter 17, Article 7 - Sanitary Surveys), the 24-hour average Salinity measured at the Compliance Point Location is less than 75% of the Salinity standard specified in section 4.1 below, for 45 days without interruption, California American Water may reduce the frequency of data collection to not less than once every three months.

f. California American Water shall use commercially reasonable efforts to obtain any regulatory approvals required for the installation of the Monitoring Equipment or operation of the Agreed Monitoring Program or Alternative Monitoring Program (as defined below). The other Parties shall use commercially reasonable efforts to support California American Water's efforts. If California American Water fails to obtain any required approval, the Parties will meet and confer to consider how to implement a monitoring program that achieves the purposes of this Agreement, giving preference to programs that include in situ monitoring rather than intermittent sampling by boat. Prior to the implementation of any such revised monitoring program, and if California American Water is unable to obtain all necessary approvals for such revised monitoring program, California American Water shall undertake the following monitoring program (the "Monthly Monitoring Program"), which shall in those circumstances suffice to meet the requirements of this Agreement: (1) measure the Salinity, including the vertical Salinity profile, at each of the Monitoring Locations not less than once per calendar month and (2) share such data pursuant to Section 3.1(e) above.

3.2 Alternative Monitoring Programs

Consideration of Proposed Alternative Monitoring a. **Program.** If a public agency with jurisdiction over the Project requires a monitoring program that differs from the program set out in Section 3.1 above, California American Water shall promptly provide written notice of such requirement to the other Parties, including a proposal to implement such program or a combination of such and some portion of the Agreed Monitoring Program (a "Proposed Alternative Monitoring Program"). The Parties shall consider, and upon the request of any Party, meet to discuss. whether the Proposed Alternative Monitoring Program is equally or more protective of natural resources within the Sanctuary than the Agreed Monitoring Program or otherwise a suitable substitute for the Agreed Monitoring Program, with consideration given to the frequency or accuracy of monitoring and data collection of the Proposed Alternative Monitoring Program. Within thirty (30) days following receipt of California American Water's notice of the Proposed Alternative Monitoring Program, each Party may provide California American written notice of whether or not it approves the Proposed Alternative Monitoring Program. If every Party that responds to such notice informs California American Water that it approves

the Proposed Alternative Monitoring Program, then such program shall be deemed the "Alternative Monitoring Program" that California American Water shall implement in lieu of the Agreed Monitoring Program. A Party that does not respond to California American Water's notice within the time set out above shall be deemed to have approved the Proposed Alternative Monitoring Program. The Parties hereby agree that adoption of an Alternative Monitoring Program pursuant to this Section 3.2(a) or Section 3.2(b) below does not constitute an amendment to this Agreement, but that such Alternative Monitoring Program shall be enforceable as if it were set out herein.

b. Disputes regarding the adequacy of a Proposed Alternative Monitoring Program shall be resolved as follows:

If one or more Parties inform California American i. Water by their written notice that they do not approve the Proposed Alternative Monitoring Program, then California American Water shall either continue to implement the Agreed Monitoring Program in addition to any monitoring program required by any public agency with jurisdiction over the Project or initiate dispute resolution by designating a scientist or engineer with expertise in brine discharge and diffusion into marine environments (a "Brine Expert"). The Party (or Parties) that does not approve the Proposed Alternative Monitoring Program shall also designate a single Brine Expert and the two designated Brine Experts shall promptly select a third Brine Expert (the "Deciding Brine Expert," and along with the other two, the "Designated Brine Experts"). The Deciding Brine Expert shall determine whether the Proposed Alternative Monitoring Program will be deemed an Alternative Monitoring Program, with consideration given to the frequency or accuracy of monitoring and data collection of the Proposed Alternative Monitoring Program. Each Party shall have the opportunity to present its position and supporting arguments to the Deciding Brine Expert in writing; the Parties and the Deciding Brine Expert shall agree on a schedule for such briefing. The reasonable costs of the retention of all three Designated Brine Experts for the tasks assigned them under this Section 3.2(b)(i) shall be paid or reimbursed by California American Water. Any Party may retain at its own discretion and expense any Brine Expert (other than the Deciding Brine Expert) to assist in submitting comments to the **Deciding Brine Expert.**

ii. If the Deciding Brine Expert determines that the Proposed Alternative Monitoring Program should be deemed an Alternative Monitoring Program, then California American Water shall implement the Alternative Monitoring Program in lieu of the Agreed

Monitoring Program. If the Deciding Brine Expert determines that the Proposed Alternative Monitoring Program should not be deemed an Alternative Monitoring Program, then California American Water shall continue to undertake the Agreed Monitoring Program in addition to any monitoring program required by any public agency with jurisdiction over the Project.

c. California American Water agrees to make commercially reasonable efforts to obtain any Commission approval required for the implementation of an Alternative Monitoring Program. The other Parties agree to support such efforts.

d. The Parties acknowledge that pending revisions to the DEIR may include analysis demonstrating that one or more of the Monitoring Locations or another aspect of the Agreed Monitoring Program should be revised. The Parties shall meet and confer promptly following the release of a revised and recirculated DEIR to determine whether its analysis warrants modification to the Agreed Monitoring Program. If the Parties agree to such modification, they will memorialize such modification by a memorandum signed by each Party and will inform the Commission by joint motion. If the Parties do not agree to such modification, any Party may individually move the Commission for a modification of the Agreed Monitoring Program. The Parties hereby agree that modification to the Agreed Monitoring Program pursuant to this Section 3.2(d) does not constitute an amendment to this Agreement, but that such Agreed Monitoring Program as modified shall be enforceable as if it were set out herein.

4. COMPLIANCE, ENFORCEMENT, AND MITIGATION

4.1 Salinity Standard.

a. The Project shall, from the Project Commencement Date and continuing through the life of the Project, comply with the Salinity standard of this Agreement. The Project shall be in compliance with the Salinity standard if the 24-hour average of measured Salinity (or, under the Monthly Monitoring Program, each monthly Salinity measurement) is no greater than (A) 2 parts per thousand greater than the Salinity at the Reference Location, or (B) any other Salinity or other brine constituent standard established by a public agency with jurisdiction over the Project, including a standard of significance applied to the Project pursuant to either CEQA or NEPA. The standard set out in clause (A) of this subsection shall be applied to Salinity at the Compliance Point Location and the Far Field Location.

b. If a public agency with jurisdiction over the Project imposes a Salinity standard on the Project that differs from that set out in clause (A) of

Section 4.1(a) above, California American Water shall promptly notify the other Parties. The Parties shall meet and confer to determine whether that standard shall be incorporated into this Agreement. If the Parties fail to reach consensus, they shall use the dispute resolution mechanism set out in Section 5 below.

4.2 Exceedances.

If data collected from the Agreed or Alternative Monitoring a. Program shows an exceedance of the standard described in Section 4.1 at the Compliance Point Location, California American Water shall provide notice of such exceedance to all Parties and the Commission no more than ten (10) days following the collection of the data showing the exceedance. Promptly upon determining that an exceedance has occurred California American Water shall perform a thorough review to determine if the exceedance was caused entirely by a factor or factors other than the Project's normal brine discharge, such as but not limited to erroneous measurement or temporary or unusual circumstance related to plant operations or the marine environment, such that the exceedance should be excused. This review shall consider all relevant data, including without limitation brine discharge operational data, Salinity data from all four Monitoring Locations, the vertical profile data from all four Monitoring Locations, any re-calibration of the Salinity probes, and the duration of the exceedance. California American Water may, at its sole discretion, take additional measurements of Salinity or other brine constituents as a part of its review.

b. Not more than forty (40) days following the collection of the data showing an exceedance at the Compliance Point Location, California American Water shall provide a report of its review to the other Parties and the Commission. The report shall include a conclusion as to whether the exceedance should be excused. If the report determines that the exceedance should be excused, then each Party and the Commission may determine, in its sole discretion, whether it concurs with that conclusion and convey its determination to California American Water in writing. Any Party or the Commission that does not respond to the report in writing within twenty-one (21) days following its receipt of the report shall be deemed to have concurred with the report's conclusion.

c. If data collected from the Agreed or Alternative Monitoring Program shows an exceedance of the standard described in Section 4.1 at the Far Field Location while Salinity at the Compliance Point Location does not exceed the Salinity standard, the Parties shall promptly and in good faith meet and confer to develop a protocol for determining the Project's contribution to the exceedance, which shall include a deadline for providing the Parties a report regarding such contribution. California American Water

shall implement such protocol. Following such implementation, California American Water shall issue a report stating its conclusion regarding the degree of the Project's contribution to the exceedance, including a statement expressing such degree as a percentage. The report shall make one of the following conclusions: (i) that the exceedance was caused entirely by a factor or factors other than the Project's normal brine discharge, such as but not limited to erroneous measurement or temporary or unusual circumstance related to plant operations or the marine environment, such that the exceedance should be excused, in which case the exceedance shall be deemed excused; (ii) that the exceedance is not excused but that the Project was responsible for less than 51% of the total exceedance (i.e., the amount of Salinity greater than the standard described in Section 4.1), in which case the report shall conclude that the exceedance should be partially excused; or (iii) that the Project was responsible for 51% or more of the total exceedance, in which case the report shall conclude that the exceedance is not excused.

d. If a report provided pursuant to Section 4.2(b) or (c) determines that the exceedance should be excused or partially excused, then each Party and the Commission may determine, in its sole discretion, whether it concurs with that conclusion, and convey its determination to California American Water in writing.

i. In the event a Party or the Commission, based on a reasonable assessment of the report and any other evidence, declines to concur with a report finding that an exceedance at the Compliance Point Location should be excused, the Party or Commission's writing shall explain the reasons for its determination. California American Water may accept such written explanation or may opt to resolve the variance by, first, engaging in the dispute resolution mechanism described in Section 5 below, and then, if no resolution is achieved, initiating a proceeding in a court of competent jurisdiction seeking declaratory relief as to the unreasonableness of the Party or Commission's non-concurrence.

ii. In the event of an exceedance at the Far Field Location, such writing shall state the Party or Commission's alternative determination among the options set out in Section 4.2(c). California American Water may accept such alternative determination or may opt to resolve the variance between its determination and that of the non-concurring Party or Commission through the procedure set out in Section 3.2(b), except that the Deciding Brine Expert shall determine the Project's degree of responsibility for the exceedance and make the appropriate determination among the options set out in Section 4.2(c).

iii. Any Party or the Commission that does not respond to the report in writing within twenty-one (21) days following its receipt of the report shall be deemed to have concurred with the report's conclusion.

4.3 Non-Compliance. California American Water shall be out of compliance with Salinity standard described in Section 4.1 if an exceedance of such Salinity standard is not excused or is partially excused, either because: (a) a report prepared pursuant to Section 4.2(b) or (c) determines that an exceedance should not be excused or should be partially excused; (b) any Party or the Commission has, based on reasonable assessment, declined to concur with a report regarding an exceedance at the Compliance Point Location determining that such exceedance should be excused and such declined concurrence has not been resolved in favor of an excuse for exceedance pursuant to the process specified in Section 4.2(d)(i); or (c) any Party or the Commission makes an alternative determination pursuant to Section 4.2(d)(ii) and California American Water accepts, or the Deciding Brine Expert confirms, such determination.

4.4 Mitigation.

a. Upon a determination that the Project is out of compliance with the Salinity standard described in Section 4.1, California American Water shall promptly identify and report to the Parties mitigation measures that can further dilute the Project's brine to comply with the standard set out in Section 4.1. Such measures may include, without limitation:

i. Retrofitting the existing outfall to increase pressure at the diffuser ports and/or make other modifications, potentially including without limitation changing the angle, diameter, number, or elevation of the ports and providing additional treatment processes or facilities to MRWPCA to ensure that such retrofit does not compromise that agency's ability to comply with any permits regulating the outfall pursuant to the National Pollutant Discharge Elimination System;

ii. Constructing a new pressurized diffuser structure designed solely for the discharge of brine. This would likely have ports inclined vertically upwards and other design considerations (e.g., increased discharge velocity) to maximize dilution;

iii. Operating the desalination plant at a lower permeateto-brine ratio in order to produce brine effluent at reduced concentration; or

iv. Achieving rapid dilution of brine through another discharge method or design that the Parties determine is mutually agreeable.

Following receipt of California American Water's list of b. potential mitigation measures, the Parties shall meet and confer to select a mutually agreeable measure, or set of measures, that will allow the water receiving the Project's discharge to meet the standard set out in Section 4.1, except that where an exceedance at the Far Field Location has been determined to be partially excused pursuant to the procedures set out in Sections 4.2(c) and 4.2(d)(ii) (for avoidance of doubt, because the Project's contribution to the exceedance is greater than zero but less than 51%), the selected measure need be sufficient only to eliminate the Project's contribution to the total exceedance. The Parties shall give preference to measures that are cost effective, capable of timely implementation, and otherwise reasonable. The Parties shall not select any measure that would materially interfere with MRWPCA's ability to comply with any permits regulating the outfall pursuant to the National Pollutant Discharge Elimination System. If after sixty (60) days from the date of the collection of the data showing the exceedance, the Parties have not designated a mutually agreeable mitigation option, California American Water shall undertake either 4.4.a(i), 4.4.a(ii), or 4.4.a(iii) above.

c. California American Water shall use all commercially reasonable efforts to commence implementation of the selected mitigation option within four months of its selection.

d. The Parties agree to explore, immediately upon the execution of this Agreement, the best mechanisms to expedite the time required for Commission approval of the selected mitigation. In particular, the Parties agree to investigate cost recovery mechanisms for the mitigation measures, including the filing of a Tier 2 advice letter, which the Commission may approve, as part of the CPCN under consideration in this proceeding. The Parties may request modification of this Agreement to include such ratemaking provisions.

4.5 Breach. If a Party breaches any of its obligations under this Agreement, the Party to whom the obligation was owed may notify the breaching Party, in writing, of such breach. The Parties shall then promptly engage in the dispute resolution mechanism described in Section 5 below, concerning the appropriate means to remedy such alleged breach. If the alleged breach is not waived by all Parties or resolved pursuant to the dispute resolution mechanism described in Section 5 below, the Party or Parties claiming the breach may initiate proceedings in a court of competent jurisdiction seeking injunctive relief or specific performance to the extent permitted by law. For avoidance of doubt, noncompliance as described in Section 4.3 is not in itself a breach of an obligation under the Agreement.

4.6 Remedies. The Parties have determined that (1) monetary damages are generally inappropriate as remedy for breach of this Agreement, (2) it would be extremely difficult and impractical to fix or determine the actual damages suffered by any Party as a result of a breach, and (3) equitable damages and remedies at law not including damages are the appropriate remedies for enforcement of this Agreement. No Party would have entered into this Agreement if it were to be liable in damages under this Agreement. Consequently, the Parties agree that equitable damages and remedies at law not including damages shall be the sole remedies available to each Party for breach of this Agreement by another Party.

5. **DISPUTE RESOLUTION.**

5.1 If a dispute arises concerning any controversy or claim arising out of or relating to this Agreement (except as set forth in Sections 3.2(b) and 4.2(d)) or the breach thereof or relating to its application or interpretation, including without limitation those types of disputes expressly directed to this mechanism in the Agreement, the aggrieved Party will notify the other Parties of the dispute in writing. If the Parties fail to resolve the dispute within fifteen (15) days after delivery of such notice, each Party will promptly nominate a senior officer or agent of its organization to meet at any mutually-agreed time and location to resolve the dispute. The Parties shall use commercially reasonable efforts to reach a just and equitable solution satisfactory to the Parties. If the Parties are unable to resolve the dispute within thirty (30) days after the initial notice of the dispute, any Party may request the dispute be submitted to mediation, pursuant to Section 5.2. The time periods set forth in this Section 5.1 are subject to extension as agreed to by the Parties.

5.2 If a dispute is not resolved pursuant to Section 5.1 the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory nonbinding mediation initiated and conducted under the applicable rules of the American Arbitration Association in effect as of the Effective Date or other rules agreed to in writing by the Parties, before having recourse in a court of law. The Parties shall select a mediator no more than fifteen (15) days following the running of the thirty-day deadline set out in Section 5.1, unless the Parties, each in their sole discretion, agree to extend the deadline. Each Party shall bear its own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be paid or reimbursed by California American Water. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including without limitation any materials prepared or submitted or any positions taken by or on behalf of either Party, shall

be confidential and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless such admission is otherwise agreed upon in writing by the Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. If the dispute is not resolved within thirty (30) days after selection of the mediator, the mediation shall be deemed closed and the dispute deemed unresolved unless the Parties, each in its sole discretion, agree to extend the mediation period until a date certain; the Parties may, each in its sole discretion, agree to any number of such extensions but such extensions shall always be until a date certain.

6. GENERAL

6.1 This Agreement reflects a settlement and compromise of putative claims and remedies of the Parties. The Parties have therefore entered into each stipulation contained in the Agreement on the basis that its approval by the Commission not be construed as an admission or concession by any Party regarding any fact or matter of law in dispute in this proceeding.

6.2 The Parties agree that no signatory to this Agreement assumes any personal liability as a result of the Agreement.

6.3 Each of the Parties hereto and their respective counsel and advocates have contributed to the preparation of this Agreement. Accordingly, the Parties agree that no provision of this Agreement shall be construed against any Party because that Party or its counsel drafted the provision.

6.4 This Agreement supersedes any prior representations by the Parties regarding each stipulation contained herein.

6.5 The Parties agree to use commercially reasonable efforts to obtain Commission approval of this Agreement. The Parties shall request that the Commission approve the Agreement without change and find the Agreement to be reasonable, consistent with the law, and in the public interest.

6.6 The Parties agree that this Agreement is an integrated agreement such that if the Commission rejects or modifies any portion of this Agreement, the Parties request the Commission to provide a reasonable period for the Parties to consider and respond to such modification. In that event, each Party shall determine no later than two business days before the deadline imposed by the Commission for acceptance of the modification whether it will accept the modification and shall notify the other Parties in writing of its determination. Such acceptance may not be unreasonably withheld. If any Party declines to accept the Commission's modification, the other Parties may still accept the modification and request the Commission to approve the revised Agreement in the absence of the agreement of the Party or Parties who decline to accept the Commission's modification; provided,

however, that if California American Water or the Surfrider Foundation is among the Parties who decline to accept the Commission's modification, the Agreement shall be void and the Parties will request that the Commission establish a procedural schedule to address the disputed issues.

6.7 As between the Parties, this Agreement may be amended or changed only by a written agreement signed by all of the Parties, except that modification made by the Commission, the adoption of an Alternative Monitoring Program pursuant to Section 3.2, or the modification of the Agreed Monitoring Program pursuant to Section 3.2(d) shall not be considered amendments to the Agreement.

6.8 If the Commission does not approve this Agreement, Surfrider reserves its rights to challenge the Project on any ground available, including the impacts of brine discharged from the Project, in any appropriate forum, Section 1 and any other provision of the Agreement notwithstanding.

6.9 Among other things, this Agreement helps to define a stable and finite project description that will facilitate the Commission's completion of CEQA review for the Project. The legal effectiveness of this Agreement is contingent on the completion of CEQA review and does not irretrievably commit the Parties to carrying out any physical activities that would be required for California American Water to meet its obligations under this Agreement. The Commission, as the lead agency under CEQA, the National Oceanic and Atmospheric Administration/ Monterey Bay National Marine Sanctuary, as the lead agency under NEPA, and all responsible agencies will retain full discretion with respect to deciding whether to approve or disapprove any commitments necessary or convenient for California American Water to address matters relating to the discharge of brine from the Project, including full discretion to consider, approve or disapprove alternatives, and also including full discretion to modify commitments and/or adopt other mitigation measures relating to brine discharge to avoid or reduce any significant adverse physical environmental effects from the activities that are within their jurisdiction.

6.10 Surfrider has made a substantial contribution to this Agreement and to the resolution of other issues in the Proceeding.

6.11 This Agreement does not impact the terms of sections 3.1(a) of the document known as the Large Settlement Agreement.

6.12 This Agreement may be executed in any number of counterparts.

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ITEM: ACTION ITEM

21. CONSIDER APPROVAL OF RETURN WATER SETTLEMENT AGREEMENT UNDER A.12-04-019

Meeting Date:	June 20, 2016	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: N/A			

SUMMARY: During the proceeding A.12-04-019 at the California Public Utilities Commission (CPUC), a controversy arose regarding the planned production of source water for the Monterey Peninsula Water Supply Project's (MPWSP) desalination plant, and the relationship of such production to the anti-export provisions of the Monterey County Water Resources Agency Act (Agency Act), Salinas Valley Groundwater Basin (SVGB) conditions, and groundwater rights of the agricultural land owners. Initially, Cal-Am had suggested that return of SVGB water to the Basin would be satisfied through either delivery to the Castroville Seawater Intrusion Project (CSIP) pond at the Regional Treatment Plant in North Marina or reinjection into the ground.

On January 22, 2016 supplemental testimony to the CPUC in Application 12-04-019 included a draft term sheet in which Cal Am would sell "return water" to the Castroville Community Services District (CCSD.) In addition any additional "excess return water" is to be sold to the CSIP. Though return water and excess return water will be sold at different rates, both are below that charged for water delivery to Peninsula ratepayers. In the case of "return water" to the CCSD, the price is based on their "avoided costs of pumping" and for "excess water" it is the "marginal cost of production" at the desalination facility.

This situation is less than desirable from a Peninsula ratepayer perspective, but the MPWSP is required to return that portion of the water to the Salinas River Basin, and if it cannot be sold at some price to an eligible buyer, it would have to be returned for free. Since January, the involved parties have negotiated a draft settlement agreement, and draft water purchase agreements (WPAs) with the CCSD and CSIP. A complicating issue was how to assist the CCSD bridge the gap between the funding available to build a pipeline for the return water (or construct a new well) versus the estimated cost of construction.

A motion to the California Public Utilities Commission to approve a Return Water Settlement Agreement (**Exhibit 21-A**) is attached and the proposed Return Water Settlement Agreement is attached as **Exhibit 21-B**.

The proposed Return Water Settlement Agreement does not have any impact on District operations or the District's interests in the MPWSP. District support of the agreement is primarily to demonstrate joint support with the other settling parties in the CPUC proceeding. Approval of the Agreement does not constitute an endorsement of the pricing terms, rather it is a recognition that the Agency Act requires return of SVGB water and delivery to CCSD as a high beneficial use.

RECOMMENDATION: The General Manager recommends the Board authorize its General Counsel to sign the Return Water Settlement Agreement on behalf of the District and to join in the motion to the CPUC to approve the Return Water Settlement Agreement, in both cases subject to non-substantive changes prior to filing.

DISCUSSION: The Settlement Agreement addresses the "return water" that will be produced at the company's proposed desalination plant. The project will draw seawater from beneath the ocean floor, pulling in a small percentage of groundwater in the process. The project proponents have committed to "return" the amount of groundwater drawn from the project to the Salinas Valley Groundwater Basin to meet applicable requirements of the Monterey County Water Resources Agency Act. Under the terms of the settlement, the return water will be delivered to the CCSD, whose current groundwater supplies have been impacted due to seawater intrusion.

By delivering the return water to the CCSD, the MPWSP will help to address broader regional water supply concerns, improve operational efficiency in the existing CSIP which provides recycled water for crop irrigation, and provide a source of supply to an economically disadvantaged community.

EXHIBITS

- 21-A Settling Parties' Motion To Approve Return Water Settlement Agreement
- 21-B Proposed Return Water Settlement Agreement
- **21-C** Appendix A to Return Water Settlement Agreement
- **21-D** Appendix C-1 to Return Water Settlement Agreement
- **21-E** Appendix C-2 to Return Water Settlement Agreement
- **21-F** Appendix E to Return Water Settlement Agreement

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 (Filed April 23, 2012)

JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT ON DESALINATION PLANT RETURN WATER

[SETTLEMENT AGREEMENT ATTACHED]

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Dated: June 14, 2016

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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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 (Filed April 23, 2012)

JOINT MOTION FOR APPROVAL OF SETTLEMENT AGREEMENT ON DESALINATION PLANT RETURN WATER

[SETTLEMENT AGREEMENT ATTACHED]

In accordance with Article 12 of the Rules of Practice and Procedure ("Rules") of the

California Public Utilities Commission ("Commission"), California-American Water Company

("California American Water"), Coalition of Peninsula Businesses ("CPB"), LandWatch

Monterey County ("LandWatch"), the Monterey County Farm Bureau ("MCFB"), the Monterey

County Water Resources Agency ("Agency"), the Monterey Peninsula Regional Water Authority

("Authority"), Planning and Conservation League Foundaton ("PCL"), and the Salinas Valley

Water Coalition ("SVWC") (collectively, the "Settling Parties")¹ hereby respectfully move the

Commission to approve the Settlement Agreement on Monterey Peninsula Water Supply Project

("MPWSP") Desalination Plant Return Water ("Return Water Settlement").² The Settling

Parties executed and entered into the Return Water Settlement on June [], 2016, for the purpose

¹ Monterey Peninsula Water Management District ("MPWMD") intends to join the Settlement Agreement upon formal delegation of authority to do so, which is anticipated to be granted by the MPWMD board of directors at its June 20, 2016 regular board meeting. Monterey Regional Water Pollution Control Agency ("MRWPCA") also intends to join the Settlement Agreement upon formal delegation of authority to do so, which is anticipated to be granted by the MRWPCA board of directors at its June 27, 2016 regular board meeting.

² California American Water files this response on behalf of the above-named parties and provides electronic signatures in accordance with Rule 1.8 of the Commission's Rules of Practice and Procedure.

of resolving certain issues presented in the above-captioned proceeding. The Return Water Settlement is appended hereto as <u>Exhibit A</u>. Pursuant to Rule 12.1(a) and an extension granted by the assigned Administrative Law Judge on May 12, 2016, this Motion is timely.³ The Settling Parties also convened a telephonic settlement conference on May 6, 2016, after notice of that conference was provided to all parties on April 29, 2016, thus complying with Rule 12.1(b).

I. PROCEDURAL BACKGROUND

California American Water filed Application ("A.") 12-04-019 (the "Application") on April 23, 2012, for Commission approval to implement the MPWSP and for authorization to recover the costs associated with the MPWSP in rates. On September 13, 2013, the then-Assigned Commissioner, Michael R. Peevey,⁴ granted California American Water's motion to bifurcate the proceeding into two phases, which have been conducted on parallel tracks. Evidentiary hearings on Phase 1 and Phase 2 issues were held on April 11 through 15, 2016. On April 18, 2016, eighteen parties filed a joint motion requesting the Commission issue a separate Phase 2 decision, which joint motion was conditionally granted by Assigned Commissioner and Administrative Law Judge's Ruling on April 25, 2016. The April 25, 2016 Ruling also adopted a schedule for future testimony, hearings and briefing on issues relevant to the development of two alternative water sources that would precede operation of the full-scale MPWSP (assuming the Commission eventually approves the MPWSP).

During the pendency of the proceeding described above, a controversy arose regarding the planned production of source water for the MPWSP's desalination plant, on one hand, and the relationship of such production to the anti-export provisions of the Monterey

³ The Return Water Settlement is submitted after the prehearing conference, held on April 11, 2016. By e-mail ruling, the assigned Administrative Law Judge granted the May 11, 2016 Joint Motion Requesting Extension of Time to Submit Settlement Agreements and extended the deadline for submittal of Phase 1 settlement agreements to the Commission from May 15, 2016 (30 days following the last day of Phase 1 evidentiary hearings) until June 14, 2016.

⁴ Commissioner Catherine J.K. Sandoval is the current Assigned Commissioner.

County Water Resources Agency Act ("Agency Act") and to Salinas River Groundwater Basin ("SRGB") conditions and groundwater rights of the SVWC's and MCFB's members, on the other hand.

II. OVERVIEW OF THE RETURN WATER SETTLEMENT

The MPWSP includes a desalination plant that will provide a potable water supply for California American Water's Monterey Peninsula service area. Source water for the desalination plant will be generated from subterranean slant wells drilled adjacent to the ocean, which will draw water from strata underlying the ocean. The location of the wells overlies the western portion of the SRGB).

As part of the MPWSP, California American Water has proposed to make available for delivery "Return Water" equal to the percent of SRGB groundwater in the total source water production, as distinguished from seawater in the source water. The Settling Parties propose that California American Water deliver Return Water to the Castroville Community Services District ("CCSD") and to the Castroville Seawater Intrusion Project ("CSIP") to satisfy its Return Water obligations. Return Water deliveries will be made in accordance with the terms, conditions, and general principles contained in the Return Water Settlement and separate Return Water Purchase Agreements executed between California American Water as seller and CCSD and the Agency, respectively, as purchasers of Return Water.

The major aspects of the Return Water Settlement are as follows:

A. Return Water Deliveries

In the Return Water Settlement, the Settling Parties agree that California American Water will deliver Return Water to the SRGB for use in lieu of existing groundwater production. While the specific terms of the Return Water Settlement and separate Return Water Purchase Agreements will govern, California American Water's Return Water obligations are summarized as follows:

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(1) <u>Reserve Water</u>. In order to ensure California American Water's compliance with the Agency Act, California American Water will deliver a quantity of "Reserve Water" in the amount of 175 acre-feet of Return Water to CSIP upon start-up of the MPWSP.

(2) <u>Annual Return Water Obligation</u>. California American Water's "Annual Return Water Obligation" will be calculated based on the percentage of SRGB groundwater in the MPWSP's total source water production. Section 2.c and Appendix D of the Return Water Settlement sets forth the formula by which the volume of the Annual Return Water Obligation will be determined.

(3) <u>30 Year Obligation</u>. California American Water's obligation to make Return Water available for use in the SRGB to meet its Annual Return Water Obligation shall survive for a period of 30 years following MPWSP start-up. Upon termination, expiration or nonrenewal of the Return Water Purchase Agreements, California American Water shall continue to make Return Water available for delivery to the SRGB for use in lieu of existing groundwater production, unless California American Water demonstrates that Return Water is not needed either to prevent legal injury to prior groundwater rights holders in the SRGB or to avoid significant adverse effects to SRGB groundwater resources.

(4) <u>CCSD Delivery Volume</u>. The Return Water Settlement provides that California American Water will make available for delivery to CCSD a "CCSD Delivery Volume" of 690 acre-feet of Return Water and triggers certain delivery obligations in the event that California American Water's Annual Return Obligation is determined to be greater than or less than the CCSD Delivery Volume. If California American Water's Annual Return Obligation *is less than* the CCSD Delivery Volume, California American Water will make potable water available for delivery in the amount of the difference between the Annual Return Water Obligation for that year and the CCSD Delivery Volume (the "Excess Water"). If California American Water's Annual Return Obligation *exceeds* the CCSD Delivery Volume, California American Water will make such surplus available for delivery to CSIP.

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(5) <u>Reporting</u>. California American Water will provide quarterly reports on the quantity of Return Water delivered to each recipient under the Return Water Settlement for the first two years of Return Water deliveries. For the subsequent three years, reports will be made on a semi-annual basis. Thereafter, California American Water will report to the Settling Parties on an annual basis.

B. Compliance with the Agency Act and protection of SRGB groundwater

The Return Water Settlement expressly affirms California American Water's obligation to comply with the Agency Act. The Return Water Settlement also protects SRGB groundwater by returning water produced from the SRGB to SRGB groundwater users for use in lieu of existing SRGB groundwater production.

C. Reconciliation with Judicial or Regulatory Requirements

In the Return Water Settlement, the Settling Parties acknowledge that a court or regulatory agency, including the Commission, could require California American Water to undertake other Return Water obligations. To avoid duplicative liability to California American Water and its ratepayers, the Return Water Settlement provides for the reduction of California American Water's obligation to make available the CCSD Delivery Volume where such duplication would otherwise occur.

D. Pricing

The Return Water Settlement sets forth the formulas by which the pricing for Return Water and Excess Water are to be determined. In general terms, the rates CCSD will pay for Return Water and Excess Water are intended to represent, respectively: (1) the avoided costs to produce groundwater to meet customer demand; and (2) the marginal operation and maintenance costs for MPWSP to produce one acre-foot of potable water. CSIP will pay a rate for Return Water intended to represent the CSIP customers' marginal avoided cost for groundwater produced for use by the CSIP customers. The Return Water Settlement contains provisions for the annual review and update of these rates through Tier 2 Advice Letter filings.

E. Service Area Extensions

Through the Return Water Settlement, the Settling Parties agree that California American Water's certified service area for the Monterey County District shall be extended to include certain specified delivery points and territories necessary for California American Water to provide the deliveries and services contemplated by the Return Water Settlement. CCSD and CSIP will not be added to California American Water's Monterey County District.

F. Tariffs

Appendix E of the Return Water Settlement contains a set of proposed tariffs intended to govern the rates and service for the provision of service to CCSD and the Agency, which may be adjusted from time to time.

G. CEQA

The Return Water Settlement is expressly contingent on the completion of CEQA review. In the Return Water Settlement, the Settling Parties acknowledge that the lead agency and responsible agencies under CEQA will retain full discretion to decide whether to approve the commitments necessary or convenient for California American Water to meet the Annual Return Water Obligations.

H. Cooperation

Through the Return Water Settlement, the Settling Parties agree to support California American Water negotiating and entering into Return Water Purchase Agreements substantially in the form attached to the Return Water Settlement as Appendix C. The Settling Parties further agree to support California American Water's ability to implement and update its tariffs to reflect the service area extensions described in Section II.D above through a Tier 2 Advice Letter. Additionally, the Return Water Settlement contains good faith meet and confer, as well as dispute resolution, provisions that are intended to reconcile conflicts, if any, in the negotiation of Return Water Purchase Agreements, specifically, and arising out of the Return Water Settlement, generally.

III. BURDEN OF PROOF

Rule 12.1(d) of the Commission's Rules requires that a settlement be "reasonable in light of the whole record, consistent with law, and in the public interest" in order to gain Commission approval. The Return Water Settlement meets that standard.

The Settling Parties met and discussed the contested issues in good faith, negotiated in defense of their respective positions, and considered various proposals to resolve the issues. Their discussion initially led to a Return Water Planning Term Sheet, submitted to the Commission on January 22, 2016. Negotiations to reach the Return Water Settlement followed that filing, occurring in March through May 2016. These two sets of negotiations led to the building of a consensus on the terms of the Return Water Settlement among a number of parties with disparate goals and perspectives. The Settling Parties believe that this comprehensive and inclusive process has generated a settlement document that reflects a fair and equitable resolution of the disputed issues and represents an appropriate compromise of their well-developed and vigorously-supported positions.

Moreover, the Return Water Settlement establishes a return water delivery arrangement that is in the public interest, in that it assures compliance with the Agency Act, delivers Return Water for beneficial use in the SRGB in a manner that is in lieu of groundwater pumping from the SRGB, and helps to address the public health and water supply challenges CCSD has experienced due to water quality degradation of its water supplies, primarily from increased salinity.

Accordingly, the Settling Parties respectfully submit that the Return Water Settlement, as Rule 12.1(d) requires, is reasonable in light of the whole record, consistent with law, and in the public interest.

IV. COMPLIANCE WITH RULE 12.1(b)

Rule 12.1(b) requires parties to convene at least one settlement conference for the purpose of discussing settlements in the proceeding. Notice and an opportunity to participate must be afforded all parties. Such notice is required to be provided at least seven (7) days before

a settlement is signed.

On April 29, 2016, counsel for California American Water notified all parties on the service list in this proceeding of the time and place for a settlement conference, which was convened by telephone on May 6, 2016 at 10:00 a.m. Representatives of both the Settling Parties and of many other parties to the proceeding participated in the settlement conference. Following lengthy settlement negotiations, the Settling Parties completed the execution of the proposed Return Water Settlement, in compliance with the rules for notice and opportunity for participation set forth above.

V. FURTHER PROCEDURES

Rule 12.2 accords all parties the opportunity to file comments contesting all or part of a settlement within 30 days of the date that a motion for adoption of the settlement is served. Rule 12.3 provides for the setting of a hearing on a contested settlement.

As noted above, other parties to this proceeding did not execute the Return Water Settlement. However, as these non-settling parties expressed concerns over different issues than those resolved by the Return Water Settlement, the Settling Parties are hopeful that the nonsettling parties will not contest the Return Water Settlement.

In the event that the non-settling parties file comments expressing concerns about the Return Water Settlement, the Settling Parties expect that there will be no disputed issues of material fact warranting an evidentiary hearing. In either case, if the Assigned Commissioner or the presiding ALJ wishes the Settling Parties to present one or more witnesses to testify in explanation or support of the Return Water Settlement, the Settling Parties are fully prepared and willing to do so.

VI. CONCLUSION

As demonstrated above, the Return Water Settlement is reasonable in light of the whole record, consistent with law, and in the public interest. Accordingly, the Settling Parties respectfully move for the Commission to approve and adopt the Return Water Settlement as

attached hereto as <u>Exhibit A</u>, without modification, in the course of its decision in this proceeding.

Dated: June 14, 2016	By:	Sarah E. Leeper, Attorney California-American Water Company 555 Montgomery Street, Suite 816 San Francisco, CA 94111 For: California-American Water Company
Dated: June 14, 2016	By:	Bob McKenzie Water Issues Consultant Coalition of Peninsula Businesses P.O. Box 223542 Carmel, CA 93922 For: Coalition of Peninsula Businesses
Dated: June 14, 2016	By:	John H. Farrow, Attorney M.R. Wolfe & Associates, P.C. 555 Sutter Street, Suite 405 San Francisco, CA 94102 For: LandWatch Monterey County
Dated: June 14, 2016	By:	Norman C. Groot Monterey County Farm Bureau P.O. Box 1449 931 Blanco Circle Salinas, CA 93902-1449 For: Monterey County Farm Bureau

Dated: June 14, 2016	By:	Dan L. Carroll Attorney at Law Downey Brand, LLP 621 Capitol Mall, 18th Floor Sacramento, CA 95814 For: Monterey County Water Resources Agency
Dated: June 14, 2016	By:	Russell M. McGlothlin, Attorney Brownstein Hyatt Farber Schreck, LLP 21 East Carrillo Street Santa Barbara, CA 93101 For: Monterey Peninsula Regional Water Authority
Dated: June 14, 2016	By:	Roger B. Moore Rossmann and Moore, LLP 2014 Shattuck Avenue Berkeley, CA 94704 For: Planning and Conservation League Foundation
Dated: June 14, 2016	By:	Nancy Isakson President Salinas Valley Water Coalition 3203 Playa Court Marina, CA 93933 For: Salinas Valley Water Coalition

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359 EXECUTION COPY

EXHIBIT 21-B

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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 No. 12-04-019 (Filed April 23, 2012)

SETTLEMENT AGREEMENT ON MPWSP DESALINATION PLANT RETURN WATER

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Dated: June [], 2016

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EXHIBIT 21-B

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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 No. 12-04-019 (Filed April 23, 2012)

SETTLEMENT AGREEMENT ON MPWSP DESALINATION PLANT RETURN WATER

Pursuant to Article 12 of the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC"), California-American Water Company ("Cal Am"), Coalition of Peninsula Businesses ("CPB"), Landwatch Monterey County ("Landwatch"), the Monterey County Farm Bureau ("MCFB"), the Monterey County Water Resources Agency ("Agency"), the Monterey Peninsula Regional Water Authority ("Authority"), Monterey Peninsula Water Management District ("MPWMD"), Monterey Regional Water Pollution Control Agency ("MRWPCA"), Planning and Conservation League Foundation ("PCL"), and the Salinas Valley Water Coalition ("SVWC") (collectively, the "Parties") agree on the terms of this Settlement Agreement, which they now submit for review, consideration, and approval by the CPUC.

RECITALS

- A. Cal Am is seeking permits and approvals for the Monterey Peninsula Water Supply Project ("Project"), including a certificate of public convenience and necessity from the CPUC.
- B. The Project includes a desalination plant that will provide a potable water supply for Cal Am's Monterey Peninsula service area. Rather than using an open-ocean intake that would produce only seawater as source water for the desalination plant, the Project desalination plant will produce its source water from subterranean slant wells drilled adjacent to the ocean, which will draw water from strata underlying the ocean. The location of the wells overlies the western portion of the Salinas River Groundwater Basin ("SRGB").
- C. Cal Am characterizes its Project as proposing to develop seawater and brackish groundwater originating from the SRGB to produce source water that would be desalinated to provide a potable water supply for Cal Am's Monterey Peninsula service area.
- D. The SVWC, MCFB and Landwatch contend that—rather than proposing to use an openocean intake that would produce only seawater—Cal Am's Project proposes to use wells developed in the SRGB to produce source water for desalination to provide Cal Am's Monterey Peninsula service area with a new source of water supply.

- E. The ratio of seawater to brackish SRGB groundwater in the Project source water is anticipated to change over time, with more seawater and less SRGB groundwater anticipated later in the Project's life.
- F. Cal Am contends that source water production by the Project is unlikely to cause significant adverse environmental effects with respect to SRGB groundwater resources and is unlikely to cause injury to prior groundwater rights in the SRGB but submits that the Monterey County Water Resources Agency Act ("Agency Act") authorizes the Agency to obtain an injunction prohibiting the export and use of SRGB groundwater outside of the SRGB and certain areas of Fort Ord.
- G. The Agency, SVWC, MCFB and Landwatch submit that the Agency Act directly prohibits the export and use of SRGB groundwater outside of the SRGB and certain areas of Fort Ord without the need for the Agency to obtain an injunction.
- H. The Project's slant intake wells are designed to produce source water for treatment by the selected desalination plant ("Project Source Water Production"). To meet applicable requirements of the Agency Act, Cal Am has proposed as part of the Project to make available for delivery to groundwater users overlying the SRGB a volume of water ("Return Water") equal to the percentage of SRGB groundwater in the total Project Source Water Production, as calculated on a water year basis and determined by the Agency.
- I. The SVWC, MCFB and Landwatch contend there is no surplus SRGB groundwater available for Cal Am's use in providing public water service within or outside of the SRGB and that the law of California groundwater rights requires that any production and use of SRGB groundwater by the Project must be returned for use within the SRGB in lieu of existing groundwater pumping.
- J. For Project planning and engineering purposes, Cal Am submits that the Project source water wells have been designed so that approximately 4% of the source water produced by the Project will originate as brackish groundwater from the SRGB.
- K. For planning purposes, Cal Am has assumed that the Return Water volume for the large desalination plant will be 1,080 acre feet annually ("afa") and, for the small desalination plant, 690 afa.
- L. The CPUC is conducting environmental review of the Project under the California Environmental Quality Act ("CEQA"), and the Monterey Bay National Marine Sanctuary is conducting environmental review of the Project under the National Environmental Policy Act ("NEPA").
- M. The modeling used in the CPUC's April 2015 CalAm Monterey Peninsula Water Supply Project Draft Environmental Impact Report ("DEIR") estimates that the volume of SRGB groundwater produced as source water for the large-scale (9.6 million gallons per day) Project would be approximately 7 percent, or 1,889 afa, under existing land-use conditions and would be approximately 4 percent, or 1,080 afa, under projected future 2060 land-use

conditions, and would average approximately 5.5 percent, or 1,485 afa, over the life of the Project. (DEIR at 4.4-67.)

- N. Note C to the CPUC's DEIR Table 2-5 states that "groundwater modeling indicates that as much as 1,080 afa may need to be returned to the Salinas Valley Groundwater Basin (based on 4 percent of total source water intake being drawn from the Salinas Valley Groundwater Basin)" and states that "Project supply would be sufficient to provide this larger quantity of return water."
- O. The CPUC is preparing a revised DEIR/Environmental Impact Statement (RDEIR/DEIS) for the Project that will assess the significance of effects to SRGB groundwater resources, and the modeling in the revised RDEIR/DEIS will be updated and calibrated to include test well production data obtained to date (over 100 days of pumping). Cal Am also is working to gather additional (up to two years) test well production data to inform analysis of those effects. The full data set is not expected to be available before the CPUC's completion of CEQA/NEPA review and its decision whether to approve a certificate of convenience and necessity for the Project.
- P. The Parties and the State Water Resources Control Board are in agreement, and the DEIR concludes, that delivering Return Water by injecting desalinated water from the Project into the SRGB is less desirable than delivering Return Water for beneficial use in the SRGB.
- Q. The Castroville Seawater Intrusion Project ("CSIP") is an Agency project that provides recycled water and diverted Salinas River water for use in lieu of groundwater pumping for irrigated agricultural use in the Castroville area of the SRGB.
- R. It has been proposed that Cal Am Return Water obligations be fulfilled, in part, by delivery of Return Water to CSIP. Prior environmental analyses reveal that there may be limitations in the capacity of CSIP to accommodate all of the Project Return Water under some conditions. (DEIR, p. 2-45, 6-4, 6-114; Pure Water Monterey, GWR DEIR, Appendix Q, Table B-3).
- S. The SVWC, MCFB and Landwatch contend that the Project's well production may cause injury to the SRGB and senior groundwater rights holders in the SRGB under California groundwater law, even if the RDEIR/DEIS concludes that the well production would not cause a significant adverse effect under CEQA.
- T. MCFB, SVWC and Landwatch oppose any scenario where Return Water would be used outside the SRGB, rather than for use in lieu of existing groundwater pumping in the SRGB.
- U. In the July 31, 2013 Settlement Agreement among 16 parties to Proceeding A.12-04-019, MCFB, SVWC, Landwatch, the Agency, and Citizens for Public Water reserved all rights to challenge production of water from the SRGB by Cal Am in any appropriate forum based on their concerns for potential harm to the SRGB and users thereof.

- V. MCFB and SVWC have stated they may litigate these issues if they are not resolved through agreement.
- W. Cal Am and the Authority maintain that any obligation to return SRGB groundwater to the SRGB arises only as a requirement of the Agency Act, except to the extent that Return Water is necessary as part of a physical solution to avoid harm to the SRGB and senior groundwater rights holders in the SRGB under California groundwater law or to mitigate significant adverse effects to the SRGB or particular groundwater users pursuant to CEQA.
- X. Cal Am, with the encouragement of the Authority, also desires to maximize revenue for Return Water to offset water costs and water rates for Cal Am customers on the Monterey Peninsula.
- Y. Cal Am must obtain CPUC approval to deliver or sell any Return Water for use outside of Cal Am's service area.
- Z. A controversy has now arisen as to Cal Am's obligation to deliver Return Water to the SRGB, and as to the responsibility for the costs of producing the Return Water, and the Parties to this Settlement Agreement seek to resolve these issues through this Settlement Agreement.
- AA. Pursuant to the terms of this Settlement Agreement, the Parties propose that Cal Am deliver Return Water to the Castroville Community Services District ("CCSD") and to the CSIP to satisfy Return Water requirements that may arise out of the Agency Act, CEQA, or California groundwater law, in accordance with terms and conditions and general principles contained in this Settlement Agreement and separate Return Water Purchase Agreements between Cal Am as seller and CCSD and the Agency, respectively, as purchasers of Return Water.
- BB. To facilitate planning and review, the Parties and CCSD executed a Return Water Planning Term Sheet ("Planning Term Sheet") on January 22, 2016 (Appendix A). At a regular meeting called and held on January 19, 2016, the Board of Directors of CCSD adopted Resolution No. 16-2 (Appendix B) approving execution of the Planning Term Sheet. The form of the Planning Term Sheet approved by Resolution 16-2 is consistent with the Planning Term Sheet executed by the Parties and CCSD on January 22, 2016. CCSD and the Parties have met and conferred since January 22, 2016 concerning the terms for a Return Water Purchase Agreement between CCSD and Cal Am ("CCSD RWPA") consistent with the Planning Term Sheet. The Board of Directors of CCSD reviewed the draft CCSD RWPA at a regular meeting on April 19, 2016 and adopted Resolution 16-4 (Appendix B) approving the draft CCSD RWPA in concept for submission to the CPUC for planning purposes and review. CCSD submits that CCSD would sign a CCSD RWPA after expiration of the statute of limitations for challenging a decision by the CPUC certifying the Project environmental impact report and approving this Settlement Agreement.
- CC. In the Planning Term Sheet, CCSD submits that it provides municipal and domestic water

service to the Town of Castroville, which overlies the SRGB in an area north of the City of Marina and west of the City of Salinas.

- DD. In the Planning Term Sheet, CCSD submits that it currently relies on groundwater from the SRGB to meet Castroville's water demands, which use averages approximately 780 afa.
- EE. In the Planning Term Sheet, CCSD submits that it increasingly has experienced water supply challenges due to water quality degradation of its water supplies, primarily from increased salinity.
- FF. In the Planning Term Sheet, CCSD submits that poor water quality, including elevated sodium levels in CCSD's groundwater supplies, can contribute to health risks of individuals susceptible to high sodium.
- GG. In the Planning Term Sheet, CCSD submits that it has been identified as a disadvantaged community (Greater Monterey County IRWM Regional Water Management Group Disadvantaged Community Outreach Plan, Prepared for the Environmental Justice Coalition for Water by Nilsen & Associates, Approved April 18, 2012), and was an active participant in the Regional Plenary Oversight Group process established by the Office of Ratepayer Advocates to determine whether the Regional Desalination Project, a predecessor project to the Project, would be a source of supply for Castroville.
- HH. In the Planning Term Sheet, CCSD submits that many of CCSD's customers contribute significantly to agricultural and hospitality industries in the Salinas Valley and on the Monterey Peninsula.
- II. In the Planning Term Sheet, CCSD submits that it is actively pursuing alternative water supplies and has applied to the State for funding to develop deeper groundwater wells and other projects to serve its customer demands.
- JJ. In the Planning Term Sheet, CCSD submits that it is interested in taking delivery of a Return Water supply from the Project to replace all or part of CCSD's current reliance on groundwater from the SRGB.
- KK. Cal Am contemplated two separate pipelines delivering Return Water from the Project desalination plant, one to CSIP ponds and one to CCSD's wellsite #3 ("CCSD Wellsite"). Through negotiations and discussions, the Parties determined the cost of new infrastructure could be decreased by connecting with existing CSIP infrastructure. That connection allows a single pipeline, rather than two pipelines, to be constructed from the desalination plant to the CCSD Wellsite that will connect with an existing CSIP pipeline ("CSIP Connection"). The elimination of a separate pipeline to the CSIP ponds avoids certain pipeline and pump station costs and results in an estimated cost savings to Cal Am of approximately \$1,300,000. A preliminary cost estimate for a pipeline and ancillary facilities necessary to convey water from the Project desalination plant to the CCSD Wellsite ("Delivery Pipeline") is approximately \$6,500,000. Cal Am believes that if the Delivery Pipeline is constructed by Cal Am there will economies of scale achieved which

may reduce the cost of the Delivery Pipeline to approximately \$4,400,000, assuming that Cal Am will secure contracts for construction of the pipeline and that environmental review and permitting will be performed in conjunction with the Project. CCSD estimates its cost to construct a new deep well with treatment facilities would cost approximately \$2,800,000. Thus, CCSD submits that it may not be able to prudently fund the Delivery Pipeline for more than \$2,800,000, and that capital obligations for the Delivery Pipeline would necessitate long-term commitments by CCSD and certainty of source water supply for CCSD.

- LL. The SVWC, MCFB, and Landwatch support Cal Am's delivering Return Water to CCSD and to CSIP for use in lieu of existing groundwater pumping in the SRGB.
- MM. The Parties submit that Cal Am's delivery of Return Water to CCSD and CSIP pursuant to the terms of this Settlement Agreement is a fair and equitable resolution of the disputed matters described above, and is consistent with the law and policy controlling the CPUC's approval of the Project, and therefore desire to settle the differences between and among them discussed in the preceding Recitals by entry into this Settlement Agreement.

AGREEMENT

NOW, THEREFORE, as a COMPROMISE and SETTLEMENT of the above-stated dispute, and to provide for an efficient and effective resolution of this dispute, the Parties do hereby AGREE to the following terms:

- 1. The recitals are hereby incorporated in this Settlement Agreement as if fully set forth herein.
- 2. Cal Am will deliver Return Water to the SRGB for use in lieu of existing groundwater production as follows:
 - a. Subject to Cal Am's Return Water obligations under this Settlement Agreement, Cal Am anticipates delivering Return Water pursuant to two Return Water Purchase Agreements, attached hereto in draft form as Appendix C, and Cal Am, CCSD and the Agency intend to enter into the Return Water Purchase Agreements.¹

¹ Cal Am is in discussions with the Monterey Regional Waste Management District ("MRWMD") regarding the potential for potable water supply delivery by Cal Am to MRWMD's landfill site that is contiguous to the desalination plant facilities in an amount not to exceed MRWMD's historical average pumping amount estimated at 6 afa. The landfill site cannot use its existing wells for human consumption due to nitrate contamination and, currently, potable water is trucked-in to provide service. In addition, Cal Am is also in discussions with MRWPCA regarding the potential for potable water supply delivery by Cal Am to MRWPCA's site located near the desalination plant facilities in an amount not to exceed MRWPCA's historical averaging pumping amount estimated at 11.9 afa. MRWPCA is currently pumping SRGB groundwater for use at its site and any such potable water supply provided by Cal Am would directly reduce the corresponding amount of groundwater pumping by MRWPCA. The Parties agree that if Cal Am delivers potable water supply to MRWMD's landfill site and/or MRWPCA's site, such water (a) will be counted toward Cal Am satisfying its return water obligations under the Agency Act and this Settlement Agreement, (b) will be subject to Cal Am's applicable commercial customer tariff for its Monterey District, (c) will be included in Cal Am's reporting of Return Water delivered by Cal Am as

- b. In order to ensure Cal Am's compliance with the Agency Act, the Parties agree that upon start-up of the Project, the first 175 acre-feet of Return Water delivered by Cal Am pursuant to this Settlement Agreement ("Reserve Water") shall be delivered to CSIP.
- c. Cal Am shall have annual Return Water requirements ("Annual Return Water Obligation") that shall be calculated based on the percentage of SRGB groundwater in the total Project Source Water Production. Cal Am's Annual Return Water Obligation under this Settlement Agreement shall not begin until the day after the full amount of Reserve Water has been delivered to CSIP (the "Obligation Start Date").
 - i. During the first three months after the Obligation Start Date, the Annual Return Water Obligation shall be 7% of total Project Source Water Production during that period. For the remainder of the water year after the first three months have passed, the Annual Return Water Obligation shall be the percentage of SRGB groundwater in the total Project Source Water Production calculated during the first three months after the Obligation Start Date.
 - ii. Beginning in the first full water year after the time period set forth in subsection i. above expires, the Annual Return Water Obligation in any given year shall be the sum of (a) the Base Return Water Obligation for that year, as determined pursuant to subsection iii. below, plus (b) any Return Water Shortfall for the prior year, as determined pursuant to subsection iv. below, minus (c) any Return Water Surplus for the prior year, as determined pursuant to subsection v. below.
 - iii. The volume of the Base Return Water Obligation shall be initially calculated each year by Cal Am based on the methodology set forth in Appendix D and Cal Am shall notify the other Parties, in writing, of the result of such calculation by December 1 of each year. Such notification shall include all calculations leading to such result. Within 14 days following receipt of such notification, the Agency shall notify the other Parties, in writing, of its determination regarding the accuracy of Cal Am's calculation of the volume of the Base Return Water Obligation. If the Agency determines the result is not accurate, its notification shall explain the reason for such determination. Within 21 days after any written notification is not accurate, the Parties shall meet to seek to reach agreement regarding the volume of the Base Return Water Obligation for that year. If the Parties do not reach agreement within 30 days after the initial meeting, any Party may on or after the 31st day, but no later than the 91st day, invoke the provisions of Section 9.

contemplated by Section 2.h. of this Settlement Agreement, and (d) will be in lieu of existing groundwater pumping from the SRGB.

- iv. The volume of any Return Water Shortfall for a given year shall be determined by subtracting the amount of Return Water made available by Cal Am in that year from the amount of the Annual Return Water Obligation for that year. If the amount of Return Water made available by Cal Am in that year equals or exceeds the Annual Return Water Obligation, the Return Water Shortfall for that year shall be equal to zero.
- v. The volume of any Return Water Surplus for a given year shall be determined by subtracting the amount of the Annual Return Water Obligation for that year from the amount of Return Water provided by Cal Am to CCSD and the Agency in that year. If the amount of Annual Return Water Obligation in that year equals or exceeds the amount of Return Water provided by Cal Am to CCSD and the Agency, the Return Water Surplus for that year shall be equal to zero.
- d. Subject to Section 8, Cal Am's obligation to make Return Water available for use in lieu of existing groundwater pumping in the SRGB to meet its Annual Return Water Obligation shall survive for a period of 30 years following start-up of the Project even if the Return Water Purchase Agreements are not executed, do not become effective, or are otherwise amended or terminated.
- e. Cal Am shall make available for delivery to CCSD 690 afa of Return Water ("CCSD Delivery Volume").
- f. If the Annual Return Water Obligation is less than the CCSD Delivery Volume, Cal Am shall make available for delivery potable water in an amount equal to the difference between the Annual Return Water Obligation for that year and the CCSD Delivery Volume ("Excess Water").
- g. Cal Am shall make available for delivery to CSIP any Annual Return Water Obligation in excess of the CCSD Delivery Volume, according to procedures agreed to in the Return Water Purchase Agreement by and between the Agency and Cal Am.
- h. For the first two years that Cal Am is delivering Return Water pursuant to this Settlement Agreement, Cal Am will report to the Parties on a quarterly basis the quantity of Return Water delivered to each recipient under this Settlement Agreement. Such reports shall be issued by Cal Am on or about December 1 (for the quarter July 1 to September 30), March 1 (for the quarter October 1 to December 31), June 1 (for the quarter January 1 to March 31), and September 1 (for the quarter April 1 to June 30) of each year. For the following three years that Cal Am is delivering Return Water pursuant to this Settlement Agreement, Cal Am will report to the Parties on a semi-annual basis (on or about December 1 for the period April 1 to September 30, and on or about June 1 for the period October 1 to March 31) the quantity of Return Water delivered to each recipient under this Settlement Agreement. Thereafter, Cal Am will report to the Parties on an annual basis (on or about December 1 for the period October 1 to March 31) the previous year to September 30 the

current year) the quantity of Return Water delivered to each recipient under this Settlement Agreement.

- i. All references in this Settlement Agreement to a "year" shall mean a "water year," and all references to a "water year" shall mean the 12-month period beginning on October 1 of a given year and ending on September 30 of the following year. All calculations herein based on the period of a year shall be prorated to account for any time frame that is less than a 12-month period.
- 3. Cal Am shall comply with the Agency Act. Notwithstanding any other provisions of this Settlement Agreement, the Agency will retain all rights, discretion and authority conferred on the Agency under the Agency Act to ensure that the pumping, production, desalination, and distribution of project source water from the SRGB for the selected desalination plant complies with the Agency Act, and to protect the long-term viability of the SRGB as a water supply for water for agricultural, domestic and municipal use. Neither this Section 3 nor any other provision of this Settlement Agreement shall be interpreted: (a) to affect, diminish, or enhance the Agency's regulatory authority under the Agency Act; or (c) to preclude any argument by any Party to this Settlement Agreement that there is no violation of the Agency Act.
- 4. The Parties acknowledge that Cal Am could be legally required by a regulatory agency, including the CPUC in this proceeding, or by a court, to make water deliveries to other locations in the SRGB to the extent necessary to mitigate any groundwater impacts from the Project that were demonstrated in relation to a specific location overlying the SRGB ("Other Return Water Obligation"). Such Other Return Water Obligation could also serve to satisfy Cal Am's obligations to return water to the SRGB under the Act, CEQA, or common-law water law principles. Under such circumstances, the Parties agree that it would be inequitable to Cal Am and its ratepayers to fund both the Other Return Water Obligation and the Return Water obligations specified herein as this would result in a duplicative liability to Cal Am and its ratepayers. Cal Am's obligation to make available the CCSD Delivery Volume shall be reduced in the event and to the extent that a regulatory agency or court has required Cal Am to deliver Return Water in a manner or to a location different than as specified in the Settlement Agreement. CCSD shall not be obliged to purchase Return Water if it determines that the reduced amount of Return Water would not be sufficient to justify a Water Purchase Agreement as contemplated herein. In the event that CCSD determines that its water purchase is not justified due to an Other Return Water Obligation, the Parties to this Settlement Agreement will meet and confer in good faith to effect other arrangements to make the remaining Return Water, net of the Other Return Water Obligation, available for use in lieu of existing groundwater pumping in the SRGB in order to ensure that Cal Am will meet its Annual Return Water Obligation under this Settlement Agreement.

The Parties further acknowledge that the CCSD must be assured of a specific volume of Return Water to justify investment in the capital facilities necessary to convey the Return Water from the Project to the CCSD (the "CCSD Facilities"), and therefore Cal Am's

obligation to the CCSD Delivery Volume specified herein cannot be terminated during the term of the anticipated Return Water Purchase Agreements after such time as CCSD has obligated itself to finance such capital facilities. To afford the best foresight in relation to potentially competing Return Water obligations, while also facilitating the certainty relating to Return Water deliveries required by CCSD, Cal Am's obligation to make available the CCSD Delivery Volume under the terms of the CCSD Return Water Purchase Agreement shall become unconditional on the date that is the latest of the following dates:

- a. the date on which the CPUC has issued a CPCN for the Project and the period to challenge the legality of the CPUC's issuance of the CPCN (based on CEQA compliance or otherwise) has expired and no challenge has been brought;
- b. the date on which any challenge against the CPUC's issuance of the CPCN is resolved with finality following all available appeals and petitions; or
- c. 60 days following the date on which the CCSD provides notification to Cal Am that it has secured financing, acceptable to CCSD, to acquire the CCSD Facilities.

In the event of any challenge against the CPUC's issuance of the CPCN, the Parties to this Settlement Agreement shall meet and confer in good faith to effect other arrangements to make the total amount of the Return Water, as adjusted by any Other Return Water Obligation, available for use in lieu of existing groundwater pumping in the SRGB in order to ensure that Cal Am will meet its Annual Return Water Obligation under this Settlement Agreement during the pendency of that litigation.

After the above dates, Cal Am may not terminate its obligation to deliver the CCSD Delivery Volume in the event Cal Am is subsequently required to meet Other Return Water Obligations. Cal Am and CCSD shall meet and confer as necessary within a reasonable amount of time before or after any of the above dates if it appears that Cal Am's obligation to make available the CCSD Delivery Volume may not become unconditional. Due to the urgent nature of the Project and other regulatory pressures to implement the Project, Cal Am and CCSD may mutually agree at any time to amend and move forward with the CCSD Water Purchase Agreement, notwithstanding Other Return Water Obligations, provided all other required approvals have been attained and provided that Cal Am will meet its Annual Return Water Obligation under this Settlement Agreement through some combination of some or all of the CCSD Water Purchase Agreement, the CSIP Water Purchase Agreement, Other Return Water Obligations, or arrangements made pursuant to Section 7 of the Settlement Agreement.

- 5. Return Water and Excess Water pricing shall be as follows:
 - a. CCSD: For each acre-foot of Return Water or Excess Water made available for

delivery to CCSD:

- i. CCSD shall pay a rate intended to represent its avoided cost to produce groundwater to meet customer demand, currently estimated to be \$110 per acre-foot, which will be the rate as of the Obligation Start Date, for Return Water made available for delivery to meet the Annual Return Water Obligation. CCSD plans to continue operation of its existing wells so they may be available in emergency circumstances. This continuing operation will enable CCSD to provide future updates to the avoided cost of pumping. If CCSD is unable to provide such updated avoided costs of pumping, then the percentage increase of PG&E's A-6 tariff for off-peak summer distribution rate (with a base of \$0.07311 / kWh as of the tariff existing on March 24, 2016) will be used as the escalation factor for the increase in avoided cost of pumping in the future. After the Obligation Start Date, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC.
- ii. CCSD shall pay a rate intended to represent the marginal operation and maintenance costs for the Project to produce one acre-foot of potable water, currently estimated to be \$580 per acre-foot, which will be the rate as of the Obligation Start Date, for any Excess Water calculated as set forth in Appendix F. After the Obligation Start Date, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC.
- b. CSIP: Subject to rights to terminate established in Section 10 of the Return Water Purchase Agreement between the Agency and Cal Am, for each acre-foot of Return Water delivered by Cal Am, the Agency shall pay a rate intended to represent the CSIP customers' marginal avoided cost for groundwater produced for use by the CSIP customers, currently estimated to be \$102 per acre-foot which will be the rate as of the Obligation Start Date. After the Obligation Start Date, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC.
- 6. The Parties support Cal Am negotiating and entering into Return Water Purchase Agreements substantially in the form attached in Appendix C to this Settlement Agreement. To the extent any conflict is noted or alleged to exist between the terms of this Settlement Agreement and the terms of either Return Water Purchase Agreement, the Parties agree to meet and confer to seek to arrive at a mutually-agreeable reconciliation of the terms of the three agreements.
 - a. The Return Water Purchase Agreements shall have an initial term of at least 30 years.
 - b. Prior to the expiration of the Return Water Purchase Agreements contemplated herein, CCSD and CSIP shall have a right of first refusal to enter into new water purchase agreements on terms to be negotiated at the time.

- 7. If the Return Water Purchase Agreements are not executed, do not become effective, or are otherwise amended or terminated, the Parties to this Settlement Agreement shall meet and confer in good faith to effect other arrangements to make the total amount of the Return Water reduced by any Other Return Water Obligation available for use in lieu of existing groundwater pumping in the SRGB in order to ensure that Cal-Am will meet its Annual Return Water Obligation under this Settlement Agreement. Regardless of whether the Return Water Purchase Agreements are not executed, do not become effective, or are otherwise amended or terminated, Cal Am shall not be excused from meeting its Annual Return Water Obligation under this Settlement Agreement.
- 8. Upon termination, expiration or non-renewal of the Return Water Purchase Agreements, Cal Am shall continue to make Return Water available for delivery to the SRGB for use in lieu of existing groundwater production, unless Cal Am demonstrates that Return Water is not needed to prevent legal injury to prior groundwater rights holders in the SRGB or to avoid significant adverse effects to SRGB groundwater resources. If Cal Am desires to make such a showing, it shall initially do so by providing a demonstration in writing to all Parties to this Settlement Agreement using the notice provisions of Section 24. Within 21 days thereafter, the Parties shall meet to seek to reach agreement regarding whether Cal Am has made the requisite demonstration. If the Parties do not reach agreement within 30 days after the initial meeting, any Party may on or after the 31st day, but no later than the 91st day, invoke the provisions of Section 9. For the avoidance of doubt, nothing in this section 8 in any way affects the provisions, scope and application of Section 3.
- 9. If a dispute arises concerning any controversy or claim arising out of or relating to this Settlement Agreement or the breach thereof, or relating to its application or interpretation, such dispute shall be resolved as follows:
 - a. <u>Disputes</u>. The aggrieved Party will notify the other Parties of the dispute in writing within twenty (20) days after such dispute arises. If the Parties fail to resolve the dispute within sixty (60) days after delivery of such notice, each Party will promptly nominate a senior officer of its organization to meet at any mutually-agreed time and location to resolve the dispute. The Parties shall use their best efforts to reach a just and equitable solution satisfactory to all Parties. If the Parties are unable to resolve the dispute to their satisfaction within sixty (60) days thereafter, the dispute will be subject to mediation, as described below in Section 9.b. The time periods set forth in this section are subject to extension if agreed to by the Parties.
 - b. <u>Mandatory Non-binding Mediation</u>. If a dispute is not resolved pursuant to Section 9.a., the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation initiated and conducted under the applicable rules of the American Arbitration Association in effect as of the Effective Date or other rules agreed to in writing by the Parties, before having recourse in a court of law or equity. Each Party shall bear its own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the cost of any proofs or

expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including without limitation any materials prepared or submitted or any positions taken by or on behalf of any Party, shall be confidential and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless such admission is otherwise agreed upon in writing by the Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. The mediation shall be completed within sixty (60) days after selection of the mediator, unless the Parties agree to extend the mediation period.

- c. <u>Judicial Relief</u>. If mediation pursuant to Section 9.b. does not resolve a dispute, any Party may seek relief in a court of competent jurisdiction.
- d. <u>Limitations on Damages</u>. No Party shall be entitled to consequential damages, incidental damages, or punitive or exemplary damages from any other Party in any action or proceeding in connection with this Settlement Agreement.
- e. <u>Attorneys' Fees and Costs</u>. In any action or proceeding to enforce a term or condition of this Settlement Agreement, in any disputes relating to this Settlement Agreement, and in any actions for breaches, defaults, or misrepresentations in connection with the Settlement Agreement, a prevailing Party (as determined by a court of competent jurisdiction) shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys' fees and costs.
- 10. The Parties agree that Cal Am's certificated service area for the Monterey County District shall be extended to include: (1) a delivery point near the intersection of Nashua Road and Monte Road (located between Cal Am's desalination plant facilities and the CCSD service area) that is necessary for Cal Am to serve CCSD and the Agency at the delivery point set forth in the anticipated Return Water Purchase Agreements; (2) the territory contiguous to the desalination plant facilities that is necessary for Cal Am to deliver water to Monterey Regional Waste Management District ("MRWMD"); and (3) to MRWPCA's wastewater treatment plant site which is located next to the MRWMD site, and that Cal Am shall update its service area map accordingly through a Tier 2 advice letter filing to describe the territory served on the utility's tariffs. The Parties further agree to support Cal Am's ability to implement and update its tariffs accordingly through a Tier 2 advice letter.
- 11. The Parties agree that the proposed tariff set forth in Appendix E, which may be modified from time to time with CPUC approval to reflect adjustments to the terms of service as set forth herein, shall govern the rates and provision of service to CCSD and the Agency, subject, however, to rights to terminate established in Section 10 of the Return Water Purchase Agreements between Cal Am and each of CCSD and the Agency.
- 12. Pursuant to the Return Water Purchase Agreements, Cal Am would collect revenue from CCSD and the Agency. All revenue collected under the Return Water Purchase

Agreements would be through an approved tariff with the CPUC and would be used to offset the operations and maintenance costs of the Project to customers in the Monterey District in accordance with Section 8.3 of the document known as the "Large Settlement Agreement." Revenues collected from MRWMD would be under an existing General Metered Non-Residential tariff that is subject to regulation by the CPUC.

- 13. Cal Am shall provide notice of advice letters filed pursuant to this Settlement Agreement to the Parties and to CCSD upon their filing and in accordance with applicable CPUC requirements.
- 14. This Settlement Agreement reflects a settlement and compromise of putative claims and remedies of the Parties hereto.
- 15. If the Return Water settlement described in this Settlement Agreement is not approved by the CPUC and implemented by Cal Am, the Agency, SVWC, MCFB and Landwatch reserve their rights to challenge Cal Am's production of water from the SRGB in any appropriate forum.
- 16. The Parties agree to expeditiously, substantively and in good faith support this Settlement Agreement and cooperate with Cal Am in any administrative or judicial proceeding challenging this Settlement Agreement and/or Cal Am's obligations and responsibilities with respect to Return Water.
- 17. Among other things, this Settlement Agreement helps to define a stable and finite project description that will facilitate the CPUC's completion of CEQA review for the Project. The legal effectiveness of this Settlement Agreement is contingent on the completion of CEQA review and this Settlement Agreement does not irretrievably commit the Parties to carrying out any physical activities that would be required for Cal Am to meet the Annual Return Water Obligation or would otherwise be required for the Parties to comply with the terms of this Settlement Agreement, including through the anticipated Return Water Purchase Agreements whose future approval will be conditioned upon the completion of CEQA review by the CPUC as lead agency for the Project and by those Parties playing the role of a responsible agency with respect to the anticipated Water Supply Agreements. The Parties acknowledge and intend that the lead agency and responsible agencies will retain full discretion with respect to deciding whether to approve the Return Water Supply Agreements or any other commitments necessary or convenient for Cal Am to meet the Annual Return Water Obligation, including discretion to modify commitments to avoid or reduce any significant adverse physical environmental effects (i) from Return Water activities that are within their jurisdiction, and (ii) from the Parties' compliance with other terms of this Settlement Agreement.
- 18. If the CPUC approves the Settlement Agreement with modifications, the Parties request the CPUC to provide a reasonable period for the Parties to consider and respond to such modification.
- 19. If the CPUC approves the Settlement Agreement with modifications, each Party shall

determine no later than two business days before the deadline imposed by the CPUC for acceptance of the modification whether it will accept the modification and shall notify the other Parties of its determination.

- 20. If any Party declines to accept the CPUC's modification, the other Parties may still accept the modification and request the CPUC to approve the revised Settlement Agreement in the absence of the agreement of the Party or Parties who decline to accept the CPUC's modification; provided, however, that Parties who accept the modification and request approval of a revised Settlement Agreement may not accept the modification and request the CPUC to approve the revised Settlement Agreement if the applicant Cal Am is among the Parties who decline to accept the CPUC's modification. If the CPUC's proposed modification of this Settlement Agreement is not consented to by Cal Am, the Settlement Agreement shall be void and the CPUC will establish a procedural schedule to address the disputed issues.
- 21. This Settlement Agreement does not currently impact the terms of section 3.1(b) of the document known as the Large Settlement Agreement. To the extent later binding agreements may specifically do so, they will not impact the Agency's authority and responsibilities under or Cal Am's obligation to comply with the Agency Act.
- 22. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors and assigns permitted hereunder.
- 23. Nothing in this Settlement Agreement is intended, either expressly or by implication, to confer any rights or remedies under or by reason of this Settlement Agreement on any persons other than the Parties hereto; nothing in this Agreement is intended, either expressly or by implication, to relieve or discharge the obligation or liability of any third person to any Party; and nothing in this Settlement Agreement creates, either expressly or by implication, any duty, liability or standard of care to any person who is not a Party.
- All notifications, notices, demands, requests and other communications herein provided for 24. or made pursuant hereto shall be in writing and shall be sent by: (i) registered or certified mail, return receipt requested, and the giving of such communication shall be deemed complete on the third (3rd) business day after the same is deposited in a United States Post Office with postage charges prepaid; or (ii) reputable overnight delivery service, and the giving of such communication shall be deemed complete on the immediately succeeding business day after the same is deposited with such delivery service; and (iii) so long as a Party has notified the other Party by means of a method described in clauses (i) or (ii) above of such Party's email address for notification purposes, email transmission of notices to such Party are also permitted provided an original is also sent via one of the other permitted means and the giving of such communication shall be complete when such email is received if such email is received on a business day before 3:00 pm Pacific Time; otherwise, such communication shall be deemed complete the next business day. The date on which notifications, notices, demands, requests and other communications are deemed complete shall be the earliest date arising under subsections (i), (ii) or (iii) of this Section 24. All notifications, notices, demands, requests and other communications shall be sent to

the Parties as follows:

To Agency:

David E. Chardavoyne General Manager Monterey County Water Resources Agency 893 Blanco Circle Salinas, CA 93901

To Authority:

Bill Kampe Acting President Monterey Peninsula Regional Water Authority 580 Pacific Street, Room 6 Monterey, CA 93940

To Cal Am:

Eric J. Sabolsice Director, Operations Coastal Division California-American Water Company 511 Forest Lodge Road, Suite 100 Pacific Grove, CA 93950

To CPB:

Bob McKenzie Water Issues Consultant Coalition of Peninsula Businesses P.O. Box 223542 Carmel, CA 93922

To Landwatch:

Chris Fitz LandWatch Monterey County P.O. Box 1876 Salinas, CA 93902-1876

To MCFB:

Norman C. Groot Monterey County Farm Bureau P.O. Box 1449 1140 Abbott Street, Suite C Salinas, CA 93902-1449

To MPWMD:

David J. Stoldt General Manager Monterey Peninsula Water Management District PO Box 85 Monterey, CA 93942

To MRWPCA:

Paul Sciuto General Manager Monterey Regional Water Pollution Control Agency 5 Harris Court, Bldg D Monterey, CA 3940

To PCL:

Jonas Minton Planning and Conservation League Foundation 1107 – 9th Street, Suite 901 Sacramento, CA 95814

To SVWC:

Nancy Isakson President Salinas Valley Water Coalition

3203 Playa Court Marina, CA 93933

A Party may change the person and/or address for provision of notice by delivering written notice to the other Parties.

- 25. Each Party to this Settlement Agreement represents and warrants that it has the capability and authority to carry out the rights and obligations of this Settlement Agreement. Each person whose signature appears hereon represents and warrants that he/she has been duly authorized and has full authority to execute this Settlement Agreement on behalf of the Party on whose behalf this Settlement Agreement is executed.
- 26. This Settlement Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.

Respectfully submitted,

Dated:

CALIFORNIA-AMERICAN WATER COMPANY

By _____ Robert MacLean, President

Dated:

COALITION OF PENINSULA BUSINESSES

By _____

Bob McKenzie. Water Issues Consultant

Dated:

LANDWATCH MONTEREY COUNTY

By_____

Chris Fitz.

Dated:

MONTEREY COUNTY FARM BUREAU

By ______ Norman C. Groot, **Executive Director**

Dated:

MONTEREY COUNTY WATER RESOURCES AGENCY

By _____ David Chardavoyne, General Manager

Dated:	MONTEREY PENINSULA REGIONAL WATER AUTHORITY
	By Bill Kampe, Acting President
Dated:	MONTEREY PENINSULA WATER MANAGEMENT DISTRICT
	By David J. Stoldt, General Manager
Dated:	MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
	By Paul Sciuto, General Manager
Dated:	PLANNING AND CONSERVATION LEAGUE FOUNDATION
	By Jonas Minton, Water Policy Adviser
Dated:	SALINAS VALLEY WATER COALITION
	By Nancy Isakson, President

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EXHIBIT 21-B

APPENDIX A

PLANNING TERM SHEET

APPENDIX B

CCSD RESOLUTION No. 16-2 AND No. 16-4

APPENDIX C

RETURN WATER PURCHASE AGREEMENTS

APPENDIX D

BASE RETURN WATER OBLIGATION METHODOLOGY

Example of Calculation of Percentage of Salinas Basin Water in Brackish Water using current Monterey Bay salinity levels (33,500 mg/L) and current and projected test well results (\sim 31,076 mg/L \rightarrow 31,950 mg/L)

(seawater salinity) × (Percentage of seawater) + (inland water salinity) × (Percentage of Salinas Basin water) = (brackish water salinity)

EXAMPLE #1

Assumed Data for Example #1 Purposes Only:

33,500 mg/L = Measured seawater TDS ("seawater salinity")¹ 500 mg/L = Measured Salinas Basin water TDS ("inland water salinity")¹ 31,076 mg/L = Measured Brackish Source Water TDS ("brackish water salinity")¹ (Test Well)

Unknowns:

Percentage of seawater = xPercentage of Salinas Basin Water (inland water) = yThe sum of the percentage must equal 100% or 1. Therefore: x+y=1 or y=1-x

$$33,500x + 500y = 31,076$$

$$33,500x + 500(1 - x) = 31,076$$

$$33,500x + 500 - 500x = 31,076$$

$$33,000x + 500 = 31,076$$

$$33,000x = 30,576$$

$$x = \frac{30,576}{33,000}$$

$$x = 0.926 \text{ or } 92.6\%$$

Thus,

y = 1 - x y = 1 - 0.926y = 0.074 or 7.4%

Therefore,

Percentage of seawater = 92.6% and Percentage of Salinas Basin water (inland water) = 7.4%

 1 TDS values for the seawater, Basin water, and Brackish Source water will be determined by analysis by an accredited laboratory, using appropriate methodology – $\underline{\text{SM 2540C}}$

EXAMPLE #2

Assumed Data for Example #2 Purposes Only:

33,500 mg/L = Measured seawater TDS ("seawater salinity")¹ 500 mg/L = Measured Salinas Basin water TDS ("inland water salinity")¹ 31,950 mg/L = Measured Brackish Source Water TDS ("brackish water salinity")¹

Unknowns:

Percentage of seawater = xPercentage of Salinas Basin Water (inland water) = yThe sum of the percentage must equal 100% or 1. Therefore: x+y=1 or y=1-x

> 33,500x + 500y = 31,950 33,500x + 500(1 - x) = 31,950 33,500x + 500 - 500x = 31,950 33,000x + 500 = 31,950 33,000x = 31,450 $x = \frac{31,450}{33,000}$ x = 0.953 or 95.3%

Thus,

y = 1 - xy = 1 - 0.953y = 0.047 or 4.7%

Therefore,

Percentage of seawater = 95.3% and Percentage of Salinas Basin water (inland water) = 4.7%

¹ TDS values for the seawater, Basin water, and Brackish Source water will be determined by analysis by an accredited laboratory, using appropriate methodology – <u>SM 2540C</u>

Example of Calculation of Return to Basin Allocation:

Return to Basin Allocation

= (Percentage of Salinas Basin water) × (Total Actual Source Water Quantity)

EXAMPLE #1

Assumed Data for Example #1 Purposes Only:

26,992 AFY = Total Actual Source Water Quantity (i.e. 24.1 MGD) 92.6% = Percentage of Seawater = x7.4% = Percentage of Salinas Basin water = y

Unknowns:

Return to Basin Allocation = z

So, substituting the equation with the assumed data for example#1:

 $z = (y) \times (26,992)$ $z = (0.074) \times (26,992) = 1,997 \text{ AFY}$

EXAMPLE #2

Assumed Data for Example #2 Purposes Only: 26,992 AFY = Total Actual Source Water Quantity 95.3% = Percentage of Seawater = x

4.7% = Percentage of Salinas Basin water = y

Unknowns:

Return to Basin Allocation = z

So, substituting the equation with the assumed data for example#2:

 $z = (y) \times (26,992)$ $z = (0.047) \times (26,992) = 1,268 \text{ AFY}$

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EXHIBIT 21-B

APPENDIX E

PROPOSED TARIFF

APPENDIX F

Project MARGINAL OPERATION AND MAINTENANCE COSTS CALCULATION

Calculation of the marginal cost of water at either the 6.4 MGD or 9.6 MGD desalination plant proposed as part of the Project. Items that are part of the cost computation include:

- 1. <u>Power Costs (PC)</u>: related to the slant intake wells and the desalination plant. The costs shall be computed annually based on the sum of the power bills for the intake wells and the desalination plant including the high service pump station.
- 2. <u>Chemical Costs (CC)</u>: related to the production the potable water. The costs shall be computed annually based on the sum of the chemical bills for the desalination plant.
- 3. <u>Membrane and Media Replacement Costs (MMRC)</u>: related to production the potable water. The costs shall be computed annually based on the sum of the invoices for replacement membranes and media.
- 4. **<u>Production Volume (AF)</u>**: related to the total amount of water produced from the desalination plant.
- 5. Marginal Cost of Water: Cost per acre-foot of water.

The formula for the marginal cost of water shall be:

$$\frac{PC + CC + MMRC}{AF} = \frac{\$}{AF} = Marginal \ Cost \ of \ Water$$

EXAMPLE #1 – First Years Cost - \$580 / AF

Summary of Updated 6.4 MGD O&M Costs (Dec. 15, 2015)

Item	6.4 MGD MPWSP	AFY	Desal Plant Only	Cost per AF
Power	\$4,580,000	7,168	\$3,323,160	\$463.6
Chemicals	\$920,000	7,168	\$750,871	\$104.8
Membrane/Media Replacement	\$90,000	7,168	\$88,240	\$12.3
R&R	\$1,570,000		Total	\$580.7
Purchased Recharge Water	\$8,750,000			
Labor & Misc	\$3,360,000			
Total	\$19,270,000			

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RETURN WATER PLANNING TERM SHEET

RECITALS

- A. CAW is seeking permits and approvals for the Monterey Peninsula Water Supply Project ("MPWSP"), including a certificate of public convenience and necessity from the California Public Utilities Commission ("CPUC");
- B. The MPWSP includes a desalination plant that will provide a potable water supply for CAW's Monterey Peninsula service area. Rather than using an open-ocean intake that would produce only seawater as source water for the desalination plant, the MPWSP desalination plant will produce its source water from subterranean slant wells drilled adjacent to the ocean, which will draw water from strata underlying the ocean. The location of the wells overlies the western portion of the Salinas River Groundwater Basin ("SRGB").
- C. CAW characterizes its MPWSP as proposing to develop seawater and brackish groundwater originating from the SRGB to produce source water that would be desalinated to provide a potable water supply for CAW's Monterey Peninsula service area.
- D. The SVWC, MCFB and Landwatch contend that—rather than proposing to use an openocean intake that would produce only seawater—CAW's MPWSP proposes to use wells developed in the SRGB to produce source water for desalination to provide CAW's Monterey Peninsula service area with a new source of water supply.
- E. The ratio of seawater to brackish SRGB groundwater in the MPWSP source water is anticipated to change over time, with more seawater and less SRGB groundwater anticipated later in the MPWSP's life;
- F. CAW contends that source water production by the MPWSP is unlikely to cause significant adverse environmental effects with respect to SRGB groundwater resources and is unlikely to cause injury to prior groundwater rights in the SRGB but submits that the Monterey County Water Resources Agency Act ("Agency Act") authorizes the Monterey County Water Resources Agency ("Agency") to obtain an injunction prohibiting the export and use of SRGB groundwater outside of the SRGB and certain areas of Fort Ord;
- G. The SVWC, MCFB and Landwatch submit that the Agency Act directly prohibits the export and use of SRGB groundwater outside of the SRGB and certain areas of Fort Ord without the need for the Agency to obtain an injunction;

- H. To meet applicable requirements of the Agency Act, CAW has proposed as part of the MPWSP to make available for delivery to groundwater users overlying the SRGB a volume of water equal to the percentage of SRGB groundwater in the total MPWSP source water production, as determined by the Agency ("Return Water");
- The SVWC, MCFB and Landwatch contend there is no surplus SRGB groundwater available for CAW's use in providing public water service within or outside of the SRGB and that the law of California groundwater rights requires that any production and use of SRGB groundwater by the MPWSP must be returned for use within the SRGB in lieu of existing groundwater pumping;
- J. For MPWSP planning and engineering purposes, CAW submits that the MPWSP source water wells have been designed so that approximately 4% of the source water produced by the MPWSP will originate as brackish groundwater from the SRGB;
- K. For planning purposes, CAW has assumed that the Return Water volume for the large desalination plant will be 1,080 afa, and for the small plant 690 afa;
- L. The CPUC is conducting environmental review of the MPWSP under the California Environmental Quality Act ("CEQA"), and the Monterey Bay National Marine Sanctuary is conducting environmental review of the MPWSP under the National Environmental Policy Act ("NEPA");
- M. The modeling used in the CPUC's April 2015 CalAm Monterey Peninsula Water Supply Project Draft Environmental Impact Report ("DEIR") estimates that the volume of SRGB groundwater produced as source water for the large-scale (9.6 million gallons per day) MPWSP would be approximately 7 percent, or 1,889 afa, under existing land-use conditions and would be approximately 4 percent, or 1,080 afa, under projected future 2060 land-use conditions, and would average approximately 5.5 percent, or 1,485 afa, over the life of the MPWSP. (DEIR at 4.4-67.)
- N. Note C to the CPUC's DEIR Table 2-5 states that "groundwater modeling indicates that as much as 1,080 afa may need to be returned to the Salinas Valley Groundwater Basin (based on 4 percent of total source water intake being drawn from the Salinas Valley Groundwater Basin[]))" and states that "MPWSP supply would be sufficient to provide this larger quantity of return water."
- O. The CPUC is preparing a revised DEIR/Environmental Impact Statement (RDEIR/DEIS) for the MPWSP that will assess the significance of effects to SRGB groundwater resources, and the modeling in the revised RDEIR/DEIS will be updated and calibrated to include test well production data obtained to date (over 100 days of pumping). CAW also is working to gather additional (up to two years) test well production data to inform analysis of those effects. The full data set is not expected to be available before the CPUC's completion of CEQA/NEPA review and its decision whether to approve a certificate of convenience and necessity for the MPWSP;
- P. The Parties and the State Water Resources Control Board are in agreement, and the DEIR

concludes, that injecting desalinated water from the MPWSP into the SRGB is less desirable than delivering the Return Water for beneficial use in in the SRGB;

- Q. Prior environmental analyses reveal that there may be limitations in the capacity of the Castroville Seawater Intrusion Project ("CSIP") to accommodate all of the MPWSP Return Water under some conditions. (DEIR, p. 2-45, 6-4, 6-114; Pure Water Monterey, GWR DEIR, Appendix Q, Table B-3);
- R. CSIP is an Agency project that provides recycled water and diverted Salinas River water for use in lieu of groundwater pumping for irrigated agricultural use in the Castroville area of the SRGB;
- S. The CPUC Administrative Law Judge has requested additional testimony from the Joint Settling Parties regarding Return Water options, and that testimony must be submitted to the CPUC by January 22, 2016;
- T. The SVWC, MCFB and Landwatch contend that the MPWSP's well production may cause injury to the SRGB and senior groundwater rights holders in the SRGB under California groundwater law, even if the RDEIR/DEIS concludes that the well production would not cause a significant adverse effect under CEQA.
- U. MCFB, SVWC and Landwatch oppose any scenario where Return Water would be used outside the SRGB, rather than for use in lieu of existing groundwater pumping in the SRGB;
- V. In the July 31, 2013 Settlement Agreement among 16 parties to Proceeding A1204019, MCFB, SVWC, Landwatch, the Agency, and Citizens for Public Water reserved all rights to challenge production of water from the SRGB by CAW in any appropriate forum based on their concerns for potential harm to the SRGB and users thereof;
- W. MCFB and SVWC have stated they will litigate these issues if they are not resolved through agreement;
- X. CAW and the Authority maintain that any obligation to return SRGB groundwater to the SRGB arises only as a requirement of the Agency Act, except to the extent that Return Water is necessary as part of a physical solution to avoid harm to the SRGB and senior groundwater rights holders in the SRGB under California groundwater law or to mitigate significant adverse effects to the SRGB or particular groundwater users pursuant to CEQA;
- Y. CAW, with the encouragement of the Authority, also desires to maximize revenue for Return Water to offset water costs and water rates for CAW customers on the Monterey Peninsula;
- Z. CAW must obtain CPUC approval to deliver or sell any Return Water for use outside of CAW's service area;
- AA. A controversy has now arisen as to CAW's obligation to deliver Return Water to the SRGB, and as to the responsibility for the costs of producing the Return Water, and the Parties to this Term Sheet desire to resolve these issues and to reach agreement on a framework to satisfy Return Water requirements;

- BB. Pursuant to the terms of this Term Sheet, the Parties propose that CAW deliver Return Water to the CCSD and to the CSIP to satisfy Return Water requirements that may arise out of the Agency Act, CEQA, or California groundwater law, in accordance with terms and conditions to be agreed upon based on the general principles contained in this Term Sheet;
- CC. CCSD submits that it provides municipal and domestic water service to the Town of Castroville, which overlies the SRGB in an area north of the City of Marina and west of the City of Salinas;
- DD. CCSD submits that it currently relies on groundwater from the SRGB to meet Castroville's water demands, which average approximately 800 afa;
- EE.CCSD submits that it increasingly has experienced water supply challenges due to water quality degradation of its water supplies, primarily from increased salinity;
- FF. CCSD submits that poor water quality, including elevated sodium levels extant in CCSD's groundwater supplies, can contribute to health risks of individuals susceptible to high sodium;
- GG. CCSD submits that it has been identified as a disadvantaged community (Greater Monterey County IRWM Regional Water Management Group Disadvantaged Community Outreach Plan, Prepared for the Environmental Justice Coalition for Water by Nilsen & Associates, Approved April 18, 2012), and was an active participant in the Regional Plenary Oversight Group process established by the Office of Ratepayer Advocates to determine whether the Regional Desalination Project, a predecessor project to the MPWSP, would be a source of supply for Castroville;
- HH. CCSD submits that many of CCSD's customers contribute significantly to agricultural and hospitality industries in the Salinas Valley and on the Monterey Peninsula;
- II. CCSD submits that it is actively pursuing alterative water supplies and has applied to the State for funding to develop deeper groundwater wells and other projects to serve its customer demands;
- JJ. CCSD submits that it is interested in taking delivery of a Return Water supply from the MPWSP to replace or supplement CCSD's current reliance on groundwater from the SRGB;
- KK. Preliminary cost estimates for a pipeline to convey water from the MPWSP plant to CCSD are approximately \$6,500,000, which may be reduced to approximately \$4,400,000, assuming that CAW will secure contracts for construction of the pipeline and that environmental review and permitting will be performed in conjunction with the MPWSP. CCSD submits that it may not be able to prudently fund a pipeline for more than \$2,800,000, and that capital obligations for the pipeline would necessitate long-term commitments by CCSD and certainty of source water supply for CCSD;
- LL. The SVWC, MCFB, and Landwatch support CAW's delivering Return Water to CCSD and to CSIP for use in lieu of existing groundwater pumping in the SRGB; and

- MM. CAW's delivery of Return Water to CCSD pursuant to the terms of this Term Sheet is a fair and equitable resolution of the disputed matters described above, and is consistent with the law and policy controlling the CPUC's approval of the MPWSP.
- NN. The foregoing Recitals are included to provide background regarding this Term Sheet but are neither part of nor incorporated into its terms.

NOW, THEREFORE, as a COMPROMISE and SETTLEMENT of the above-stated dispute, and to provide for an efficient and effective resolution of this dispute, the Parties do hereby AGREE to negotiate appropriate binding agreements on the following terms:

- 1. Notwithstanding any other provision of this Term Sheet, this Term Sheet sets forth agreements in principle concerning its subject matter, but does not at this time constitute binding covenants or conditions with respect to the issue of Return Water.
- 2. It is anticipated that certain Parties to this terms sheet will negotiate and enter into water purchase agreements under which CAW will deliver Return Water to the SRGB during the term of the anticipated water purchase agreements for use in lieu of existing groundwater production as follows:
 - a. CAW shall have annual Return Water requirements that shall be calculated based on the percentage of SRGB groundwater in the total MPWSP source water production for the prior calendar year ("Annual Return Water Obligation").
 - i. During the first three months after start-up of the MPWSP, the Annual Return Water Obligation shall be 7% of total source water production during that period, and for the remainder of that year shall be the percentage of SRGB groundwater in the total MPWSP source water production calculated during the first three months in which the MPWSP started up and then operated.
 - ii. Thereafter, CAW shall make available for delivery to the SRGB for beneficial use each year the Annual Return Water Obligation.
 - iii. The volume of the Annual Return Water Obligation shall be determined by the Agency based on the methodology set forth in Exhibit A [parties analyzing], which may include annual averaging and other operational parameters appropriate to the circumstances.
 - b. CAW shall make available for delivery to CCSD 800 afa of Return Water if the large desalination plant is constructed or 690 afa if the smaller desalination plant is constructed ("CCSD Delivery Volume").
 - c. If the Annual Return Water Obligation is less than the CCSD Delivery Volume, CAW shall make available for delivery potable water in addition to the amount of the Annual Return Water Obligation sufficient to satisfy the CCSD Delivery Volume ("Excess Water").
 - d. CAW shall make available for delivery to CSIP any Annual Return Water Obligation

in excess of the CCSD Delivery Volume, according to procedures agreed to in the Water Purchase Agreement.

3. The Parties acknowledge that CAW could be legally required by a regulatory agency, including the CPUC in this proceeding, or by a court, to make water deliveries to other locations in the SRGB to the extent necessary to mitigate any groundwater impacts from the MPWSP that were demonstrated in relation to a specific location overlying the SRGB ("Other Return Water Obligation"). Such Other Return Water Obligation could also serve to satisfy CAWs obligations to return water to the SRGB under the Act, CEQA, or commonlaw water law principle. Under such circumstances, the Parties agree that it may be inequitable to CAW and its ratepayers to fund both the Other Return Water Obligation and the Return Water obligations specified herein as this would result in a duplicative liability to CAW and its ratepayers. CAW's obligation to make available the CCSD Delivery Volume shall be reduced in the event and to the extent that a regulatory agency or court has required CAW to deliver Return Water in a manner or location different than as specified in the Term Sheet. CCSD shall not be obliged to purchase Return Water if it determines that the reduced amount of Return Water would not be sufficient to justify a Water Purchase Agreement as contemplated herein. In the event that CCSD determines that its water purchase is not justified due to an Other Return Water Obligation, the parties to this Term Sheet will meet and confer in good faith to effect other arrangements to make the remaining Return Water, net of the Other Return Water Obligation, available for use in lieu of existing groundwater pumping in the SRGB in order to ensure that CAW will meet its Annual Return Water Obligation under this Term Sheet.

The Parties further acknowledge that the CCSD must be assured of a specific volume of Return Water to justify investment in the capital facilities necessary to convey the Return Water from the Project to the CCSD (the "CCSD Facilities"), and therefore CAW's obligation to the CCSD Delivery Volume specified herein cannot be terminated during the term of the anticipated water purchase agreements after such time as CCSD has obligated itself to finance such capital facilities. To afford the best foresight in relation to potentially competing Return Water obligations, while also facilitating the certainty relating to Return Water deliveries required by CCSD, CAW's obligation to make available the CCSD Delivery Volume under the terms of that water purchase agreement shall become unconditional on the date that is the latest of the following dates:

- a. the date on which the CPUC has issued a CPCN for the Project and the period to challenge the legality of the CPUC's issuance of the CPCN (based on CEQA compliance or otherwise) has expired and no challenge has been brought;
- b. the date on which any challenge against the CPUC's issuance of the CPCN is resolved with finality following all available appeals and petitions; or
- c. 60 days following the date on which the CCSD provides notification to CAW that it has secured financing, acceptable to CCSD, to construct the CCSD Facilities.

In the event of any challenge against the CPUC's issuance of the CPCN, the Parties to this Agreement shall meet and confer in good faith to effect other arrangements to make the total amount of the Return Water, as adjusted by any Other Return Water Obligation, available for use in lieu of existing groundwater pumping in the SRGB in order to ensure that CAW will meet its Annual Return Water Obligation under this Agreement during the pendency of that litigation.

After the above dates, Cal Am may not terminate its obligation to deliver the CCSD Delivery Volume in the event CAW is subsequently required to make Other Return Water Obligations. CAW and CCSD shall meet and confer as necessary within a reasonable amount of time before or after any of the above dates if it appears that CAW's obligation to make available the CCSD Delivery Volume may not become unconditional. Due to the urgent nature of the MPWSP and other regulatory pressures to implement the MPWSP, CAW and CCSD may mutually agree at any time to amend and move forward with the CCSD Water Purchase Agreement, notwithstanding Other Return Water Obligations, provided all other required approvals have been attained and provided that CAW will meet its Annual Return Water Obligation under this Term Sheet through some combination of the CCSD Water Purchase Agreement, the CSIP Water Purchase Agreement, Other Return Water Obligations, or arrangements made pursuant to paragraph 6 of the Term Sheet.

- 4. Return Water and Excess Water pricing shall be as follows:
 - a. **CCSD:** For each acre-foot of Return Water or Excess Water made available for delivery to CCSD:
 - i. CCSD shall pay \$110 per acre-foot, as currently estimated, for Return Water made available for delivery to meet the Annual Return Water Obligation, which reflects its avoided cost to produce groundwater to meet customer demand.
 - ii. CCSD shall pay \$580 per acre-foot, as currently estimated, for any Excess Water, which reflects the operations and maintenance cost for the MPWSP to produce one acre-foot of potable water.
 - b. **CSIP:** For each acre-foot of Return Water delivered by CAW, CSIP shall pay \$xxx per acre-foot, as currently estimated, which reflects the CSIP customers' marginal avoided cost for recycled water produced for use by the CSIP in lieu recharge project's customers.
 - c. Payment for Return Water and Excess Water shall be subject to standard financing provisions, including appropriate price adjustments. The pricing set forth in this Term Sheet is for illustrative purposes only, and actual prices have not been determined.
- 5. The Parties support CAW negotiating and entering into Water Purchase Agreements with CCSD and the Agency (for CSIP) consistent with the terms of this Term Sheet.

- a. The Water Purchase Agreements shall have an initial term of at least 30 years.
- b. Prior to the expiration of the Water Purchase Agreements contemplated herein, CCSD and CSIP shall have a right of first refusal to enter into new water purchase agreements on terms to be negotiated at the time.
- 6. CAW's obligation to make Return Water available for use in lieu of existing groundwater pumping in the SRGB to meet its Annual Return Water Obligation shall survive for a period of 30 years if the initial Water Purchase Agreements do not become effective or are otherwise amended or terminated. In that event, the Parties to this Term Sheet shall meet and confer in good faith to effect other arrangements to make the total amount of the Return Water reduced by any Other Return Water Obligation available for use in lieu of existing groundwater pumping in the SRGB in order to ensure that Cal-Am will meet its Annual Return Water Obligation under this Term Sheet.
- 7. Upon expiration or non-renewal of the Water Purchase Agreements: (a) CAW shall comply with the Agency Act; and (b) unless CAW demonstrates that Return Water is not needed to prevent legal injury to prior groundwater rights holders in the SRGB or to avoid significant adverse effects to SRGB groundwater resources pursuant to procedures to be agreed upon in future negotiations, CAW shall continue to make Return Water available for delivery to the SRGB for use in lieu of existing groundwater production. In the event of a dispute among any of the parties to this Term Sheet with respect to CAW's need to continue providing Return Water, such dispute shall be resolved by a dispute resolution procedure to be agreed upon in future negotiations.
- 8. This Term Sheet reflects a settlement and compromise of putative claims and remedies of the Parties hereto.
- 9. If the Return Water settlement described in this Term Sheet is not approved by the CPUC and implemented by CAW, the SVWC, MCFB and Landwatch reserve their rights to challenge CAW's production of water from the SRGB in any appropriate forum.
- 10. The Parties agree to support CPUC approval of MPWSP consistent with the compromise and settlement reflected in this Term Sheet, and agree to defend and support this Return Water settlement Term Sheet in any administrative or judicial proceedings concerning this Term Sheet and/or CAW's obligations and responsibilities with respect to Return Water.
- 11. Among other things, this Term Sheet helps to define a stable and finite project description that will facilitate the CPUC's completion of CEQA review for the MPWSP. The legal effectiveness of this Term Sheet is contingent on the completion of CEQA review and does not irretrievably commit the Parties to carrying out any physical activities that would be required for CAW to meet the Annual Return Water Obligation, including through the anticipated Water Purchase Agreements whose future approval will be conditioned upon the completion of CEQA review by the CPUC as lead agency for the MPWSP and by those Parties playing the role of a responsible agency with respect to the anticipated Water Supply Agreements. The lead agency and responsible agencies will retain full discretion with respect to deciding whether to approve Water Supply Agreements or any other commitments

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necessary or convenient for CAW to meet the Annual Return Water Obligation, including discretion to modify commitments to avoid or reduce any significant adverse physical environmental effects from Return Water activities that are within their jurisdiction.

- 12. This Term Sheet does not currently impact the terms of sections 3.1(b) of the document known as the Large Settlement Agreement. To the extent later binding agreements may specifically do so, they will not impact the Agency's authority and responsibilities under the Agency Act.
- 13. This Term Sheet may be executed in any number of counterparts.

Dated:

1/22/16

CALIFORNIA-AMERICAN WATER COMPANY

Bv

Robert MacLean, President

Dated:

SALINAS VALLEY WATER COALITION

By_

Nancy Isakson, President

Dated:

MONTEREY COUNTY FARM BUREAU

By ____

Norm Groot, Executive Director

Dated:

MONTEREY PENINSULA REGIONAL WATER AUTHORITY

Ву _____

Jason Burnett, President

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CALIFORNIA-AMERICAN WATER COMPANY

By

Robert MacLean, President

Dated:

SALINAS VALLEY WATER COALITION

1/22/16

Manay Stakson

By _____ Nancy Isakson, President

Dated:

MONTEREY COUNTY FARM BUREAU

Ву_____

Norm Groot, Executive Director

Dated:

MONTEREY PENINSULA REGIONAL WATER AUTHORITY

Ву_____

Jason Burnett, President

401

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CALIFORNIA-AMERICAN WATER COMPANY By__ Robert MacLean, President SALINAS VALLEY WATER COALITION By Nancy Isakson, President MONTEREY COUNTY FARM BUREAU By North Groot Executive Director MONTEREY PENINSULA REGIONAL WATER AUTHORITY By Jason Burnett, President

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Dated:

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1/22/16

Dated:

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Dated:

CALIFORNIA-AMERICAN WATER COMPANY

By

Robert MacLean, President

Dated:

SALINAS VALLEY WATER COALITION

By

Nancy Isakson, President

Dated:

MONTEREY COUNTY FARM BUREAU

By

Norm Groot, Executive Director

Dated: January 21,2016

MONTEREY PENINSULA REGIONAL WATER AUTHORITY

Burnett Bv

Jason Burnett, President

Page 9

January 21, 2016

Dated: 1/22/16

LANDWATCH MONTEREY COUNTY By John/H. Farrow,

Counsel

Dated:

CASTROVILLE COMMUNITY SERVICES DISTRICT

By

J. Eric Tynan. General Manager

Dated:

MONTEREY COUNTY WATER RESOURCES AGENCY

 $\mathbf{B}\mathbf{y}^{\circ}$

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David Chardavoyne, General Manager

January 21, 2016

Dated:

LANDWATCH MONTEREY COUNTY

By John H. Farrow,

Counsel

Dated:

CASTROVILLE COMMUNITY SERVICES DISTRICT

1/22/16

By J. Eric Tynan, General Manager

Dated:

MONTEREY COUNTY WATER RESOURCES AGENCY

By_

David Chardavoyne, General Manager

RETURN WATER PURCHASE AGREEMENT

By and Between

CASTROVILLE COMMUNITY SERVICES DISTRICT

and

CALIFORNIA-AMERICAN WATER COMPANY

THIS RETURN WATER PURCHASE AGREEMENT ("<u>Agreement</u>") is made as of _______, 2017 (the "<u>Effective Date</u>") by and between the CASTROVILLE COMMUNITY SERVICES DISTRICT, a Special District formed pursuant to the Community Services District Law found at California Government Code Sections 61000 – 61226.5 ("<u>CCSD</u>"), and CALIFORNIA-AMERICAN WATER COMPANY, a California corporation ("<u>Cal Am</u>"). CCSD and Cal Am are referred to herein individually as a "<u>Party</u>" and collectively as the "<u>Parties</u>."

RECITALS:

A. CCSD is a public agency providing services to customers within its jurisdictional boundaries in the Castroville area located in Monterey County north of the City of Marina and west of the City of Salinas ("CCSD Service Area"), and is responsible for, among other things, providing municipal and domestic water service to the CCSD Service Area, which overlies the Salinas River Groundwater Basin ("<u>SRGB</u>").

B. Cal Am is a public utility regulated by the California Public Utilities Commission ("<u>CPUC</u>") and provides water service in various areas within California, including a service area in Monterey County (as it may be subsequently amended or revised from time to time without the approval of the other Party) ("<u>Cal Am Service Area</u>").

C. Cal Am submitted an application to the CPUC on April 23, 2012, in Proceeding A.12-04-019 for approval of the Monterey Peninsula Water Supply Project ("Project"). The Project as proposed would consist of slant intake wells, brackish water pipelines, a desalination plant, product water pipelines, brine disposal facilities and related appurtenant facilities. Depending on the availability of water from the Monterey Regional Water Pollution Control Agency's proposed publicly-owned Groundwater Replenishment Project and on the CPUC's decision on the application, the desalination plant is expected to be sized at either 9.6 million gallons per day ("mgd") ("Large Plant") or 6.4 mgd ("Small Plant") to supply water for municipal use in the Cal Am Service Area.

D. The Project's slant intake wells are designed to pump seawater and to avoid or minimize the capture of groundwater from the SRGB in the process of producing source water for treatment by the selected desalination plant ("<u>Project Source Water Production</u>"). To meet applicable requirements of the Monterey County Water Resources Agency ("Agency") Act ("Agency Act"), Cal Am has proposed as part of the Project to make available for delivery to groundwater users overlying the SRGB a volume of water equal to the percentage of SRGB groundwater in the total Project Source Water Production ("<u>Return Water</u>").

E. CCSD currently relies on groundwater from the SRGB to meet the CCSD Service Area water demands, which average approximately 780 acre feet annually ("afa"), however, CCSD increasingly has experienced water supply challenges due to water quality degradation of its water supplies, primarily from increased salinity. As such, CCSD desires to purchase Return Water to replace or supplement CCSD's current reliance on groundwater from the SRGB.

F. Cal Am intends to seek any CPUC approval necessary to allow for the sale of Return Water to CCSD consistent with the terms of this Agreement, and CCSD intends to

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support Cal Am's request for any CPUC approval necessary to allow for the sale of Return Water to CCSD pursuant to the terms of this Agreement.

G. Cal Am's performance of its Return Water obligations under this Agreement and its Return Water Purchase Agreement with the Agency is intended to advance fulfillment of Cal Am's Return Water obligations under that certain SETTLEMENT AGREEMENT ON MPWSP DESALINATION PLANT RETURN WATER, dated _____, 2016 ("Settlement Agreement").

Cal Am contemplated two separate pipelines delivering Return Water from the H. Project desalination plant, one to CSIP ponds and one to CCSD's wellsite #3 ("CCSD Wellsite"). Through negotiations and discussions, the Parties determined the cost of new infrastructure could be decreased by connecting with existing CSIP infrastructure. That connection allows a single pipeline, rather than two pipelines, to be constructed from the desalination plant to the CCSD Wellsite that will connect with an existing CSIP pipeline ("CSIP Connection"). The elimination of a separate pipeline to the CSIP ponds avoids certain pipeline and pump station costs and results in an estimated cost savings to Cal Am of approximately \$1,300,000. A preliminary cost estimate for a pipeline and ancillary facilities necessary to convey water from the Project desalination plant to the CCSD Wellsite ("Delivery Pipeline") is approximately \$6,500,000. Cal Am believes that if the Delivery Pipeline is constructed by Cal Am there will economies of scale achieved which may reduce the cost of the Delivery Pipeline to approximately \$4,400,000, assuming that Cal Am will secure contracts for construction of the pipeline and that environmental review and permitting will be performed in conjunction with the Project. CCSD estimates its cost to construct a new deep well with treatment facilities would cost approximately \$2,800,000. Thus, CCSD submits that it may not be able to prudently fund the Delivery Pipeline for more than \$2,800,000, and that capital obligations for the Delivery Pipeline would necessitate long-term commitments by CCSD and certainty of source water supply for CCSD.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, CCSD and Cal Am hereby agree as follows:

AGREEMENT

1. <u>Governing Terms</u>.

1.1 <u>Recitals</u>. The recitals are hereby incorporated in this Agreement as if fully set forth herein.

1.2 <u>Interpretation</u>. The following rules of interpretation shall apply:

(a) Capitalized terms used in this Agreement, including the exhibits hereto, shall have their respective meanings as set forth in this Agreement.

(b) Unless otherwise specified herein, references in the singular shall include references in the plural and vice versa; and pronouns having masculine or feminine gender will be deemed to include the other.

(c) Any act required to occur by or on a certain day is required to occur before or on that day unless the day falls on a Saturday, Sunday or federal holiday, in which case the act must occur before or on the next day this is not a Saturday, Sunday or federal holiday.

(d) The headings in this Agreement are included for convenience only and shall not be deemed to modify or explain any of the terms of this Agreement.

(e) This Agreement is the product of negotiation between the Parties, no Party is to be deemed the drafter of this Agreement, and any ambiguities in this Agreement shall not be read against any Party to the Agreement.

(f) All references in this Agreement to a "year" shall mean a "water year," and all references to a "water year" shall mean the 12-month period beginning on October 1 of a given year and ending on September 30 of the following year. All calculations herein based on the period of a year shall be prorated to account for any time frame that is less than a 12-month period.

1.3 <u>Agency Act Compliance</u>. Cal Am shall comply with the Agency Act. Notwithstanding any other provisions of this Agreement, the Agency will retain all rights, discretion and authority conferred on the Agency under the Agency Act to ensure that the pumping, production, desalination, and distribution of project source water from the SRGB for the selected desalination plant complies with the Agency Act, and the long-term viability of the SRGB as a water supply for water for agricultural, domestic and municipal use. Neither this Section 1.3 nor any other provision of this Agreement shall be interpreted: (a) to affect, diminish, or enhance the Agency's regulatory authority under the Agency Act; (b) to affect, diminish, excuse, or forgive Cal Am's obligation to comply with the Agency Act; or (c) to preclude any argument by Cal Am or CCSD that there is no violation of the Agency Act.

2. <u>Term</u>.

2.1 <u>Effective Date</u>. This Agreement shall be effective on the Effective Date and shall continue in effect until expiration of the Delivery Term (defined in Section 2.2 below) or until earlier termination as provided for in Section 10.

2.2 <u>Delivery Term</u>. The "Delivery Term" shall begin on the date on which Cal Am has determined that it is ready to deliver Return Water to the Delivery Point (defined in Section 3.2 below), the anticipated location of which is depicted on Exhibit A, and shall continue for a period of thirty (30) years thereafter. Cal Am shall provide CCSD with written notice of the commencement date of the Delivery Term, promptly upon Cal Am's determination of such date.

2.3 <u>Right of First Refusal</u>. If this Agreement has not been terminated as provided for in Section 10, CCSD shall have a right of first refusal to enter into a new return water purchase agreement on terms to be negotiated by the Parties at the time the right is exercised. In order to exercise the right, CCSD shall provide Cal Am written notice of its intent to do so no earlier than 730 days and no later than 365 days prior to expiration of this Agreement. CCSD acknowledges that <u>Agency</u> also has a right of first refusal to enter into a new

return water purchase agreement with respect to its agreement with Cal Am pursuant to that certain Return Water Purchase Agreement By and Between MONTEREY COUNTY WATER RESOURCES AGENCY and CALIFORNIA-AMERICAN WATER COMPANY dated

2.4 <u>Expiration or Non-Renewal</u>. Upon termination, expiration or nonrenewal of this Agreement, Cal Am shall continue to make Return Water available for delivery to the SRGB for use in lieu of existing groundwater production, unless Cal Am demonstrates that Return Water is not needed to prevent legal injury to prior groundwater rights holders in the SRGB or to avoid significant adverse effects to SRGB groundwater resources. If Cal Am desires to make such a showing, it shall initially do so by providing a demonstration in writing to all parties to the Settlement Agreement using the notice provisions of Section 11 of this Agreement. Within 21 days thereafter, the Parties shall meet to seek to reach agreement regarding whether Cal Am has made the requisite demonstration. If the Parties do not reach agreement within 30 days after the initial meeting, any Party may on or after the 31st day, but no later than the 91st day, invoke the provisions of Section 9. For the avoidance of doubt, nothing in this Section 2.4 in any way affects the provisions, scope and application of Section 1.3.

3. Delivery of Return Water

Priority of Return Water for In-Lieu Use. Unless prevented by 3.1 circumstances outside the control of CCSD and so long as such use is permitted by law, CCSD will use the water purchased from Cal Am under Section 3.5.1 of this Agreement to serve the water supply demand of persons served by CCSD, before using water from the SRGB. CCSD shall measure and record the amount of water received under this Agreement and produced from other groundwater sources within the SRGB and shall make such information available to the public upon written request. CCSD will report to the parties to the Settlement Agreement within 90 days after executing this Agreement, and annually thereafter by March 31, the following information for the prior 12 months: the amount of water served to, and the current number of, its residential, commercial, and industrial service connections; the amount of water produced from groundwater wells to serve these connections; the amount of Return Water to serve these connections; and the amount of water from other sources to serve these connections. This provision is not intended and shall not be interpreted to limit either CCSD's statutory authority under Section 61100 of the California Government Code to supply water for any beneficial uses within CCSD's boundaries or CCSD's discretion in the use of best management practices to operate CCSD's water system facilities in performing CCSD's obligations under the law and this Agreement, or to impose new or additional requirements for analysis under the California Environmental Quality Act ("CEQA"), Public Resource Code Sections 21000 and following for water service and supply by CCSD.

3.2 <u>Cal Am Return Water Pipeline</u>. Subject to satisfaction of the Conditions Precedent set forth in Sections 3.3(a), (b), (c), (d), (e) and (f), Cal Am will design and construct (in consultation with CCSD) the Delivery Pipeline including a metered delivery point ("<u>Delivery</u> <u>Point</u>") as set forth in Exhibit A. Cal Am will install, operate, and maintain the meter in accordance with CPUC General Order 103-A or other applicable CPUC or water industry standards which will measure the volume of Return Water delivered to the Delivery Point ("<u>Cal</u> <u>Am Meter</u>"). CCSD shall use best efforts to ensure it has the ability to take such delivery. All pipeline facilities from the desalination plant up to and including the Cal Am Meter shall be

Page -4-

owned, operated and maintained by Cal Am. All pipeline facilities downstream of the Cal Am Meter shall be owned, operated, and maintained by CCSD upon payment by CCSD to Cal Am of the CCSD Pipeline Contribution as set forth in this Agreement.

3.3 <u>Conditions Precedent</u>. Any delivery of Return Water pursuant to this Agreement is subject to the following conditions precedent:

(a) any required CPUC approval to amend Cal Am's Service Area to allow for the sale of Return Water consistent with the terms of this Agreement; and,

(b) any required CPUC approval of a tariff to allow for the sale of Return Water consistent with the terms of this Agreement, which tariff may change from time to time with the approval of the CPUC and shall govern over any inconsistent terms or conditions set forth in this Agreement; and,

(c) the completion of CEQA review by the CPUC as lead agency for the Project; and

(d) the CPUC's issuance of a Certificate of Public Convenience and Necessity ("CPCN") for the Project; and,

(e) the total cost of the Delivery Pipeline ("Delivery Pipeline Cost") is estimated by Cal Am to be no more than \$4.4 million; and,

(f) CCSD and Cal Am have reached an agreement concerning the capacity, construction by Cal Am, implementation, acquisition by CCSD, ownership, financing, and operation and maintenance costs of the Delivery Pipeline; and,

(g) completion of construction, and acceptance by Cal Am, of the Project desalination plant such that it is able to produce and transport Return Water to the Delivery Point; and

(h) CCSD's ability to take delivery of the Return Water at the

Delivery Point.

With respect to Sections 3.3(a), (b), (c) and (d), Cal Am shall use good faith diligent efforts to seek any such required CPUC approval as is reasonably possible following the Effective Date. CCSD shall use good faith diligent efforts to support Cal Am's efforts to obtain any such CPUC approval.

3.4 Delivery Pipeline Cost.

3.4.1 Upon completion and acceptance by Cal Am of the Delivery Pipeline, CCSD will pay to Cal Am the Delivery Pipeline Cost, subject to a cap of \$2.8 million ("CCSD Pipeline Contribution").

3.4.2 The Parties shall cooperate in good faith to seek grants to offset the Delivery Pipeline Cost.

3.4.3 Cal Am will reimburse CCSD for its CCSD Pipeline Contribution in proportion to any reduction to the CCSD Delivery Volume as a result of the occurrence of an Other Return Water Obligation pursuant to Section 3.5.2 ("Conditional Pipeline Reimbursement"), which Conditional Pipeline Reimbursement shall be prorated by that percentage of the outstanding 30-year Delivery Term remaining at the time the Other Return Water Obligation occurs. The foregoing concept is represented in the following equation: Conditional Pipeline Reimbursement = ([Other Return Water Obligation/CCSD Delivery Volume] x \$2.8 million) x (remaining Delivery Term/30-year term).

3.5 <u>Delivery Requirements</u>. Cal Am shall have annual Return Water requirements ("Annual Return Water Obligation") that shall be calculated based on the percentage of SRGB groundwater in the total Project Source Water Production. CCSD agrees that the volume of the Annual Return Water Obligation will be determined as set forth in Section 2.c. of the Settlement Agreement. For reference purposes, Section 2.c. of the Settlement Agreement is attached as Exhibit C hereto.

3.5.1 On an annual basis during the Delivery Term, Cal Am shall make available for delivery to CCSD 690 afa of Return Water ("CCSD Delivery Volume"). In any given year, if the CCSD Delivery Volume is less than the Annual Return Water Obligation for that year, CCSD shall purchase Return Water from Cal Am in an amount equal to the CCSD Delivery Volume. In any given year, if the Annual Return Water Obligation is less than the CCSD Delivery Volume, CCSD shall purchase Return Water from Cal Am in an amount equal to the Annual Return Water Obligation for that year and may elect to purchase from Cal Am potable water in an amount equal to the difference between the Annual Return Water Obligation for that year and the CCSD Delivery Volume ("Excess Water"). In other words, CCSD shall purchase from Cal Am each year the lesser of the CCWD Delivery Volume or the Annual Return Water Obligation, and may purchase from Cal Am each year Excess Water, in accordance with pricing terms addressed in Section 4. Notwithstanding any other provision of this Agreement, if CCSD purchases any Excess Water in any given year, it may not purchase a total of more than 690 afa of Return Water in that year.

3.5.2 The Parties acknowledge that Cal Am could be legally required by a regulatory agency, including the CPUC in this proceeding, or by a court, to make water deliveries to other locations in the SRGB to the extent necessary to mitigate any groundwater impacts from the Project that were demonstrated in relation to a specific location overlying the SRGB ("Other Return Water Obligation"). Such Other Return Water Obligation could also serve to satisfy Cal Am's obligations to return water to the SRGB under the Agency Act, the CEQA, or common-law water law principles. Under such circumstances, the Parties agree that it would be inequitable to Cal Am and its ratepayers to fund both the Other Return Water Obligation and the Return Water obligations specified herein as this would result in a duplicative liability to Cal Am and its ratepayers. Cal Am's obligation to make available the CCSD Delivery Volume shall be reduced in the event and to the extent that a regulatory agency or court has required Cal Am to deliver Return Water in a manner or location different than as specified in this Agreement. CCSD shall have the right to terminate this Agreement as set forth in Section 10.3 if it determines that the reduced amount of Return Water would not be sufficient to justify its water purchase as contemplated herein.

3.6 <u>Scheduling of Deliveries</u>. Subject to CCSD's obligation to purchase Return Water set forth in Section 3.5.1, Cal Am will deliver Return Water to the Delivery Point in quantities and at times determined by the Parties. Cal Am will endeavor to cooperate with CCSD to deliver Return Water to the Delivery Point in volumes and at times requested by CCSD. CCSD will give at least 30 days' advance written notice to Cal Am by email, facsimile or U.S. Mail before any changes to CCSD's water demand during any water year.

4. <u>Payment Provisions</u>.

4.1 <u>Generally</u>. Cal Am will invoice CCSD for deliveries of Return Water to the Delivery Point based on the volumes measured at the Cal Am Meter. CCSD shall pay such invoices within 30 days of receipt.

Pricing. CCSD shall pay a rate intended to represent its avoided (a) cost to produce groundwater to meet customer demand, currently estimated to be \$110 per acrefoot, which will be the rate as of the beginning of the Delivery Term, for Return Water made available for delivery to meet the Annual Return Water Obligation. CCSD plans to continue operation of its existing wells so they may be available in emergency circumstances. This continuing operation will enable CCSD to provide future updates to the avoided cost of pumping to Cal Am upon Cal Am's reasonable request, but not more than once per year. If CCSD is unable to provide such updated avoided costs of pumping, then the percentage increase of PG&E's A-6 tariff for off-peak summer distribution rate (with a base of \$0.07311 / kWh as of the tariff existing on March 24, 2016) will be used as the escalation factor for the increase in avoided cost of pumping in the future. During the Delivery Term, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC. If at any time the CPUC approves or imposes a price for Return Water that exceeds CCSD's marginal avoided cost for groundwater pumping, CCSD may terminate this Agreement, but Cal Am's obligation to provide Return Water shall not be affected by such termination. Such termination must be effected by providing a written notification of termination to Cal Am, and such termination shall become effective thirty (30) days after Cal Am has received such written notification.

(b) CCSD shall pay a rate intended to represent the marginal operation and maintenance costs for the Project to produce one acre-foot of potable water, currently estimated to be \$580 per acre-foot, which will be the rate as of the beginning of the Delivery Term, for any Excess Water; provided, however, that as to Excess Water, CCSD shall pay the prices that are approved by the CPUC and included in Cal Am's tariffs, as they may be modified from time to time as approved by the CPUC. During the Delivery Term, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC.

5. <u>**Compliance with Laws/Cooperation**</u>. The Parties shall comply with all applicable laws in their respective performance under this Agreement and shall cooperate to take the actions and execute the documents necessary to perform under this Agreement.

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6. **Indemnification; Fees and Expenses**

6.1 <u>Indemnification</u>.

(a) To the fullest extent permitted by law, Cal Am shall indemnify and hold harmless, but shall have no obligation to defend, CCSD and its directors, officers, agents and employees, from any claims, actions or liability for any damages or costs (including reasonable attorneys' fees and costs of defense) arising either from any injury to persons or property or from any violation of any law or regulation, which damages result from either the negligent acts, errors, or omissions, or the willful misconduct, of Cal Am, its directors, officers, employees, or agents in performing under this Agreement, but only to the extent such damages resulted from such negligent acts, errors, or omissions, or from such willful misconduct, of Cal Am or its directors, officers, agents and employees, such that Cal Am's indemnity obligation shall only apply to its percentage of fault multiplied by the total damages in issue.

(b) To the fullest extent permitted by law, CCSD shall indemnify and hold harmless, but shall have no obligation to defend, Cal Am and its directors, officers, agents and employees from any claims, actions or liability for any damages or costs (including reasonable attorneys' fees and costs of defense) arising either from any injury to persons or property or from any violation of any law or regulation, which damages result from either the negligent acts, errors, or omissions, or the willful misconduct, of CCSD, its directors, officers, employees, contractors or agents in performing under this Agreement, but only to the extent such damages resulted from such negligent acts, errors, or omissions, or from such willful misconduct, of CCSD or its directors, officers, agents and employees, such that CCSD's indemnity obligation shall only apply to its percentage of fault multiplied by the total damages in issue. Notwithstanding the foregoing, the Parties acknowledge and agree that nothing in this Section 6.1(b) or otherwise contained in this Agreement constitutes or shall be asserted to constitute a waiver of any defense CCSD possesses or may possess, including but not limited to any defense of sovereign or statutory immunity, to liability at law or in equity.

7. <u>Insurance.</u> The Parties will keep in full force and effect the insurance coverage described in Exhibit B.

8. <u>Assignment</u>. A Party may not assign its rights or obligations under this Agreement without the written consent of the other Party, which consent may not be unreasonably withheld.

9. **Dispute Resolution**

9.1 <u>Scope of Article</u>. This Article governs the resolution of all disputes that arise under this Agreement.

9.2 <u>Disputes</u>. If a dispute arises concerning any controversy or claim arising out of or relating to this Agreement or the breach thereof, or relating to its application or interpretation, the aggrieved Party will notify the other Party of the dispute in writing within twenty (20) days after such dispute arises. If the Parties fail to resolve the dispute within sixty (60) days after delivery of such notice, each Party will promptly nominate a senior officer of its organization to meet at any mutually-agreed time and location to resolve the dispute. The Parties

shall use their best efforts to reach a just and equitable solution satisfactory to both Parties. If the Parties are unable to resolve the dispute to their mutual satisfaction within sixty (60) days thereafter, the dispute will be subject to mediation, pursuant to Section 9.3. The time periods set forth in this Section 9.2 are subject to extension as agreed to by the Parties.

9.3 Mandatory Non-binding Mediation. If a dispute is not resolved pursuant to Section 9.2, the Parties agree to first endeavor to settle the dispute in an amicable manner, using mandatory non-binding mediation initiated and conducted under the applicable rules of the American Arbitration Association in effect as of the Effective Date or other rules agreed to in writing by the Parties, before having recourse in a court of law. Each Party shall bear its own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including without limitation any materials prepared or submitted or any positions taken by or on behalf of either Party, shall be confidential and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless such admission is otherwise agreed upon in writing by the Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. The mediation shall be completed within sixty (60) days after selection of the mediator, unless the Parties agree to extend the mediation period.

9.4 <u>Judicial Relief</u>. If mediation pursuant to Section 9.3 does not resolve a dispute, either Party may seek relief in a court of competent jurisdiction.

9.5 <u>Limitations on Damages</u>. No Party shall be entitled to consequential damages, incidental damages, or punitive or exemplary damages from the other Party in any action or proceeding in connection with this Agreement.

9.6 <u>Attorneys' Fees and Costs</u>. In any action or proceeding to enforce a term or condition of this Agreement, in any disputes relating to the Agreement, and in any actions for breaches, defaults, or misrepresentations in connection with any the Agreement, a prevailing Party (as determined by a court of competent jurisdiction) shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys' fees and costs.

10. <u>Termination</u>.

10.1 <u>Termination for Non-Performance</u>. Either Party may terminate this Agreement if the other Party fails to perform a material provision of this Agreement as required herein, provided that the Party seeking termination shall provide prior written notice of its intention to terminate to the other Party, which notice shall fully describe how the other Party failed to perform a material provision of this Agreement, and provided further that the dispute has not been resolved by following the procedures set forth in Section 9 above. If the Parties are unable to resolve the dispute following the procedures set forth in Section 9, the Party seeking termination may provide a written notification of termination to the other Party, and such termination shall become effective thirty (30) days after the other Party has received such written

notification. The procedures of this Section 10.1 shall not apply to terminations under Section 10.2 and 10.3 of this Agreement.

10.2 <u>Termination for Failure of Conditions Precedent</u>. Either Party may terminate this Agreement if, by January 1, 2025, Cal Am has not obtained any and all required CPUC approval of the matters described as conditions precedent in Sections 3.2(a), (b), (c) and (d) by providing a written notification of termination to the other Party, and such termination shall become effective thirty (30) days after the other Party has received such written notification.

10.3 <u>Termination Based on Regulatory Requirements</u>. CCSD may terminate this Agreement if: (a) Cal Am is legally required by a regulatory agency, including the CPUC, or by a court, to make water deliveries to locations in the SRGB other than the CCSD Service Area which result in reduced deliveries to CCSD; and (b) CCSD determines that the reduced amount of Return Water would not be sufficient to justify its water purchase hereunder. Such termination must be effected by providing a written notification of termination to Cal Am, and such termination shall become effective thirty (30) days after Cal Am has received such written notification.

10.4 <u>Agency Act</u>. Termination of this Agreement does not excuse or delay Cal Am's obligation to comply with the Agency Act.

10.5 <u>Ending of Right to Terminate</u>. The Parties acknowledge that the CCSD must be assured of a specific volume of Return Water to justify investment in the capital facilities necessary to convey the Return Water to the CCSD ("<u>CCSD Facilities</u>"), and therefore Cal Am's obligation under this Agreement to make available the CCSD Delivery Volume shall become unconditional on the latest of the following dates, on and after which date the Agreement may not be terminated prior to its expiration:

10.5.1 The date on which the CPUC has issued a CPCN for the Project and the period to challenge the legality of the CPUC's issuance of the CPCN (based on CEQA compliance or otherwise) has expired and no challenge has been brought; or

10.5.2 The date on which any challenge against the CPUC's issuance of the CPCN is resolved with finality following all available appeals and petitions; or

10.5.3 Sixty (60) days following the date on which the CCSD provides notification to Cal Am that it has secured financing, acceptable to CCSD, to acquire the CCSD Facilities.

Nothing in this Section 10.54 shall prohibit Cal Am from temporarily suspending delivery of Return Water or Excess Water to CCSD if CCSD fails to make payments when due and such failure continues for a time period in excess of sixty (60) calendar days.

11. <u>Representatives; Notices</u>.

11.1 <u>Authorized Representatives</u>. Each Party will designate at least one individual officer or employee who will be its representative and will be authorized to act on behalf of the Party for all purposes in performing the provisions of this Agreement ("<u>Representative</u>"). The designation may be changed from time to time. The designation and changes to a designation must be made in a writing delivered to the other Party.

11.2 <u>No Release</u>. Each Party is responsible for the acts or omissions of its Representative(s). The designation of a Representative by a Party does not release the Party from responsibility for performance of its obligations under this Agreement.

Notice. All notifications, notices, demands, requests and other 11.3 communications herein provided for or made pursuant hereto shall be in writing and shall be sent by: (i) registered or certified mail, return receipt requested, and the giving of such communication shall be deemed complete on the third (3rd) business day after the same is deposited in a United States Post Office with postage charges prepaid; (ii) reputable overnight delivery service, and the giving of such communication shall be deemed complete on the immediately succeeding business day after the same is deposited with such delivery service; or (iii) so long as a Party has notified the other Party by means of a method described in clauses (i) or (ii) above of such Party's email address for notification purposes, email transmission of notices to such Party are also permitted provided an original is also sent via one of the other permitted means and the giving of such communication shall be complete when such email is received if such email is received on a business day before 3:00 pm Pacific Time; otherwise, such communication shall be deemed complete the next business day. The date on which notifications, notices, demands, requests and other communications are deemed complete shall be the earliest date arising under subsections (i), (ii) or (iii) of this Section 11.3. All notifications, notices, demands, requests and other communications shall be sent to the Parties as follows:

To CCSD:

J. Eric Tynan General Manager Castroville Community Services District 11499 Geil Street Castroville, CA 95012

To Cal Am:

Eric J. Sabolsice Director, Operations Coastal Division California-American Water Company 511 Forest Lodge Road, Suite 100 Pacific Grove, CA 93950

Force Majeure. If by reason of Force Majeure (defined below), a Party is 12. rendered unable, wholly or in part, to carry out its obligations under this Agreement, and if such Party gives notice and reasonably describes the particulars of such Force Majeure in writing to the other Party as promptly as possible after the occurrence of the cause relied on, then the affected Party shall be excused from performance hereunder without liability, but only so far as and to the extent that it is affected by such Force Majeure; provided, however, such cause shall be remedied with all reasonable dispatch. Upon occurrence of the Force Majeure, the affected Party, in addition to notifying the other Party as provided above, shall as promptly as possible provide such Party a written description of the Force Majeure, the cause thereof (to the extent known), the date the Force Majeure began, its expected duration, and an estimate of the specific relief requested or to be requested by such Party. Furthermore, the Party affected by such Force Majeure shall use diligent efforts to reduce costs resulting from the occurrence of the Force Majeure, fulfill its performance obligations under this Agreement and otherwise mitigate the adverse effects of the Force Majeure. While the Force Majeure continues, the affected Party shall give the other Party regular updates of the information previously submitted. The affected Party shall also provide prompt written notice to the other Party of the cessation of the Force Majeure. Notwithstanding anything to the contrary contained herein, the occurrence of a Force Majeure shall not, however, (i) excuse or delay any obligation to pay monies previously accrued and owing to another Party under this Agreement, or for the Party to perform any obligation under this Agreement not affected by the occurrence of the Force Majeure; or (ii) excuse or delay Cal Am's obligation to comply with the Agency Act.

For purposes of this Section 12, "Force Majeure" means any act, event, condition or circumstance that (A) is beyond the reasonable control of a Party, (B) by itself or in combination with other acts, events, conditions or circumstances adversely affects, interferes with or delays a Party's ability to perform its obligations under this Agreement, expands the scope of a Party's obligations under this Agreement, or increases a Party's cost of performing its obligations under this Agreement, and (C) is not the direct result of the willful or negligent act, intentional misconduct, or breach of this Agreement by the affected Party.

13. Other Provisions.

13.1 <u>Integration</u>. This Agreement embodies the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, relating to such subject matter.

13.2 <u>Successor and Assigns</u>. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors and assigns permitted hereunder.

13.3 <u>Relationship of Parties</u>. Each Party is an independent entity. This Agreement will not constitute any Party as the agent of the other Party. This Agreement will not constitute the Parties as partners or joint venturers (or as co-owners of a business entity) for common law purposes, federal, state or local income tax purposes, or otherwise.

13.4 <u>Amendments or Waivers</u>. No term or provision hereof or Exhibit hereto may be amended, changed, waived, discharged, terminated or replaced except by a writing executed by each of the Parties hereto.

13.5 <u>No Waiver by Failure to Act.</u> No failure, delay, forbearance or indulgence on the part of any Party in insisting upon the strict performance of any provision, or in exercising any option, right, power, privilege or remedy hereunder, shall operate or be construed as a waiver or relinquishment thereof, or as an acquiescence in any breach, nor shall any single or partial exercise of any option, right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other option, right, power, privilege or remedy.

13.6 <u>Controlling Law; Conflicts of Law.</u> This Agreement shall be construed, governed and applied in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof.

13.7 <u>CEQA</u>. This Agreement helps to define a stable and finite project description that will facilitate the CPUC's completion of CEQA review for the Project. The legal effectiveness of this Agreement is contingent on the completion of CEQA review and this Agreement does not irretrievably commit the Parties to carrying out any physical activities that would be required for Cal Am to meet the Annual Return Water Obligation or would otherwise be required for the Parties to comply with the terms of this Agreement. The Parties acknowledge and intend that the CPUC as lead agency and other responsible agencies under CEQA will retain full discretion with respect to deciding whether to approve water purchase or any other commitments necessary or convenient for Cal Am to meet the Annual Return Water Obligation, including discretion to modify commitments to avoid or reduce any significant adverse physical environmental effects (i) from Return Water activities that are within their jurisdiction, and (ii) from the Parties' compliance with other terms of this Agreement.

13.8 <u>Severability</u>. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.9 <u>No Third Party Beneficiaries</u>. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties hereto; nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third person to any Party; and, this Agreement does not create any duty, liability or standard of care to any person who is not a Party. However, this Section 13.9 is not intended to, and shall not, limit the right of Settlement Agreement Parties to meet and confer under Section 6 of the Settlement Agreement in response to any conflict that is noted or alleged to exist between the terms of this Agreement and the terms of the Settlement Agreement.

13.10 <u>Counterparts.</u> This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.

13.11 <u>Consents and Approvals</u>. Except as otherwise expressly set forth in this Agreement, all consents and approvals which may be given under this Agreement shall be in writing and shall not be unreasonably withheld or delayed unless otherwise expressly provided herein.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered in their name and on their behalf.

CASTROVILLE COMMUNITY SERVICES DISTRICT

By: _____

Printed Name:	
---------------	--

Title:

Approved as to Form:

By:	

Printed Name:	
---------------	--

CALIFORNIA-AMERICAN WATER COMPANY

By: _____

Printed Name: _____

Title: _____

EXHIBIT A

Depiction of Anticipated Location of Delivery Pipeline and Delivery Point



EXHIBIT 21-D EXHIBIT B

INSURANCE REQUIREMENTS

Each Party to this Agreement shall initially provide information regarding and thereafter at all times maintain Commercial General Liability ("CGL") insurance, or be analogously self-insured or insured through a pooling arrangement, in the minimum amount of \$1,000,000 per occurrence with an aggregate limit of \$2,000,000. Subject to the immediately preceding sentence, each Party may change insurance and/or insurers, and if a Party does so, it shall provide notice to the other Party within seven (7) days of such change.

Cal Am declares that it currently has a CGL policy with limits of \$2,000,000 per occurrence with an aggregate limit of \$25,000,000 and a \$2,000,000 deductible. Coverage is issued through Travelers Property Casualty Company of America.

CCSD declares that it participates in pooled coverage through the Association of California Water Agency Joint Powers Insurance Authority (ACWA/JPIA) for acts and omissions that would be covered by a CGL policy issued by a private insurer. The limits of such pooled coverage equal or exceed \$1,000,000 per occurrence and an aggregate limit of \$2,000,000.

EXHIBIT 21-D EXHIBIT C

SECTION 2.C. OF SETTLEMENT AGREEMENT

[TO BE PROVIDED UPON FINALIZATION OF SETTLEMENT AGREEMENT]

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RETURN WATER PURCHASE AGREEMENT

By and Between

MONTEREY COUNTY WATER RESOURCES AGENCY

and

CALIFORNIA-AMERICAN WATER COMPANY

THIS RETURN WATER PURCHASE AGREEMENT ("<u>Agreement</u>") is made as of _______, 2017 (the "Effective Date") by and between the MONTEREY COUNTY WATER RESOURCES AGENCY, a Water Resources Agency created pursuant to the Monterey County Water Resources Agency Act found at California Water Code Appendix Chapter 52 ("<u>Agency</u>"), and CALIFORNIA-AMERICAN WATER COMPANY, a California corporation ("<u>Cal Am</u>"). Agency and Cal Am are referred to herein individually as a "<u>Party</u>" and collectively as the "<u>Parties</u>."

RECITALS:

A. The Agency is a public agency with jurisdictional boundaries that are coextensive with the boundaries of the County of Monterey and, under the Monterey County Water Resources Agency Act ("<u>Agency Act</u>"), Agency is responsible for, among other things, controlling groundwater extractions as required to prevent or deter the loss of usable groundwater through intrusion of seawater and prohibiting groundwater exportation from the Salinas River Groundwater Basin ("<u>SRGB</u>").

B. Cal Am is a public utility regulated by the California Public Utilities Commission ("<u>CPUC</u>") and provides water service in various areas within California, including a service area in Monterey County (as it may be subsequently amended or revised from time to time without the approval of the other Party) ("<u>Cal Am Service Area</u>").

C. Cal Am submitted an application to the CPUC on April 23, 2012, in Proceeding A.12-04-019 for approval of the Monterey Peninsula Water Supply Project ("Project"). The Project as proposed would consist of slant intake wells, brackish water pipelines, a desalination plant, product water pipelines, brine disposal facilities and related appurtenant facilities. Depending on the availability of water from the Monterey Regional Water Pollution Control Agency's proposed publicly-owned Groundwater Replenishment Project and on the CPUC's decision on the application, the desalination plant is expected to be sized at either 9.6 million gallons per day ("mgd") or 6.4 mgd to supply water for municipal use in the Cal Am Service Area.

D. The Project's slant intake wells are designed to pump seawater and to avoid or minimize the capture of groundwater from the SRGB in the process of producing source water for treatment by the selected desalination plant ("<u>Project Source Water Production</u>"). To meet applicable requirements of the Agency Act, Cal Am has proposed as part of the Project to make available for delivery to groundwater users overlying the SRGB a volume of water equal to the percentage of SRGB groundwater in the total Project Source Water Production ("<u>Return</u> <u>Water</u>").

E. The Castroville Seawater Intrusion Project ("<u>CSIP</u>") is an Agency project that provides recycled water and diverted Salinas River water for use in lieu of groundwater pumping for irrigated agricultural use in the Castroville area of the SRGB. Agency desires to purchase Return Water for ultimate distribution to CSIP agricultural users; however, prior environmental analyses reveal that there may be limitations in the capacity of CSIP to accommodate all of the Return Water under some conditions.

F. Cal Am intends to seek any CPUC approval necessary to allow for the sale of Return Water to Agency consistent with the terms of this Agreement, and Agency intends to support Cal Am's request for any CPUC approval necessary to allow the sale of Return Water to Agency pursuant to the terms of this Agreement.

G. Pursuant to a separate agreement with Castroville Community Services District ("<u>CCSD</u>") dated ______ and entitled Return Water Purchase Agreement By and Between CASTROVILLE COMMUNITY SERVICES DISTRICT and CALIFORNIA-AMERICAN WATER COMPANY ("<u>CCSD Return WPA</u>"), Cal Am is required to make available for delivery to CCSD 690 acre feet annually ("afa") of Return Water ("CCSD Delivery Volume").

H. Cal Am's performance of its Return Water obligations under this Agreement and the CCSD Return WPA is intended to advance fulfillment of Cal Am's Return Water obligations under that certain SETTLEMENT AGREEMENT ON MPWSP DESALINATION PLANT RETURN WATER, dated _____, 2016 ("Settlement Agreement").

I. Cal Am contemplated two separate pipelines delivering Return Water from the Project desalination plant, one to CSIP ponds and one to CCSD's wellsite #3 ("CCSD Wellsite"). Through negotiations and discussions, the Parties determined the cost of new infrastructure could be decreased by connecting with existing CSIP infrastructure. That connection allows a single pipeline, rather than two pipelines, to be constructed from the desalination plant to the CCSD Wellsite that will connect with an existing CSIP pipeline ("CSIP Connection"). The elimination of a separate pipeline to the CSIP ponds avoids certain pipeline and pump station costs and results in an estimated cost savings to Cal Am of approximately \$1,300,000. A preliminary cost estimate for a pipeline and ancillary facilities necessary to convey water from the Project desalination plant to the CCSD Wellsite ("Delivery Pipeline") is approximately \$6,500,000. Cal Am believes that if the Delivery Pipeline is constructed by Cal Am there will economies of scale achieved which may reduce the cost of the Delivery Pipeline to approximately \$4,400,000, assuming that Cal Am will secure contracts for construction of the pipeline and that environmental review and permitting will be performed in conjunction with the Project. CCSD estimates its cost to construct a new deep well with treatment facilities would cost approximately \$2,800,000. Thus, CCSD submits that it may not be able to prudently fund the Delivery Pipeline for more than \$2,800,000, and that capital obligations for the Delivery Pipeline would necessitate long-term commitments by CCSD and certainty of source water supply for CCSD.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual covenants set forth in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Agency and Cal Am hereby agree as follows:

AGREEMENT

1. <u>Governing Terms</u>.

1.1 <u>Recitals</u>. The recitals are hereby incorporated in this Agreement as if fully set forth herein.

1.2 <u>Interpretation</u>. The following rules of interpretation shall apply:

(a) Capitalized terms used in this Agreement, including the exhibits hereto, shall have their respective meanings as set forth in this Agreement.

(b) Unless otherwise specified herein, references in the singular shall include references in the plural and vice versa; and pronouns having masculine or feminine gender will be deemed to include the other.

(c) Any act required to occur by or on a certain day is required to occur before or on that day unless the day falls on a Saturday, Sunday or federal holiday, in which case the act must occur before or on the next day this is not a Saturday, Sunday or federal holiday.

(d) The headings in this Agreement are included for convenience only and shall not be deemed to modify or explain any of the terms of this Agreement.

(e) This Agreement is the product of negotiation between the Parties, no Party is to be deemed the drafter of this Agreement, and any ambiguities in this Agreement shall not be read against any Party to the Agreement.

(f) All references in this Agreement to a "year" shall mean a "water year," and all references to a "water year" shall mean the 12-month period beginning on October 1 of a given year and ending on September 30 of the following year. All calculations herein based on the period of a year shall be prorated to account for any time frame that is less than a 12-month period.

1.3 <u>Agency Act Compliance</u>. Cal Am shall comply with the Agency Act. Notwithstanding any other provisions of this Agreement, the Agency will retain all rights, discretion and authority conferred on the Agency under the Agency Act to ensure that the pumping, production, desalination, and distribution of project source water from the SRGB for the selected desalination plant complies with the Agency Act, and the long-term viability of the SRGB as a water supply for water for agricultural, domestic and municipal use. Neither this Section 1.3 nor any other provision of this Agreement shall be interpreted: (a) to affect, diminish, or enhance the Agency's regulatory authority under the Agency Act; (b) to affect, diminish, excuse, or forgive Cal Am's obligation to comply with the Agency Act; or (c) to preclude any argument by Cal Am that there is no violation of the Agency Act.

2. <u>Term</u>.

2.1 <u>Effective Date</u>. This Agreement shall be effective on the <u>Effective Date</u> and shall continue in effect until expiration of the Delivery Term (defined in Section 2.2 below) or until earlier termination as provided for in Section 10.

2.2 <u>Delivery Term</u>. The "Delivery Term" shall begin on the date on which Cal Am has determined that it is ready to deliver Return Water to the Delivery Point (defined in Section 3.2 below), the anticipated location of which is depicted on Exhibit A, and shall continue for a period of thirty (30) years thereafter. Cal Am shall provide Agency with written notice of

the commencement date of the Delivery Term, promptly upon Cal Am's determination of such date.

2.3 <u>Right of First Refusal</u>. If this Agreement has not been terminated as provided for in Section 10, Agency shall have a right of first refusal to enter into a new return water purchase agreement on terms to be negotiated by the Parties at the time the right is exercised. In order to exercise the right, Agency shall provide Cal Am written notice of its intent to do so no earlier than 730 days and no later than 365 days prior to expiration of this Agreement. Agency acknowledges that pursuant to the CCSD Return WPA CCSD also has a right of first refusal to enter into a new return water purchase agreement with respect to its agreement with Cal Am.

2.4 <u>Expiration or Non-Renewal</u>. Upon termination, expiration or nonrenewal of this Agreement, Cal Am shall continue to make Return Water available for delivery to the SRGB for use in lieu of existing groundwater production, unless Cal Am demonstrates that Return Water is not needed to prevent legal injury to prior groundwater rights holders in the SRGB or to avoid significant adverse effects to SRGB groundwater resources. If Cal Am desires to make such a showing, it shall initially do so by providing a demonstration in writing to all parties to the Settlement Agreement using the notice provisions of Section 11. Within 21 days thereafter, the Parties shall meet to seek to reach agreement regarding whether Cal Am has made the requisite demonstration. If the Parties do not reach agreement within 30 days after the initial meeting, any Party may on or after the 31st day, but no later than the 91st day, invoke the provisions of Section 9. For the avoidance of doubt, nothing in this Section 2.4 in any way affects the provisions, scope and application of Section 1.3.

3. Delivery of Return Water

3.1 <u>Priority of Return Water for In-Lieu Use</u>. Agency will use the Return Water only within the existing CSIP service area and will use it to the greatest extent possible to offset existing groundwater pumping. Unless the amounts of groundwater pumped and Return Water purchased are not publicly available through routine Agency reports, Agency will annually report to the parties to the Settlement Agreement the amount of groundwater pumped and Return Water purchased for use within the CSIP service area, delivery of which report shall occur under the notice provisions of Section 11 of this Agreement.

3.2 <u>Cal Am Return Water Pipeline</u>. Subject to satisfaction of the Conditions Precedent set forth in Sections 3.3(a), (b), (c), (d), (e), and (f), Cal Am will design and construct (in consultation with Agency) the Delivery Pipeline including a metered delivery point ("<u>Delivery Point</u>") as set forth in Exhibit A. Cal Am will install, operate, and maintain the meter at the Delivery Point in accordance with CPUC General Order 103-A or other applicable CPUC or water industry standards which will measure the volume of Return Water delivered at the Delivery Point ("<u>Cal Am Meter</u>"). Agency shall use good faith diligent efforts to support Cal Am's efforts to obtain any such CPUC approval. The Parties shall cooperate in good faith to seek grants to offset the costs of the Delivery Pipeline.

3.3 <u>Conditions Precedent</u>. Any delivery of Return Water pursuant to this Agreement is subject to the following conditions precedent:

(a) any required CPUC approval to amend Cal Am's Service Area to allow for the sale of Return Water consistent with the terms of this Agreement; and

(b) any required CPUC approval of a tariff to allow for the sale of Return Water consistent with the terms of this Agreement, which tariff may change from time to time with the approval of the CPUC and shall govern over any inconsistent terms or conditions set forth in this Agreement; and

(c) the completion of California Environmental Quality Act ("CEQA") review by the CPUC as lead agency for the Project; and

(d) the CPUC's issuance of a Certificate of Public Convenience and Necessity ("CPCN") for the Project; and

(e) completion of construction, and acceptance by Cal Am, of the Project desalination plant such that it is able to produce and transport Return Water to the Delivery Point; and

(f) A Cal Am Annual Return Water Obligation in any given year (defined in Section 3.4 below) in excess of the CCSD Delivery Volume; and

(g) Agency's ability to take delivery of the Return Water at the Delivery Point. Agency shall use best efforts to ensure it has the ability to take such delivery.

With respect to Sections 3.3(a), (b), (c) and (d), Cal Am shall use good faith diligent efforts to seek any such required CPUC approval as is reasonably possible following the Effective Date.

3.4 <u>Annual Return Water Obligation</u>. Cal Am shall have an annual Return Water obligation ("Annual Return Water Obligation") that shall be calculated based on the percentage of SRGB groundwater in the total Project Source Water Production. Agency agrees that any Return Water delivered by Cal Am to the Delivery Point as contemplated by this Agreement, any Return Water delivered to CCSD as contemplated by the CCSD Return WPA, and any Return Water delivered to Monterey Regional Waste Management District and Monterey Regional Water Pollution Control Agency, should such delivery occur as discussed in the Settlement Agreement, shall be applied to satisfy Cal Am's Annual Return Water Obligation.

3.4.1 The volume of the Annual Return Water Obligation will be determined as set forth in Section 2.c. of the Settlement Agreement. For reference purposes, Section 2.c. of the Settlement Agreement is attached as Exhibit C hereto.

3.4.2 The Parties acknowledge that Cal Am could be legally required by a regulatory agency, including the CPUC in this proceeding, or by a court, to make water deliveries to other locations in the SRGB to the extent necessary to mitigate any groundwater impacts from the Project that were demonstrated in relation to a specific location overlying the SRGB ("Other Return Water Obligation"). Such Other Return Water Obligation could also serve to satisfy Cal Am's obligations to return water to the SRGB under the Agency Act, the

CEQA, or common-law water law principles. Under such circumstances, the Parties agree that it would be inequitable to Cal Am and its ratepayers to fund both the Other Return Water Obligation and the Return Water obligations specified herein as this would result in a duplicative liability to Cal Am and its ratepayers. Cal Am's obligation to make available the CCSD Delivery Volume shall be reduced in the event and to the extent that a regulatory agency or court has required Cal Am to deliver Return Water in a manner or location different than as specified in this Agreement. Agency shall have the right to terminate this Agreement as set forth in Section 10.3 if it determines that the reduced amount of Return Water would not be sufficient to justify its water purchase as contemplated herein.

3.5 <u>Scheduling of Deliveries</u>. On an annual basis during the Delivery Term, Cal Am shall make available for delivery to Agency for CSIP use the volume of Cal Am's Annual Return Water Obligation in excess of the CCSD Delivery Volume, if any. If available and requested by Agency, Cal Am will endeavor to cooperate with Agency to deliver Return Water to the Delivery Point in volumes and at times that satisfy Agency's needs.

4. <u>Payment Provisions</u>.

4.1 <u>Generally</u>. Cal Am will invoice Agency for deliveries of Return Water to the Delivery Point based on the volumes measured at the Cal Am Meter. Agency shall pay such invoices within 30 days of receipt.

4.2 <u>Pricing</u>. For each acre-foot of Return Water delivered by Cal Am, the Agency shall pay a rate intended to represent the CSIP customers' marginal avoided cost for groundwater produced for use by the CSIP customers, currently estimated to be \$102 per acre foot, which will be the rate as of the beginning of the Delivery Term. Upon Cal Am's reasonable request, and not more than once per year, Agency shall provide Cal Am with all information relating to CSIP customers' marginal avoided cost for groundwater pumping reasonably requested by Cal Am to support Agency's calculation of CSIP customers' marginal avoided cost for groundwater pumping. Using Agency's calculation and information provided under this Section 4.2, Cal Am will annually review the rate and following such review, if necessary, update its CPUC tariff through a Tier 2 advice letter filing with the CPUC. If at any time the CPUC approves or imposes a price for Return Water that exceeds CSIP customers' marginal avoided in Section 10.3, but Cal Am's obligation to provide Return Water shall not be affected by such termination.

5. <u>Compliance with Laws/Cooperation</u>. The Parties shall comply with all applicable laws in their respective performance under this Agreement and shall cooperate to take the actions and execute the documents necessary to perform under this Agreement.

6. **Indemnification; Fees and Expenses**

6.1 <u>Indemnification</u>.

(a) To the fullest extent permitted by law, Cal Am shall indemnify and hold harmless, but shall have no obligation to defend, Agency and its directors, officers, agents and employees, from any claims, actions or liability for any damages or costs (including

reasonable attorneys' fees and costs of defense) arising either from any injury to persons or property or from any violation of any law or regulation, which damages result from either the negligent acts, errors, or omissions, or the willful misconduct, of Cal Am, its directors, officers, employees, or agents in performing under this Agreement, but only to the extent such damages resulted from such negligent acts, errors, or omissions, or from such willful misconduct, of Cal Am or its directors, officers, agents and employees, such that Cal Am's indemnity obligation shall only apply to its percentage of fault multiplied by the total damages in issue.

(b) To the fullest extent permitted by law, Agency shall indemnify and hold harmless, but shall have no obligation to defend, Cal Am and its directors, officers, agents and employees from any claims, actions or liability for any damages or costs (including reasonable attorneys' fees and costs of defense) arising either from any injury to persons or property or from any violation of any law or regulation, which damages result from either the negligent acts, errors, or omissions, or the willful misconduct, of Agency, its directors, officers, employees, or agents in performing under this Agreement, but only to the extent such damages resulted from such negligent acts, errors, or omissions, or from such willful misconduct, of Agency or its directors, officers, agents and employees, such that Agency's indemnity obligation shall only apply to its percentage of fault multiplied by the total damages in issue. Notwithstanding the foregoing, the Parties acknowledge and agree that nothing in this Section 6.1(b) or otherwise contained in this Agreement constitutes or shall be asserted to constitute a waiver of any defense Agency possesses or may possess, including but not limited to any defense of sovereign or statutory immunity, to liability at law or in equity.

7. <u>Insurance.</u> The Parties will keep in full force and effect the insurance coverage described in Exhibit B.

8. <u>Assignment</u>. A Party may not assign its rights or obligations under this Agreement without the written consent of the other Party, which consent may not be unreasonably withheld.

9. **Dispute Resolution**

9.1 <u>Scope of Article</u>. This Article governs the resolution of all disputes that arise under this Agreement

9.2 <u>Disputes</u>. If a dispute arises concerning any controversy or claim arising out of or relating to this Agreement or the breach thereof, or relating to its application or interpretation, the aggrieved Party will notify the other Party of the dispute in writing within twenty (20) days after such dispute arises. If the Parties fail to resolve the dispute within sixty (60) days after delivery of such notice, each Party will promptly nominate a senior officer of its organization to meet at any mutually-agreed time and location to resolve the dispute. The Parties shall use their best efforts to reach a just and equitable solution satisfactory to both Parties. If the Parties are unable to resolve the dispute to their mutual satisfaction within sixty (60) days thereafter, the dispute will be subject to mediation, pursuant to Section 9.3. The time periods set forth in this Section 9.2 are subject to extension as agreed to by the Parties.

9.3 <u>Mandatory Non-binding Mediation</u>. If a dispute is not resolved pursuant to Section 9.2, the Parties agree to first endeavor to settle the dispute in an amicable manner,

using mandatory non-binding mediation initiated and conducted under the applicable rules of the American Arbitration Association in effect as of the Effective Date or other rules agreed to in writing by the Parties, before having recourse in a court of law. Each Party shall bear its own legal expenses, and the expenses of witnesses for either side shall be paid by the Party producing such witnesses. All expenses of the mediator, including required travel, and the cost of any proofs or expert advice produced at the direct request of the mediator, shall be borne equally by the Parties, unless they agree otherwise. Any resultant agreements from mediation shall be documented in writing. All mediation proceedings, results, and documentation, including without limitation any materials prepared or submitted or any positions taken by or on behalf of either Party, shall be confidential and inadmissible for any purpose in any legal proceeding (pursuant to California Evidence Codes sections 1115 through 1128), unless such admission is otherwise agreed upon in writing by the Parties. Mediators shall not be subject to any subpoena or liability, and their actions shall not be subject to discovery. The mediation shall be completed within sixty (60) days after selection of the mediator, unless the Parties agree to extend the mediation period.

9.4 <u>Judicial Relief</u>. If mediation pursuant to Section 9.3 does not resolve a dispute, either Party may seek relief in a court of competent jurisdiction.

9.5 <u>Limitations on Damages</u>. No Party shall be entitled to consequential damages, incidental damages, or punitive or exemplary damages from the other Party in any action or proceeding in connection with this Agreement.

9.6 <u>Attorneys' Fees and Costs</u>. In any action or proceeding to enforce a term or condition of this Agreement, in any disputes relating to the Agreement, and in any actions for breaches, defaults, or misrepresentations in connection with any the Agreement, a prevailing Party (as determined by a court of competent jurisdiction) shall be entitled to recover its reasonable costs and expenses, including without limitation reasonable attorneys' fees and costs.

10. <u>Termination</u>.

10.1 <u>Termination for Non-Performance</u>. A Party may terminate this Agreement if the other Party fails to perform a material provision of this Agreement as required herein, provided that the Party seeking termination shall provide prior written notice of its intention to terminate to the other Party, which notice shall fully describe how the other Party failed to perform a material provision of this Agreement, and provided further that the dispute has not been resolved by following the procedures set forth in Section 9 above. If the Parties are unable to resolve the dispute following the procedures set forth in Section 9, the Party seeking termination may provide a written notification of termination to the other Party, and such termination shall become effective thirty (30) days after the other Party has received such written notification. The procedures of this Section 10.1 shall not apply to terminations under Section 10.2 and 10.3 of this Agreement.

10.2 <u>Termination for Failure of Conditions Precedent</u>. Either Party may terminate this Agreement if, by January 1, 2025, Cal Am has not obtained any and all required CPUC approval of the matters described as conditions precedent in Sections 3.2(a), (b), (c) and (d) by providing a written notification of termination to the other Party, and such termination

shall become effective thirty (30) days after the other Party has received such written notification.

10.3 <u>Termination Based on Regulatory Requirements</u>. Either Party may terminate this Agreement if Cal Am is legally required by a regulatory agency, including the CPUC, or by a court, to make water deliveries to locations in the SRGB other than CSIP or CCSD by providing a written notification of termination to the other Party, and Agency may terminate this Agreement if at any time the CPUC approves a price for Return Water to be included in Cal Am's tariffs that exceeds CSIP customers' marginal avoided cost for groundwater pumping. Any termination under the preceding sentence shall be preceded by thirty (30) days' written notice, and such termination shall become effective thirty (30) days after the other Party has received such written notification. Cal Am's obligation to provide Return Water shall not be affected by such termination.

11. **<u>Representatives; Notices</u>**.

11.1 <u>Authorized Representatives</u>. Each Party will designate at least one individual officer or employee who will be its representative and will be authorized to act on behalf of the Party for all purposes in performing the provisions of this Agreement ("<u>Representative</u>"). The designation may be changed from time to time. The designation and changes to a designation must be made in a writing delivered to the other Party.

11.2 <u>No Release</u>. Each Party is responsible for the acts or omissions of its Representative(s). The designation of a Representative by a Party does not release the Party from responsibility for performance of its obligations under this Agreement.

Notice. All notifications, notices, demands, requests and other 11.3 communications herein provided for or made pursuant hereto shall be in writing and shall be sent by: (i) registered or certified mail, return receipt requested, and the giving of such communication shall be deemed complete on the third (3rd) business day after the same is deposited in a United States Post Office with postage charges prepaid; (ii) reputable overnight delivery service, and the giving of such communication shall be deemed complete on the immediately succeeding business day after the same is deposited with such delivery service; or (iii) so long as a Party has notified the other Party by means of a method described in clauses (i) or (ii) above of such Party's email address for notification purposes, email transmission of notices to such Party are also permitted provided an original is also sent via one of the other permitted means and the giving of such communication shall be complete when such email is received if such email is received on a business day before 3:00 pm Pacific Time; otherwise, such communication shall be deemed complete the next business day. The date on which notifications, notices, demands, requests and other communications are deemed complete shall be the earliest date arising under subsections (i), (ii) or (iii) of this Section 11.3. All notifications, notices, demands, requests and other communications shall be sent to the Parties as follows:

To Agency:

David E. Chardavoyne

434

General Manager Monterey County Water Resources Agency 893 Blanco Circle Salinas, CA 93901

To Cal Am:

Eric J. Sabolsice Director, Operations Coastal Division California-American Water Company 511 Forest Lodge Road, Suite 100 Pacific Grove, CA 93950

Force Majeure. If by reason of Force Majeure (defined below), a Party is 12. rendered unable, wholly or in part, to carry out its obligations under this Agreement, and if such Party gives notice and reasonably describes the particulars of such Force Majeure in writing to the other Party as promptly as possible after the occurrence of the cause relied on, then the affected Party shall be excused from performance hereunder without liability, but only so far as and to the extent that it is affected by such Force Majeure; provided, however, such cause shall be remedied with all reasonable dispatch. Upon occurrence of the Force Majeure, the affected Party, in addition to notifying the other Party as provided above, shall as promptly as possible provide such Party a written description of the Force Majeure, the cause thereof (to the extent known), the date the Force Majeure began, its expected duration, and an estimate of the specific relief requested or to be requested by such Party. Furthermore, the Party affected by such Force Majeure shall use diligent efforts to reduce costs resulting from the occurrence of the Force Majeure, fulfill its performance obligations under this Agreement and otherwise mitigate the adverse effects of the Force Majeure. While the Force Majeure continues, the affected Party shall give the other Party regular updates of the information previously submitted. The affected Party shall also provide prompt written notice to the other Party of the cessation of the Force Majeure. Notwithstanding anything to the contrary contained herein, the occurrence of a Force Majeure shall not, however, (i) excuse or delay any obligation to pay monies previously accrued and owing to another Party under this Agreement, or for the Party to perform any obligation under this Agreement not affected by the occurrence of the Force Majeure; or (ii) excuse or delay Cal Am's obligation to comply with the Agency Act.

For purposes of this Section 12, "Force Majeure" means any act, event, condition or circumstance that (A) is beyond the reasonable control of a Party, (B) by itself or in combination with other acts, events, conditions or circumstances adversely affects, interferes with or delays a Party's ability to perform its obligations under this Agreement, expands the scope of a Party's obligations under this Agreement, or increases a Party's cost of performing its obligations under this Agreement, and (C) is not the direct result of the willful or negligent act, intentional misconduct, or breach of this Agreement by the affected Party.

13. Other Provisions.

13.1 <u>Integration</u>. This Agreement embodies the entire agreement between the Parties relating to the subject matter hereof and supersedes all prior agreements and understandings, written or oral, relating to such subject matter.

13.2 <u>Successor and Assigns</u>. This Agreement shall be binding upon, and shall inure to the benefit of and be enforceable by, the Parties hereto and their respective successors and assigns permitted hereunder.

13.3 <u>Relationship of Parties</u>. Each Party is an independent entity. This Agreement will not constitute any Party as the agent of the other Party. This Agreement will not constitute the Parties as partners or joint venturers (or as co-owners of a business entity) for common law purposes, federal, state or local income tax purposes, or otherwise.

13.4 <u>Amendments or Waivers</u>. No term or provision hereof or Exhibit hereto may be amended, changed, waived, discharged, terminated or replaced except by a writing executed by each of the Parties hereto.

13.5 <u>No Waiver by Failure to Act.</u> No failure, delay, forbearance or indulgence on the part of any Party in insisting upon the strict performance of any provision, or in exercising any option, right, power, privilege or remedy hereunder, shall operate or be construed as a waiver or relinquishment thereof, or as an acquiescence in any breach, nor shall any single or partial exercise of any option, right, power, privilege or remedy hereunder preclude any other or further exercise thereof or the exercise of any other option, right, power, privilege or remedy.

13.6 <u>Controlling Law; Conflicts of Law.</u> This Agreement shall be construed, governed and applied in accordance with the laws of the State of California, without regard to the conflicts of law principles thereof.

13.7 <u>CEQA</u>. This Agreement helps to define a stable and finite project description that will facilitate the CPUC's completion of CEQA review for the Project. The legal effectiveness of this Agreement is contingent on the completion of CEQA review and this Agreement does not irretrievably commit the Parties to carrying out any physical activities that would be required for Cal Am to meet the Annual Return Water Obligation or would otherwise be required for the Parties to comply with the terms of this Agreement. The Parties acknowledge and intend that the CPUC as lead agency and other responsible agencies under CEQA will retain full discretion with respect to deciding whether to approve water purchase or any other commitments necessary or convenient for Cal Am to meet the Annual Return Water Obligation, including discretion to modify commitments to avoid or reduce any significant adverse physical environmental effects (i) from Return Water activities that are within their jurisdiction, and (ii) from the Parties' compliance with other terms of this Agreement.

13.8 <u>Severability</u>. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any

such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

13.9 <u>No Third Party Beneficiaries</u>. Nothing in this Agreement, express or implied, is intended to confer any rights or remedies under or by reason of this Agreement on any persons other than the Parties hereto; nothing in this Agreement is intended to relieve or discharge the obligation or liability of any third person to any Party; and, this Agreement does not create any duty, liability or standard of care to any person who is not a Party. However, this Section 13.9 is not intended to, and shall not, limit the right of Settlement Agreement Parties to meet and confer under Section 6 of the Settlement Agreement in response to any conflict that is noted or alleged to exist between the terms of this Agreement and the terms of the Settlement Agreement.

13.10 <u>Counterparts.</u> This Agreement may be executed in any number of counterparts, each of which shall be an original, and such counterparts together shall constitute but one and the same instrument.

13.11 <u>Consents and Approvals</u>. Except as otherwise expressly set forth in this Agreement, all consents and approvals which may be given under this Agreement shall be in writing and shall not be unreasonably withheld or delayed unless otherwise expressly provided herein.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered in their name and on their behalf.

MONTEREY COUNTY WATER RESOURCES AGENCY

By: _____

Printed Name:	
---------------	--

Title: _____

Approved as to Form:

Printed Name:	
---------------	--

CALIFORNIA-AMERICAN WATER COMPANY

By:			

Printed Name: _	
-----------------	--

Title: _____

EXHIBIT A

Depiction of Anticipated Location of Delivery Pipeline and Delivery Point



EXHIBIT 21-E EXHIBIT B

INSURANCE REQUIREMENTS

Each Party to this Agreement shall initially provide information regarding and thereafter at all times maintain Commercial General Liability ("CGL") insurance, or be analogously self-insured or insured through a pooling arrangement, in the minimum amount of \$1,000,000 per occurrence with an aggregate limit of \$2,000,000. Subject to the immediately preceding sentence, each Party may change insurance and/or insurers, and if a Party does so, it shall provide notice to the other Party within seven (7) days of such change.

Cal Am declares that it currently has a CGL policy with limits of \$2,000,000 per occurrence with an aggregate limit of \$25,000,000 and a \$2,000,000 deductible. Coverage is issued through Travelers Property Casualty Company of America.

The Agency declares that it is self-insured through the County of Monterey for acts and omissions that would be covered by a CGL policy issued by a private insurer. The limits of such self-insurance are \$1,000,000 per occurrence with an aggregate limit of \$2,000,000.

EXHIBIT 21-E EXHIBIT C

SECTION 2.C. OF SETTLEMENT AGREEMENT

[TO BE PROVIDED UPON FINALIZATION OF SETTLEMENT AGREEMENT]

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CALIFORNIA-AMERICAN WATER COMPANY

1033 B Avenue, Suite 200

Coronado, CA 92118

C.P.U.C. Sheet No.

Cancelling

Schedule No. MO-XX Monterey County District Tariff Area <u>MPWSP RETURN WATER</u>

APPLICABILITY

Applicable to water provided pursuant to Return Water Purchase Agreements between California American Water and: (1) the Castroville Community Services District ("CCSD") and (2) the Monterey County Water Resources Agency ("MCWRA").

TERRITORY

The delivery point near the intersection of Nashua Road and Monte Road in Castroville.

RATES

Return Water:		
For CCSD, per acre-foot (see Special Condition 11)	\$110	(I)
For MCWRA, per acre-foot (see Special Condition 13)	\$102	
Excess Water:		I
For CCSD, per acre-foot (see Special Condition 12)	\$580	(I)

SPECIAL CONDITIONS

- 1. The Castroville Seawater Intrusion Project ("CSIP") is a MCWRA project that provides recycled water and diverted Salinas River water for use in lieu of groundwater pumping for irrigated agricultural use in the Castroville area of the Salinas River Groundwater Basin ("SRGB").
- 2. California American Water will make available for delivery to CCSD and CSIP a volume of water ("Return Water") equal to the percentage of SRGB in the total source water produced from slant intake wells for the MPWSP ("Project Source Water Production"), as calculated on a water year basis ("Base Return Water Obligation"). ("MPWSP" refers to California American Water's Monterey Peninsula Water Supply Project.)
- 3. Upon start-up of the MPWSP, the first 175 acre-feet of Return Water delivered by California American Water ("Reserve Water") shall be delivered to CSIP.
- 4. California American Water has annual Return Water requirements ("Annual Return Water Obligation"). Beginning in the first full water year after the full amount of Reserve Water has been delivered to CSIP (the "Obligation Start Date"), the Annual Return Water Obligation in any given year shall be the sum of (a) the Base Return Water Obligation for that year, plus (b) any Return Water Shortfall (as defined in Special Condition 7) for the prior year, minus (c) any Return Water Surplus Shortfall (as defined in Special Condition 7) for the prior year. California American Water's Annual Return Water Obligation shall not begin until the "Obligation Start Date".

(To be inserted by utility)	Issued By	(To be inser	ted by P.U.C.)
Advice Letter No.	Name Here	Date Filed	
Decision No.	Title Here	Effective	
		Resolution No.	

CALIFORNIA-AMERICAN WATER COMPANY

1033 B Avenue, Suite 200

Coronado, CA 92118

C.P.U.C. Sheet No.

Cancelling

- During the first three months after the Obligation Start Date, the Annual Return Water 5. Obligation shall be 7% of total Project Source Water Production during that period. For the remainder of the water year after the first three months have passed, the Annual Return Water Obligation shall be the percentage of SRGB groundwater in the total Project Source Water Production calculated during the first three months after the Obligation Start Date. The volume of any Return Water Shortfall for a given year shall be determined by subtracting 6. the amount of Return Water made available by California American Water in that year from the amount of the Annual Return Water Obligation for that year. If the amount of Return Water made available by California American Water in that year equals or exceeds the Annual Return Water Obligation, the Return Water Shortfall for that year shall be equal to zero. 7. The volume of any Return Water Surplus for a given year shall be determined by subtracting the amount of the Annual Return Water Obligation for that year from the amount of Return Water provided by California American Water to CCSD and MCWRA in that year. If the amount of Annual Return Water Obligation in that year equals or exceeds the amount of Return Water provided by California American Water to CCSD and MCWRA, the Return Water Surplus for that year shall be equal to zero.
- 8. California American Water shall make available for delivery to CCSD 690 afa of Return Water ("CCSD Delivery Volume").
- 9. If the Annual Return Water Obligation is less than the CCSD Delivery Volume, California American Water shall make available for delivery potable water in an amount equal to the difference between the Annual Return Water Obligation for that year and the CCSD Delivery Volume ("Excess Water").
- 10. California American Water shall make available for delivery to CSIP any Annual Return Water Obligation in excess of the CCSD Delivery Volume, according to procedures agreed to in the Return Water Purchase Agreement by and between MCWRA and California American Water.
- 11. For Return Water made available for delivery to meet the Annual Return Water Obligation, CCSD shall pay a rate intended to represent its avoided cost to produce groundwater to meet customer demand, currently estimated to be \$110 per acre-foot, which will be the rate as of the Obligation Start Date. CCSD plans to continue operation of its existing wells so they may be available in emergency circumstances. This continuing operation will enable CCSD to provide future updates to the avoided cost of pumping. If CCSD is unable to provide such updated avoided costs of pumping, then the percentage increase of PG&E's A-6 tariff for off-peak summer distribution rate (with a base of \$0.07311 / kWh as of the tariff existing on March 24, 2016) will be used as the escalation factor for the increase in avoided cost of pumping in the future. After the Obligation Start Date, the rate will be reviewed annually and updated, if necessary, via a Tier 2 advice letter filing with the CPUC.
- 12. For any Excess Water California American Water makes available as described in Special Condition 9, CCSD shall pay a rate intended to represent the marginal operation and maintenance costs for the MPWSP to produce one acre-foot of potable water, currently estimated to be \$580 per acre-foot, which will be the rate as of the Obligation Start Date. After the Obligation Start Date, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC.
- 13. MCWRA shall pay a rate for Return Water intended to represent the CSIP customers'

(To be inserted by utility)
Advice Letter No. _____
Decision No. _____

Issued By Name Here Title Here (To be inserted by P.U.C.)

Date Filed _____

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Resol	lution	No

CALIFORNIA-AMERICAN WATER COMPANY

1033 B Avenue, Suite 200 Coronado, CA 92118 C.P.U.C. Sheet No.

Cancelling

marginal avoided cost for groundwater produced for use by the CSIP customers, currently estimated to be \$102 per acre-foot, which will be the rate as of the Obligation Start Date. After the Obligation Start Date, the rate will be reviewed annually and updated, if necessary, via Tier 2 advice letter filing with the CPUC.

14. Upon termination of either or both Return Water Purchase Agreements in accordance with their terms, this tariff will cease to be effective as to the parties to the terminated Return Water Purchase Agreement.

(To be inserted by utility)

Advice Letter No.

Decision No.

Issued By Name Here Title Here (To be inserted by P.U.C.)

Date Filed _____ Effective _____ Resolution No. ____ THIS PAGE INTENTIONALLY LEFT BLANK

ITEM: ACTION ITEM

22. CONSIDER APPROVAL OF GENERAL MANAGERS CONTRACT

Meeting Date:	June 20, 2016	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 Counse Committee Rece CEQA Complia			

SUMMARY: The current employment agreement with the General Manager expires August 31, 2016. At its December 14, 2015 meeting, in closed session, the Board directed the Chair to negotiate a new employment agreement with an extended term. In public session January 27, 2016, it was stated Mr. Stoldt has agreed to enter a new long-term contract with the District beginning July 1, 2016, the terms of which are to be negotiated by the Chair and brought to the Board for approval. At its April 18, 2016 closed session the Chair presented to the Directors for discussion proposed terms of a new employment agreement. Subsequently, the General Manager and the Board have agreed to a new Agreement for Employment of General Manager as shown in **Exhibit 22-A** attached.

RECOMMENDATION: The Chair recommends the Board approve the new Agreement for Employment of General Manager.

DISCUSSION: The new Agreement is a 5 year contract. There is no increase in salary over the 2015-16 level, however the General Manager is eligible for an increase in compensation in 2017-18 subject to a satisfactory performance review in 2016-17. The current level of salary is below that of the General Managers of Monterey Regional Water Pollution Control Agency and Monterey County Water Resources Agency

The terms of the Agreement are substantially the same as the previous agreement, as amended from time to time, with the following changes:

- Effective: July 1, 2016 through June 30, 2021. The July 1 start date is a change from the previous September 1 date at the request of the Chief Financial Officer. This is in order to have all employee contracts effective the start of the Fiscal Year.
- Notice of Termination by Board: Changed from 30 days to 60 days. Sixty days is consistent with Monterey Regional Water Pollution Control Agency and Marina Coast Water District. Monterey County Water Resources Agency has a 90 day notice period.
- Severance upon Termination: Changed from 4 months salary to 6 months. This is consistent with Monterey Regional Water Pollution Control Agency and Monterey

County Water Resources Agency. Marina Coast Water District has 6 months plus 1 month for every year of service up to 12 months maximum.

• Vacation Buy-Back: Added to the Agreement is the ability of the General Manager to have the District "buy back" up to 10 days of unused vacation accrued in a year. This is consistent with Monterey Regional Water Pollution Control Agency. Monterey County Water Resources Agency has up to 15 per year. Marina Coast Water District has 10 "management days" that if not taken are paid.

EXHIBIT

22-A Form of Agreement for Employment of General Manager

EXHIBIT 22-A

AGREEMENT FOR EMPLOYMENT OF GENERALMANAGER

This Agreement is made and entered into this _____ day of June 2016, by and between the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT (the "DISTRICT") and DAVID JON STOLDT ("STOLDT"). This Agreement (the "Agreement") shall have an effective date of July 1, 2016. In consideration of the mutual covenants contained herein, the parties agree as follows:

I. EMPLOYMENT.

A. Appointment of General Manager.

The Board of Directors of the DISTRICT hereby appoints DAVID JON STOLDT as General Manager of the MONTEREY PENINSULA WATER MANAGEMENT DISTRICT to perform the functions and duties set forth in Exhibit A (as amended from time to time), and to perform such other duties and functions reasonable and customary to the General Manager position as the Board of Directors shall from time to time assign. STOLDT is an at-will employee and shall serve at the pleasure of the Board of Directors.

B. Term of Agreement.

1. The initial term of this Agreement shall commence on July 1, 2016 and expire on June 30, 2021. The parties agree that no later than January 31, 2021, the parties shall meet to discuss renewal of this Agreement or execution of alternate terms of employment.

2. Nothing in this Agreement shall prevent or otherwise interfere with the right of the DISTRICT to terminate this Agreement without cause at any time, or the right of STOLDT to resign at any time from his position, as set forth below in Section I.C.1.

C. Termination of Employment.

1. The Board of Directors may terminate this Agreement during its term without cause, by providing STOLDT sixty (60) days written notice. Full salary and benefits due STOLDT under this Agreement will continue to be provided to him during this notice period, if exercised. Such advance notice, or salary and benefits shall not be required in the event STOLDT: (1) is terminated after being convicted of a felony or a misdemeanor involving fraud, embezzlement, misappropriation of funds, or theft, (2) voluntarily resigns, or (3) is permanently incapable for medical reasons of performing the duties of the General Manager. No later than 75 days following a notice of termination without cause by the DISTRICT, the DISTRICT shall pay to STOLDT a severance amount equal to six (6) months base salary.

2. STOLDT may terminate this Agreement by giving the DISTRICT thirty (30) days written notice in advance of termination, at the end of which period this Agreement will terminate, unless the DISTRICT and STOLDT otherwise agree.

3. Notice pursuant to this Agreement shall be in writing given by deposit in the custody of the United States Postal Service, postage prepaid, addressed as follows:

DISTRICT:

Board of Directors Monterey Peninsula Water Management District PO Box 85 Monterey, CA 93942

STOLDT:

David J. Stoldt PO Box 223028 Carmel, CA 93922

Alternatively, notices required pursuant to this Agreement may be personally served in the same manner as is applicable to civil judicial process. Notice shall be deemed given as of the date of personal service or as of the date of deposit of such written notice in the course of transmission in the United States Postal Service.

II. POWERS, DUTIES AND RESPONSIBILITIES.

A. **Employment Duties.**

STOLDT shall function as the General Manager of the DISTRICT and shall be vested with the powers, duties and responsibilities set forth in the position of General Manager which are indicated either in Exhibit A or the adopted job description, the terms of which are incorporated herein by reference. The Board of Directors may modify the employment duties of the General Manager from time to time by exercise of its sole discretion. In addition, STOLDT shall perform such other duties as may be assigned by the Board of Directors, and which are consistent, reasonable and customary with the position of General Manager, without additional compensation. The position of General Manager is an at-will position, and the incumbent shall serve as such at the pleasure of the Board of Directors.

B. Hours of Work.

STOLDT is expected to devote necessary time outside normal office hours to business of the DISTRICT. STOLDT shall maintain regular office hours at the offices of the DISTRICT during customary business hours, except when absent in the proper performance of his duties and responsibilities as General Manager.

C. Outside Professional Activities.

STOLDT agrees to devote his full productive time, ability, efforts and attention to the DISTRICT'S business during the term of this Agreement. STOLDT may undertake limited outside activities, such as (a) serving as an officer of a professional organization, or (b) other related activities, only upon advance written request and in accord with the prior written authorization of the Board of Directors, and only provided those activities do not in any way interfere with or adversely affect his employment as General Manager or the performance of his duties as provided herein.

III. COMPENSATION OF STOLDT.

A. Salary.

As General Manager, STOLDT shall receive base salary at the rate of Two Hundred Five Thousand Dollars (\$205,000) per year, effective September 1, 2015. This base salary shall be subject to modification by reason of merit adjustment, in conjunction with STOLDT's annual Performance Evaluation. Further, any increase in employee contributions to the CalPERS retirement program, agreed to by the District's Management Staff bargaining unit shall automatically apply to STOLDT and be immediately implemented on July 1 of the effective year with an equivalent increase in base pay.

B. CalPERS.

STOLDT shall be eligible for the CalPERS 2% @ 55 retirement program. Effective September 1, 2015, STOLDT's share of CalPERS premium payments will be 3% of the employer contribution and 3% of the employee contribution.

C. Vacation, Holiday and Sick Leave.

STOLDT shall accrue vacation, sick leave and holiday leave at the same level, and subject to the same use provisions, as apply to Tier I senior management employees pursuant to the Management Staff Bargaining Unit Memorandum of Understanding (MOU). Upon hire, STOLDT shall receive credit for five (5) years of service for the purpose of vacation accrual and credit for 15 days of sick leave credit effective September 1, 2011. At the end of each fiscal year, STOLDT shall be entitled to have the DISTRICT purchase up to ten (10) days of unused vacation leave accrued for that year.

D. Management Benefits.

STOLDT shall receive all benefits provided to Tier I senior management employees of the DISTRICT pursuant to the Management Staff MOU, and shall further receive a monthly automobile allowance of Five Hundred Dollars (\$500) per month, and additional reimbursement for mileage for travel outside of DISTRICT boundaries as provided in the Personnel Manual. Upon authorization of the Board, and in lieu of the monthly automobile allowance and additional mileage reimbursement set forth above, the DISTRICT may elect, in its sole discretion, to provide STOLDT with exclusive use of a DISTRICT vehicle for use during business and non-business periods, and for which DISTRICT will bear all costs to operate and maintain.

STOLDT shall receive management leave at the same level, and subject to the same use provisions, as apply to Tier I senior management employees of the DISTRICT pursuant to the Management Staff MOU.

E. Associations, Subscriptions, and Licenses.

The DISTRICT shall budget and pay the actual and necessary dues of STOLDT relating to participation in the Association of California Water Agencies (ACWA), or such other professional organizations. Dues or subscriptions approved by the Board of Directors in accord with the approved budget.

F. Health, Dental, Vision, Life, and Disability Insurance.

STOLDT shall receive all health, vision, life insurance, short-term disability and longterm disability insurance benefits at the same level, and subject to the same use provisions, as apply to senior management employees of the DISTRICT, including dependent coverage as appropriate. STOLDT may opt out of this plan, and in lieu receive seventy five percent (75%) of the DISTRICT's premium coverage costs under the Management Employees Health Plan. Payment of AFLAC supplemental insurance premiums may be added if this reimbursement is less than the 75% cap.

DISTRICT shall also budget for and pay actual and reasonable non-reimbursable medical costs for one (1) full physical exam for STOLDT each calendar year. STOLDT shall provide the results of this exam to the DISTRICT.

G. Bonding.

The DISTRICT shall bear the full cost of any fidelity or other bond required of STOLDT by reason of his employment as General Manager.

H. Deferred Compensation.

The DISTRICT shall budget and pay into a deferred compensation program the sum that matches STOLDT's actual contribution to that -deferred compensation plan, not to exceed four (4%) percent of STOLDT's annual salary. In the alternative, STOLDT may waive this benefit, in which case an amount equal to four percent (4%) of STOLDT's base salary shall be paid to him as additional taxable income.

IV. PERFORMANCE EVALUATION.

The Board of Directors shall review and evaluate the performance of STOLDT in writing at least once each year. This performance evaluation will be based on performance objectives and expectations established by the Board of Directors, in consultation with STOLDT. The evaluation shall clarify STOLDT's eligibility for any merit adjustment to base salary.

V. MISCELLANEOUS PROVISIONS.

A. The text herein shall constitute the entire Agreement between the parties.

B. This Agreement shall be binding upon and inure to the benefit of the heirs at law and executors of STOLDT.

C. If any provision, or any portion thereof, contained in this Agreement is held unconstitutional, invalid or unenforceable, the remainder of this Agreement, or portion thereof, shall be deemed severable, shall not be affected and shall remain in full force and effect.

D. In the event either party to this Agreement brings a judicial proceeding to enforce or interpret any provision of this Agreement, the prevailing party shall be entitled to

recover reasonable attorneys' fees and related expenses and costs, including but not limited to court costs, expert witness fees and expenses, and accountant fees and expenses. Recovery of these fees and costs shall be as additional costs awarded to the prevailing party, and shall not require initiation of a separate legal proceeding.

E. The laws of the State of California shall govern this Agreement. Venue shall be in the County of Monterey.

F. This Agreement is the product of negotiation and preparation among the parties. Both sides and their counsel have had the opportunity to revise this Agreement. The parties waive the provisions of Section 1654 of the Civil Code of California and any other rule of construction to the effect that ambiguities are to be resolved against the drafting party, and the parties warrant and agree that the language of this Agreement shall neither be construed against nor in favor of any party.

IN WITNESS WHEREOF, DAVID STOLDT has signed and executed this Agreement, in duplicate, on the day and year first written above.

GENERAL MANAGER

By: _____ David J. Stoldt

IN WITNESS WHEREOF, the DISTRICT has caused this Agreement to be signed and executed in its behalf by its Chairman who has signed and executed this Agreement, both in duplicate, on the day and year first written above.

MONTEREY PENINSULAWATER MANAGEMENT DISTRICT

By: ______ Jeanne Byrne, Chairman

Exhibit A

Functions and Duties of the Monterey Peninsula Water Management District General Manager

This Exhibit A presents a descriptive list of the range of duties performed by General Manager; it is *not* intended to reflect all duties performed within the job.

The Board of Directors may modify the functions and duties of the General Manager from time to time by exercise of its sole discretion. In addition, the General Manager shall perform such other duties as may be assigned by the Board of Directors.

DEFINITION

The General Manager is to plan, direct, manage and oversee the activities and operations of the Monterey Peninsula Water Management District, including administrative services, planning and engineering, water resources and water demand divisions; to coordinate assigned activities with other agencies and organizations; and to provide highly responsible and complex administrative support to the Board of Directors.

SUPERVISION RECEIVED AND EXERCISED

Receives policy direction from the Board of Directors.

Exercises direct supervision over management, supervisory, professional, technical and clerical staff.

Provides liaison to District General Counsel.

ESSENTIAL FUNCTIONS

Essential responsibilities and duties of the General Manger may include, but are not limited, to the following:

- 1. Assume full management responsibility for all District services and activities including water management, planning, environmental mitigation, conservation and restoration programs; recommend and administer policies and procedures.
- 2. Manage the development and implementation of District goals, objectives, policies, and priorities for each assigned service area.

- 3. Establish, within District policy, appropriate service and staffing levels; monitor and evaluate the efficiency and effectiveness of service delivery methods and procedures; allocate resources accordingly.
- 4. Plan, direct and coordinate, through subordinate level managers, the District's work plan; assign projects and programmatic areas of responsibility; review and evaluate work methods and procedures; meet with management staff to identify and resolve problems.
- 5. Assess and monitor work load, administrative and support systems, and internal reporting relationships; identify opportunities for improvement; direct and implement changes.
- 6. Prepare agenda and presentations for Board meetings; meet with the Chairman and Vice Chairman; run Board meetings.
- 7. Review bid packets, scope of work agreements and requests for proposals; execute agreements and contracts.
- 8. Develop the District's long-range water supply strategy/plan.
- 9. Select, train, motivate and evaluate District personnel; provide or coordinate staff training; work with employees to correct deficiencies; implement discipline and termination procedures.
- 10. Oversee and participate in development and administration of theDistrict budget; approve the forecast of funds needed for staffing, equipment, materials, and supplies; approve expenditures and implement budgetary adjustments as appropriate and necessary.
- 11. Explain, justify and defend District programs, policies, and activities; negotiate and resolve sensitive and controversial issues.
- 12. Represent the Monterey Peninsula Water Management District to elected officials and outside agencies; coordinate District activities with other local government organizations.
- 13. Provide staff assistance to Board of Directors; serve as Secretary of the Board; participate on a variety of commissions and committees; prepare and present staff reports and other necessary correspondence.
- 14. Attend and participate in professional group meetings; stay abreast of new trends and innovations in the field of water resources management.
- 15. Respond to and resolve difficult and sensitive citizen inquiries and complaints.
- 16. Perform related duties and responsibilities as required.

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ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

23. LETTERS RECEIVED

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Arlene Tavani	Cost Estimate:	N/A
General Counse	el Review: N/A		
Committee Rec	ommendation: N/A		
CEQA Complia	nce: N/A		

A list of letters that were submitted to the Board of Directors or General Manager and received between May 7, 2016 and June 10, 2016 is shown below. The purpose of including a list of these letters in the Board packet is to inform the Board and interested citizens. Copies of the letters are available for public review at the District office. If a member of the public would like to receive a copy of any letter listed, please contact the District office. Reproduction costs will be charged. The letters can also be downloaded from the District's web site at www.mpwmd.net.

Author	Addressee	Date	Торіс
Marc Weiner	David J. Stoldt	6/1/2016	State of California Model Water Efficient Landscape Ordinance
Todd Bodem	David J. Stoldt	6/1/2016	State of California Model Water Efficient Landscape Ordinance
Dave Potter	Dave Stoldt	5/20/2016	Congratulations – Public Official of the Year
Thomas Howard	Ron Weitzman/ cc: MPWMD	5/11/2016	Questions re SWRCB Order WR 2009-0060 (Cease and Desist Order)
Jason Burnett	California Public Utilities Commission/ cc: MPWMD	4/4/2016	Comments on Tiered Rate Structure

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ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

24. COMMITTEE REPORTS

Meeting Date:	June 20, 2016	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 Committee Recor CEQA Complian	nmendation: N/A		

Attached for your review as **Exhibits 24-A through 24-G** are final minutes of the committee meetings listed below.

EXHIBIT

Final Minutes of May 9, 2016 Administrative Committee Meeting
Final Minutes of February 29, 2016 Ordinance No. 152 Oversight Panel Meeting
Final Minutes of September 24, 2015 Ordinance No. 152 Oversight Panel Meeting
Final Minutes of April 8, 2016 Water Supply Planning Committee Meeting
Final Minutes of March 3, 2016 Water Supply Planning Committee Meeting
Final Minutes of January 20, 2016 Water Supply Planning Committee Meeting
Final Minutes of December 11, 2015 Water Supply Planning Committee Meeting

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EXHIBIT 24-A

FINAL MINUTES Monterey Peninsula Water Management District Administrative Committee May 9, 2016

Call to Order

The meeting was called to order at 3:36 PM in the District Conference Room.

Committee members present:	Andrew Clarke
	Brenda Lewis
	David Pendergrass

Staff present:David Stoldt, General ManagerSuresh Prasad, Administrative Services Manager/Chief Financial OfficerLarry Hampson, Planning & Engineering Manager/District EngineerSara Reyes, Office Services Supervisor

Oral Communications

None

1. Approve Minutes of April 11, 2016 Committee Meeting On a motion by Clarke and second by Lewis, the minutes of the April 11, 2016 meeting were approved on a vote of 3 to 0.

Items on Board Agenda for May 16, 2016

- 2. Authorize Submission of Grant Application with the Monterey Bay Air Resources District for Purchase of Electric Vehicle On a motion by Lewis and second by Clarke, the committee voted 3 to 0 to recommend the Board authorize the General Manager to execute a grant application with Monterey Bay Air Resources District relative to the purchase of electric vehicles.
- 3. Consider Adoption of Resolution 2016-08 Certifying Compliance with State Law with Respect to the Levying of General and Special Taxes, Assessments, and Property-Related Fees and Charges
 On a motion by Clarke and second by Lewis, the committee voted 3 to 0 to recommend the Board adopt Resolution 2016-08 and authorize the County of Monterey for collection of Water Supply Charge on the property tax bill.

5 Harris Court, Building G, Monterey, CA 93940 • P.O. Box 85, Monterey, CA 93942-0085 831-658-5600 • Fax 831-644-9560 • <u>http://www.mpwmd.net</u> 4. Consider Expenditure for Assistance with Completion of an Instream Flow Model for the Carmel River

On a motion by Lewis and second by Clarke, the committee voted 3 to 0 to recommend the Board approve the expenditure of up to \$113,500 for additional assistance with completing an Instream Flow Incremental Methodology study to revise instream flow requirements for the Carmel River.

5. Consider Adoption of Treasurer's Report for March 2016

On a motion by Clarke and second by Lewis, the committee voted 3 to 0 to recommend the Board adopt the March 2016 Treasurer's Report and financial statements, and ratification of the disbursements made during the month.

- 6. Receive and File Third Quarter Financial Activity Report for Fiscal Year 2016-16 On a motion by Lewis and second by Clarke, the committee voted 3 to 0 to recommend the Board receive and file the Third Quarter Financial Activity Report for Fiscal Year 2016-16.
- 7. Consider Approval of Third Quarter Fiscal Year 2015-16 Investment Report On a motion by Lewis and second by Clarke, the committee voted 3 to 0 to recommend the Board approve the Third Quarter Fiscal Year 2015-16 Investment Report.

Other Business

- 8. Review Third Quarter Legal Services Activity Report for Fiscal Year 2015-16 This was presented to the committee for informational purposes only. No action was required of the committee.
- **9.** Review Draft May 16, 2016 Board Meeting Agenda A revised draft agenda was submitted to the committee for review. The committee made no changes to the agenda.

Adjournment

The meeting was adjourned at 4:27 PM.

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EXHIBIT 24-B

FINAL MINUTES Ordinance No. 152 Oversight Panel of the Monterey Peninsula Water Management District *February 29, 2016*

Call to Order The meeting was called to order at 10:30 am in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:	MPWMD Staff members present:
John Bottomley	David J. Stoldt, General Manager
Paul Bruno	Suresh Prasad, Administrative Services Manager
Jason Campbell	Arlene Tavani, Executive Assistant
Jody Hanson - arrived at 10:34 am	
Todd Kruper	
John Bottomley	District Counsel Present:
George Riley	David Laredo
Christine Monteith - arrived at 10:34 am	
John Tilley	

Committee members absent: All present

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Modification to Committee Quarterly Meeting Schedule No action taken. The quarterly meeting schedule was not modified.

Discussion Items

2. Review Supreme Court Decision on MPWMD User Fee

Stoldt distributed a copy of Supreme Court decision in S208838 in which the court determined that the California Public Utilities Commission (CPUC) did not have authority to review the Water Management District's user fee that was collected on the California American Water utility bill on behalf of the District. The case was reassigned to the CPUC. Stoldt explained that when the District is able to access the user fee, it may be possible for the District to recoup the monies that have not been collected since 2012. He asked the committee members if they would support collection of the user fee along with the water supply charge, and possibly collection of the fees accumulated since 2012. The responses are listed here. (a) I think you will choose not to collect. (b) You should collect those fees, because if the District loses in the legal challenge on

collection of the water supply charge, that user fee might be needed to pay back water supply charges. (c) If you collect the water supply charge and the user fee, those will equal a higher amount. (d) Double collection is an issue. (e) Prefer that past user fees not be collected. It is best to continue collection of the water supply charge because those funds are good collateral for repayment of loans for project construction. (f) You should collect as much money as possible. You should retain the right to recapture the uncollected user fees. (g) Apply the uncollected user fees to pay off the loan. (h) Agree with previous speaker– you could then sunset the water supply charge. (i) Repayment of the Rabobank loan should be a priority. (j) I would approve collection of the uncollected user fee to pay off the Rabobank loan. This would be justified because if you had been able to collect the user fee since 2012, you would not have needed the Rabobank loan.

3. Review Mid-Year Budget Adjustments to Water Supply Charge

Prasad reviewed Exhibit 3-A that was submitted in the committee packet. Bruno stated that his company bids on construction of water project infrastructure related to the water supply projects, but believes he has no conflict of interest as a member of the Ordinance No. 152 Oversight Panel.

4. Review of Revenue and Expenditures of Water Supply Charge Related to Water Supply Activities

Prasad reviewed Exhibits 4-A and 4-B that were submitted with the committee packet.

Other Items

5. **Report on Cal-Am Rate Design Proceeding:** No discussion.

6. Water Supply Project Update

Stoldt noted that for the current injection season, the Aquifer Storage and Recovery project injected nearly 300 acre-feet of Carmel River water into the Seaside Groundwater Basin.

Adjourn: The meeting was adjourned at 11:50 am.

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EXHIBIT 24-C

FINAL MINUTES Ordinance No. 152 Oversight Panel of the Monterey Peninsula Water Management District September 24, 2015

Call to Order The meeting was called to order at 9:00 am in the conference room at the offices of the Monterey Peninsula Water Management District.

Committee members present:	MPWMD Staff members present:
Paul Bruno	David J. Stoldt, General Manager
Jason Campbell	Suresh Prasad, Administrative Services Manager
Todd Kruper	Arlene Tavani, Executive Assistant
John Bottomley	
George Riley	District Counsel Present:
Christine Monteith	David Laredo
John Tilley	

Committee members absent:

Jody Hanson Norm Yassany

Comments from the Public:

No comments were directed to the committee.

Action Items

1. Consider Adoption of Minutes of February 19 and May 13, 2015 Committee Meetings

On a motion and second, the minutes were approved by the committee members present.

2. Review and Provide Recommendation on FY 2015-16 Local Water Projects/Grants Applicant Submissions

On a motion by Riley and second of Kruper, the committee recommended that the Board of Directors prioritize funding of the Pebble Beach and City of Seaside projects, reduce the grant amounts, and allocate funds according to public interest issues. The motion was approved unanimously on a vote of 7 - 0. No comments from the public were directed to the committee on this item

Stoldt described each project to the committee, received comments and responded to questions. Committee comments: (A) The Seaside project is a good use of water. There is no cost-sharing proposed, but that is less important because this will produce useable water within a short timeframe. The City of Seaside could develop a low-cost method

for metering and charging for the water, or distribute the water at no cost, so that it would benefit users throughout the area. (B) Would the wastewater agency in Seaside pay for the project? *Response: No. Wastewater customers cannot be required to pay for a project they will not benefit from.* (C) The Seaside and Pebble Beach projects are the two highest priority projects. (D) The Monterey project is focused on preparation of studies; development of water is far into the future. (E) Offer \$80,000 to Pebble Beach Company, instead of \$100,000. (F) A private company could develop the Pebble Beach Company project and own the water. *Response. That is true; however, the Water Management District would like to allocate that water to benefit the community.* (G) If the City of Monterey project is proposed to be a regional effort, why doesn't the Water Management District undertake the project? *Response. The state may require that every basin have a stormwater plan, in that case this project may be undertaken as a regional effort utilizing Proposition 1 funds.*

Discussion Items

3. Discuss Groundwater Replenishment Project Credit Structure and O&M Cost Requirements under Water Purchase Agreement

Stoldt responded to questions about the Water Purchase Agreement, and Resolution 2015-14, which is the District's pledge of revenues from the Water Supply Charge to guarantee repayment of government loans. The Water Purchase Agreement states that Cal-Am will not pay for water that it does not use. Committee Comments: (A) Is another Proposition 218 charge to be approved in order to guarantee this pledge? Response: No. It could be paid from the existing Water Supply Charge, but we would need to show that a portion of the charge should continue to be collected for 30 years. This is a guarantee of process, not of outcome. It states that should the funds be needed, the Board would seek Proposition 218 funding, but it does not bind the public to approve it. (B) Without Resolution No. 2015-14 the 1% financing option from State Revolving Funds would not be available for the project. (C) Why couldn't the cost of unused water be incorporated into the rate Cal-Am will pay? Response: That would not offer insurance to the bond holder that you have collected enough money to pay costs during an interruption. (D) Object to Cal-Am's unwillingness to enter into a take-orpay contract. If Cal-Am's desalination project is halted, could the same financing mechanism be used to develop the DeepWater Desal project and would DeepWater Desal agree to a take-or-pay contract? Response: DeepWater Desal has contracted with a firm to develop a financing model that anticipates 80% of the financing to be paid from take-or-pay contracts. (E) The District should tell Cal-Am that if it will not accept a take-or-pay contract, the District will withdraw its support for Cal-Am's desal project and will back DeepWater Desal. Response: Cal-Am has said that under those circumstances they would resort to building a larger desal plant. The CPUC allows Cal-Am to earn interest on the cost of projects they construct, so a larger project would be a benefit to the company. (F) Cal-Am's decision to only pay for water that is produced is an effort to protect the rate payers. Response: This is a pledge to seek Proposition 218 funding should Cal-Am be unable to pay for water, such as in the event of bankruptcy. An operating reserve will be established to pay financing costs in the event the project is not operational. In the event of drought, a drought reserve will be established to treat water and store it until the water is needed. The treatment costs will be repaid when the water is sold.



4. Review Revenue and Expenditures of Water Supply Charge Related to Water Supply Activities

Prasad presented Exhibit 4-A, Water Supply Charge Receipts, and Exhibit 4-B, Water Supply Charge Availability Analysis. He responded to questions from the committee.

Adjournment

The meeting was adjourned at 10:40 am.

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EXHIBIT 24-D

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District *April 8, 2016*

Call to Order	The meeting room.	was called to order at 10:30 am in the MPWMD conference
Committee memb	ers present:	Robert S. Brower, Sr Committee Chair Jeanne Byrne David Pendergrass
Committee membe	ers absent:	None
Staff members pro	esent:	David Stoldt, General Manager Larry Hampson, Planning & Engineering Division Manager Arlene Tavani, Executive Assistant
District Counsel p	resent	David Laredo
Comments from tl	ne Public:	No comments.

Action Items

- 1. Consider Development of Recommendation to the Board on Items Related to Integrated Regional Water Management Program
 - A. Approve Revised MOU for Integrated Regional Water Management in the Monterey Peninsula, Carmel Bay and South Monterey Bay
 - B. Authorize Execution of MOA for Integrated Regional Water Management Planning and Funding in the Central Coast Region
 - C. Authorize Expenditure for Assistance with Proposition 1 Grant Program Coordination <u>On a motion by Byrne and second of Pendergrass, the committee recommended</u> <u>that the Board of Directors approve items A and B; and for C, authorize a contract</u> <u>in the amount of \$25,000 with Gutierrez Consultants. The motion was approved</u> <u>unanimously on a vote of 3 – 0 by Byrne, Pendergrass and Brower.</u> No comments were directed to the Board during the public comment period on this item.
- 2. Consider Development of Recommendation to the Board on Contract for Preparation of Los Padres Dam Fish Passage Study On a motion by Byrne and second of Pendergrass, the committee recommended that the Board of Directors approve a contract with HDR in the amount of \$310,000 for preparation of the Los Padres Dam Fish Passage study. The motion was approved on a

<u>vote of 3 - 0 by Byrne, Pendergrass and Brower.</u> The committee also suggested that a tour of the Los Padres Dam and other project sites in Carmel Valley be scheduled for the committee, or the full Board.

Public Comment: **Ian Crooks**, California American Water, advised the committee that HDR was well qualified as they also bid on downstream fish passage facilities constructed by Cal-Am.

3. Consider Development of Recommendation to the Board on Items Related to Bureau of Reclamation Watersmart Program

- A. Consider Authorization of Contract for Assistance with Preparation of the Salinas and Carmel River Basins Study
- B. Authorize the General Manager to Enter Into a Grant Agreement with the United States Bureau of Reclamation

On a motion by Pendergrass and second of Byrne, the committee recommended that the Board of Directors: (A) authorize a contract with Brown & Caldwell in the amount of \$45,000 for preparation of the Salinas Carmel River Basin study; and (B) authorize participation in a grant agreement with the United States Bureau of Reclamation to fund the Salinas and Carmel River Basins Study. No comments were directed to the committee during the public comment period on this item.

4. Consider Recommendation to the Board Regarding a Finance Plan for Utilization of User Fee and Water Supply Charge Funds

Pendergrass offered a motion that was seconded by Byrne to recommend that the Board of Directors adopt the finance plan presented by staff in the bulleted list on page134 of the committee packet. The motion was approved on a vote of 3 - 0 by Pendergrass, Byrne and Brower.

Public Comment: **George Riley** encouraged the committee to carefully develop a plan to explain the financing proposal to the public.

Discussion Items

5. Discuss Possible District Water Entitlement Ordinance

Stoldt discussed with the committee the concept of a water entitlement ordinance. The issue was deferred to a future meeting. During the public comment period on this item, George Riley advised the committee to move slowly and carefully on development of this concept.

6. Update on Seaside Basin Boundary Modification Application for Sustainable Groundwater Management Act (SGMA)

Stoldt reported that the Water Management District filed for a Seaside Basin Boundary modification. The California State Department of Water Resources responded that the application was incomplete and requested letters of support for the boundary modification from all affected jurisdictions.



7. Update on Carmel River Basin (Carmel Valley Alluvial Aquifer) SGMA Process The California State Department of Water Resources has agreed that a groundwater management plan should not be required for the Carmel River Alluvial Aquifer. The Water Management District is awaiting a formal declaration from the state.

8. Update on ASR Activities

Stoldt reported that as of April 7, 2016, 699.18 acre-feet of water has been produced by the Aquifer Storage and Recovery Project in the current injection season.

- 9. Update on Pure Water Monterey Project Referred to the next committee meeting.
- **10.** Update on California American Water Desalination Project Referred to the next committee meeting.
- **11. Update on Alternative Desalination Project** Referred to the next committee meeting.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: The meeting was scheduled for May 12, 2016 at 9 am.

Adjournment: The meeting was adjourned at 11:55 am.

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EXHIBIT 24-E

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District *March 3, 2016*

Call to Order	The meeting room.	was called to order at 9:05 am in the MPWMD conference
Committee memb	ers present:	Robert S. Brower, Sr Committee Chair Jeanne Byrne David Pendergrass
Committee memb	ers absent:	None
Staff members pr	esent:	David Stoldt, General Manager Larry Hampson, Planning & Engineering Division Manager Joseph Oliver, Water Resources Division Manager Arlene Tavani, Executive Assistant
District Counsel p	oresent	David Laredo
Comments from t	he Public:	No comments.

Action Items

1. Provide Direction to Staff on Consulting Team for North Monterey County Drought Contingency Plan

On a motion by Pendergrass and second of Byrne, the committee voted to recommend that the Board of Directors hire the consulting team of Bryant & Associates, Brown and Caldwell, Carollo Engineers and Data Instincts to execute the North Monterey County Drought Contingency Plan for an amount of \$225,000, and to proceed without a Request for Qualifications. The motion was approved on a vote of 3 – 0 by Pendergrass, Byrne and Brower.

George Riley addressed the Board during the public comment period. He asked if the area south of Salinas would be included in the plan. Stoldt stated that in the next round of funding opportunities, the Monterey County Water Resources Agency may submit an application for that area.

Discussion Items

2. Discuss Finance Plan for Utilization of User Fee and Water Supply Charge Funds Stoldt stated that four questions have been posed to outside counsel. (1) The 7.125% component pre-dated prop 218, could it be re-implemented without the 218 process? (2) Could the Water Management District continue to collect the 1.2% dedicated to Aquifer Storage and Recovery (ASR)? (3) Requested confirmation that the 7.125% water supply charge could be used for any purpose. (4) As the funding needs of the Water Management District change, could the authorized level of user fee and water supply charge be maintained while suspending collection of a portion of those funds? Stoldt recommended that two surcharges listed on the California American Water (Cal-Am) bill that are paid to MPWMD for activities it carries out on behalf of Cal-Am, be replaced with one surcharge paid directly to the Water Management District for its mitigation and conservation activities. The surcharge should be calculated as a percentage of the total water-service-related charges. Stoldt noted that Ordinance No. 152 contains a sunset provision. The Water Management District could sunset the water supply charge, but he recommended that it should not be de-authorized in case the funds are needed at a later date.

Public Comment: **Brian LeNeve** asked for clarification of the user fee and water supply charges. Stoldt responded that 1.2% of any user fee is set aside for ASR, and that he recommends replacement of the two current user fees with one, but the amount has not been determined. **George Riley** stated that the Ordinance No. 152 Oversight Panel recommended that the user fee and water supply charge remain in effect, and that payment of the Rabobank loan from those funds should be a priority.

3. Update on Seaside Basin Boundary Modification Application for Sustainable Groundwater Management Act (SGMA)

Oliver reported that notification of the request to modify the Seaside Basin Boundary has been submitted to the Department of Water Resources. Staff is preparing additional documents that must be submitted by March 31, 2016.

4. Update on Carmel River Basin (Carmel Valley Alluvial Aquifer SGMA Process)

Stoldt reported that there are other basins in California that consist of surface water flowing in a known and defined channel. The Water Management District's preference was that the Department of Water Resources remove the Carmel Valley Alluvial Aquifer from its purview – which would mean there would be no need for a Groundwater Management Plan for that area.

5. Update on ASR Activities

The project has injected 270 acre-feet of Carmel River water. As of March 3, 2016, flow is insufficient for ASR operations to be conducted. If additional rainfall is received, injection/recovery could start-up again.

6. Update on Pure Water Monterey Project

Stoldt distributed a document that listed an estimate of the project costs with and without Cal-Am facilities.

7. Update on California American Water Desalination Project

Laredo reported that the California Public Utilities Commission has scheduled hearings on April 11 and 12, 2016. Seven issues have been identified for discussion during those hearings.



8. Update on Alternative Desalination Project No discussion.

Suggestions from the Public on Water Supply Project Alternatives: No comments received.

Set Next Meeting Date: The meeting was scheduled for April 5, 2016 at 9 am

Adjournment: The meeting was adjourned at 10:45 am.

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EXHIBIT 24-F

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District January 20, 2016

Call to Order	The meeting was called to order at 9:03 am in the MPWMD conference room.					
Committee membe	ers present:	Robert S. Brower, Sr Committee Chair Jeanne Byrne David Pendergrass				
Committee membe	ers absent:	None				
Staff members pre	sent:	David Stoldt, General Manager Larry Hampson, Planning & Engineering Division Manager Joe Oliver, Water Resources Division Manager Arlene Tavani, Executive Assistant				
District Counsel p	resent	David Laredo				
Comments from th	e Public:	George Riley stated that there is a weakness in California- American Water's plan for 20 year replacement of slant wells for the Monterey Peninsula Water Supply Project desalination facility, and an engineering response is needed.				

Action Items

- 1. Consider Adoption of December 11, 2015 Committee Meeting Minutes Minutes were not presented for action. Item deferred to the next meeting of the committee.
- 2. Consider Development of a Recommendation to the Board on Adoption of Resolution 2016-01 to Initiate the Proposed Basin Boundary Modification Request to Recognize the Adjudicated Seaside Groundwater Basin with the California Department of Water Resources under the Sustainable Groundwater Management Act

On a motion by Pendergrass and second of Byrne, the committee recommended that the Board of Directors adopt Resolution 2016-01, and direct the General Manager to proceed with filing an Initial Notification to the Department of Water Resources regarding the basin boundary modification request to recognize the adjudicated Seaside Basin in the DWR's Bulletin 118. The motion was approved on a vote of 3 - 0 by Pendergrass, Byrne and Brower.

During the public comment period on this item, George Riley asked if subsequent jurisdictional boundary changes by LAFCO would exclude the Water Management District's participation in a groundwater management plan. Stoldt responded that the Water Management District would be involved regardless of LAFCO boundary changes.

3. Update on Status of Los Padres Dam – Review and Comment on Draft Los Padres Dam Fish Passage Feasibility Assessment Study Plan

Hampson presented the report on this item. The committee discussed the issue and recommended the following. The Water Management District should prepare a Request for Qualifications (RFQ) on preparation of a downstream volitional fish passage study. The Water Management District should take the lead role in coordination of a stakeholders group, but a list of participants will not be specified in the RFQ. The document will state, "Members of organizations with interest or expertise will be invited to participate in the group." One of the qualifications for responsive consultants is that the firm must name a person on the team that has experience working with the Department of Safety of Dams. The final scope of work will reflect National Marine Fisheries Service and Fish and Wildlife Service comments. The scope of work will be incorporated into a formal Request for Proposals.

George Riley addressed the committee during the public comment period on this item. He requested that the "stakeholder" group be identified as a "study" group.

4. Consider Development of a Recommendation to the Board of Directors on an Agreement with the United States Geological Survey to Calibrate the Carmel River Basin Simulation Model

On a motion by Pendergrass and second of Byrne, the committee recommended that the Board of Directors authorize an expenditure of \$50,000 to contract with the United States Geological Survey for calibration of the Carmel River Basin Simulation Model. The motion was adopted on a vote of 3 - 0 by Pendergrass, Byrne and Brower. No comments were directed to the committee during the public comment period on this item.

Discussion Items

5. Report from Joe Oliver on Aquifer Storage and Recovery

Oliver reported that 73 acre-feet of Carmel River water have been injected over the past 5 days. The maximum amount of water to be injected per year under both permits would be 6,326 acre-feet. However, at this time pipeline, storage, and treatment capacity are insufficient to operate at the maximum level.

6. Report from David Stoldt on Drought Recovery Plan RFP

Stoldt reported that the Water Management District received a Bureau of Reclamation (Bureau) grant for development of a Drought Contingency Plan for Northern Monterey County, which is critical for eligibility to receive future Bureau grants for the Pure Water Monterey Project. The Water Management District is coordinating with other agencies on development of both a Basin Management Study and Drought Contingency Plan. Staff will request funding of approximately \$180,000 to \$200,000 from the Board for completion of the Drought Contingency Plan, which will provide the local match to



the \$200,000 Bureau of Reclamation grant. No comments were directed to the committee during the public comment period on this item.

7. Update on Pure Water Monterey Project No report.

8. Update on California American Water Desalination Project

California American Water maintains that the project will be completed by May 2019. However, no dates are set for hearings on the EIR or other subsequent milestones. All water rights needed for Pure Water Monterey (PWM) have been noticed, and the protest period ends in mid-February. Staff from the Office of Ratepayer Advocates have stated that PWM may be preferable due to its certainty, even if the project costs are not equal to the costs of Cal-Am desal.

George Riley addressed the committee during the public comment period. He stated that community members have expressed concerns about PWM water quality. He questioned the cost of Cal-Am facilities associated with PWM, and requested that the Water Management District prepare a comparison of Cal-Am Desal and PWM project costs. He stated that if Cal-Am's desal project is delayed, the only water supply options are PWM and the two alternative desalination projects, DeepWater Desal and the People's Desalination Project.

9. Update on Alternative Desalination Project No report.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: The meeting was scheduled for March 3, 2016 at 9 am.

Adjournment: The meeting was adjourned at 10:25 am.

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EXHIBIT 24-G

FINAL MINUTES Water Supply Planning Committee of the Monterey Peninsula Water Management District December 11, 2015

Call to Order The meeting was called to order at 9 am in the MPWMD conference room.					
Committee members present:	Robert S. Brower, Sr Committee Chair David Pendergrass				
Committee members absent:	Jeanne Byrne				
Staff members present:	David Stoldt, General Manager Larry Hampson, Planning & Engineering Division Manager Joe Oliver, Water Resources Division Manager Arlene Tavani, Executive Assistant				
District Counsel present	David Laredo				
Comments from the Public:	No comments.				

Action Items

- Consider Adoption of November 2, 2015 Committee Meeting Minutes
 On a motion by Pendergrass and second of Brower, the November 2, 2015 Committee
 meeting minutes were approved on a unanimous vote of 2 0 by Brower and
 Pendergrass. Byrne was absent.
- 2. Consider Development of Recommendation on Groundwater Lease with City of Seaside for Santa Margarita ASR Facilities
 On a motion by Pendergrass and second of Brower, the committee recommended that the Board of Directors approve the groundwater lease according to the terms described as Alternative 2 in the handout Stoldt distributed to the committee. Alternative 2 assumes a reduced lease payment from that requested by the City of Seaside. The motion was approved unanimously on a vote of 2 0 by Brower and Pendergrass. Byrne was absent. No public comment was directed to the committee on this item.

Discussion Items

3. Update on Seaside Basin Groundwater Sustainability Meeting

Stoldt reported that on November 19, 2015, staff met with representatives from the
Monterey County Water Resources Agency, Seaside Basin Watermaster, Marina Coast
Water District and California American Water (Cal-Am) to discuss the Sustainable
Groundwater Management Act (SGMA) and how it relates to the Seaside Groundwater

Basin. Stoldt explained that the Department of Water Resources Bulletin 118 depiction of the Seaside Groundwater Basin is outdated and needs to be modified to better comport with the more recent technical and regulatory settings attendant to the basin. As an eligible agency under SGMA, the Water Management District offered to lead the effort on boundary modification through the DWR's process. At the November meeting, the stakeholders determined that the boundaries could be modified as described below, and depicted in handouts 1, 2 and 3. After the stakeholders have reviewed the proposal again, and indicated approval, the Water Management District could make a formal request for modification to the DWR.

Proposed Modification: The Bulletin 118 boundary is shown in handout 1 (**DWR-118-boundary.pdf**) and is labeled "Salinas Valley Seaside Area". The modification that the group achieved consensus on is shown in handout 2 (**Plate1-Seaside-Basin-modif-regional.pdf**). This modification inserts the adjudicated Seaside Basin boundary and removes the remainder area in the southwest portion of the DWR boundary, as this area is not hydrogeologically linked to the aquifer system in the Seaside Basin. The remainder area to the north of the Seaside Basin has been renamed "Salinas Valley Marina Area". A more detailed view of the proposed basin boundary modification is shown in handout 3 (**Plate2-Seaside-Basin-modif-local.pdf**), and this map includes the internal Seaside Basin subarea boundaries as described in the adjudication decision.

During the public comment period on this item, **Luke Coletti** asked if new wells planned for the Del Monte Golf Course will be located in the section of the basin to be removed from the DWR Bulletin 118 map. *Staff responded that those wells are not in that area.*

4. Update on Pure Water Monterey Project

Stoldt stated that he met with representatives from HDR regarding the Externalities Study of the Pure Water Monterey Project (PWM) that is underway, and determined that there are social and environmental benefits associated with the project. Stoldt reviewed the outcome of discussions with Cal-Am on the cost structure for the project. He stated the following. (a) In 2013, Cal-Am filed estimated desalination project costs with the courts. Those cost estimates have been utilized to develop a cost comparison between the 9.6 mgd Desal plant, and a 6.4 mgd desal plant with PWM. (b) By December 15, 2015, Cal-Am must submit to the CPUC updated estimates of costs for the proposed desalination project. (c) An application has been submitted to the state for 1% financing of the PWM project. If 1% financing is obtained, the project will be eligible for Proposition 1 grant funds. (d) The water purchase agreement is still under negotiation. Cal-Am has demanded joint and several responsibility; which the Water Management District and the Monterey Regional Water Pollution Control Agency (PCA) will not agree to. (e) The cost estimates for PWM compared favorably to the 2013 cost projections for the two desalination project options. (f) The 2015 cost updates indicate that 9.6 mgd project costs have not changed significantly, but the 6.5 mgd numbers have shifted. Cal-Am proposes the same structure for the 9.6 mgd plant and the 6.5 mgd plant, which allows future expansion if necessary, but also increases the cost for the 6.5 mgd plant. Therefore the desalination project cost difference has narrowed in comparison to PWM.



During the public comment period on this item, **Luke Coletti** stated that cost savings will be achieved due to power generated from methane gas by the Monterey Regional Waste Management District.

5. Update on SWRCB Hearing re Pacific Grove Water Project

Stoldt reported that in November 2015, the City of Pacific Grove was granted lowinterest State Revolving Loan funds and grants for development of the Pacific Grove Water Project. The loans/grants were approved with a condition that prohibits the allocation of water from the project for new uses, until the State Water Resources Control Board (SWRCB) gives consent to use the water for new connections. The Water Management District disagrees with that condition and will be in contact with the Executive Director of the SWRCB. The Water Management District will present Ordinance No. 168 to the Board of Directors that would establish a water entitlement of 66 acre-feet of water from the project for the City of Pacific Grove; a 9 acre-feet allocation to the District; and 13 acre-feet permanently suspended from use to benefit the Carmel River. The goal is to establish the entitlement so that it is available to the City of Pacific Grove when the SWRCB authorizes use of the water for new connections.

Luke Coletti addressed the committee during the public comment period on this item. He stated that the Water Management District should review video from the SWRCB hearing on the Pacific Grove Water Project to learn that the SWRCB supports the restrictions on allocation of water from the project. He asked if the Water Management District understands the ruling to mean that allocation of water from the District's 9 acre-feet allotment is also restricted. *Brower responded that no decision has been made on that issue.*

6. Update on California American Water Desalination Plant

Stoldt reported that Cal-Am must file documents regarding project costs on December 15, 2015 and on January 22, 2016 regarding project sizing. Cal-Am plans to design the plant based on maximum daily and monthly water needs. Also the 10-year average use.

Luke Coletti addressed the committee during the public comment period on this item. He asked if the Water Management District had an opinion on Cal-Am's slant well test results, considering that they had not extended the well out to the ocean as originally designed. *Hampson stated that the Water Management District has questioned project feasibility due to difficulties Cal-Am encountered in drilling the test well.* **Brian LeNeve** stated that the well could draw in saltwater at a higher rate due to its location.

7. Update on Los Padres Dam

The California Public Utilities Commission (CPUC) authorized Cal-Am to co-fund \$1 million from the 2015-2017 general rate case to develop a long-term plan on Los Padres Dam. The reimbursement agreement between the Water Management District and Cal-Am to do that work has been executed. The first study to be done is development of a plan for downstream volitional fish passage. The cost to develop the study could be \$25 to \$50 million.



Brian LeNeve addressed the Board during the public comment period on this item. He asked what plans had been made for improvements at the existing fish ladder, considering that one of the mitigation measures for extending the CDO was to improve the fish ladder. *Hampson stated that Cal-Am will request a one-year extension in its rate filing to fund the fish passage studies, so there is time to study improvements or alternatives to the existing trap and truck operations.*

8. Update on Alternative Desalination Project No report.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: January 20, 2016 at 9 am

Adjournment: The meeting was adjourned at 10:25 am.



ITEM: INFORMATIONAL ITEM/STAFF REPORTS

25. MONTHLY ALLOCATION REPORT

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program: Line Item No.:	N/A
Prepared By:	Gabriela Ayala	Cost Estimate:	N/A
General Counsel Committee Reco CEQA Complian	mmendation: N/A		

SUMMARY: As of May 31, 2016, a total of **25.830** acre-feet (**7.5%**) of the Paralta Well Allocation remained available for use by the Jurisdictions. Pre-Paralta water in the amount of **35.861** acre-feet is available to the Jurisdictions, and **30.384** acre-feet is available as public water credits.

Exhibit 25-A shows the amount of water allocated to each Jurisdiction from the Paralta Well Allocation, the quantities permitted in May 2016 ("changes"), and the quantities remaining. The Paralta Allocation had no debits in May 2016.

Exhibit 25-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 25-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 25-C**.

EXHIBITS

- **25-A** Monthly Allocation Report
- **25-B** Monthly Entitlement Report
- **25-C** District's Water Allocation Program Ordinances

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EXHIBIT 25-A

MONTHLY ALLOCATION REPORT Reported in Acre-Feet For the month of May 2016

Jurisdiction	Paralta Allocation*	Changes	Remaining	PRE- Paralta Credits	Changes	Remaining	Public Credits	Changes	Remaining	Total Available
Airport District	8.10	0 0.000	5.197	0.000	0.000	0.000	0.000	0.000	0.000	5.197
Carmel-by-the-Sea	19.41	0 0.000	1.397	1.081	0.000	1.081	0.910	0.000	0.182	2.660
Del Rey Oaks	8.10	0 0.000	0.000	0.440	0.000	0.000	0.000	0.000	0.000	0.000
Monterey	76.32	0 0.000	0.203	50.659	0.000	0.030	38.121	0.000	3.661	3.894
Monterey County	87.71	0 0.000	10.284	13.080	0.000	0.000	7.827	0.000	1.891	12.175
Pacific Grove	25.77	0 0.000	0.000	1.410	0.000	0.312	15.874	0.095	0.133	0.445
Sand City	51.86	0 0.000	0.000	0.838	0.000	0.000	24.717	0.000	23.373	23.373
Seaside	65.45	0 0.000	8.749	34.438	0.000	34.438	2.693	0.000	1.144	44.331
TOTALS	342.72	0 0.000	25.830	101.946	0.000	35.861	90.142	0.095	30.384	92.075
Allocation Holde	r	Water A	vailable	Changes	this Month	Tota	l Demand froi Permits Issu			ng Water ilable

Quail Meadows	33.000	0.000	32.237	0.763
Water West	12.760	0.000	8.843	3.917

Entitlement Holder	Water Available	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
Malpaso Water Company	80.000	2.270	0.224	79.776

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

EXHIBIT 25-B

MONTHLY ALLOCATION REPORT ENTITLEMENTS Reported in Acre-Feet For the month of May 2016

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	238.560	0.100	18.865	219.695
Del Monte Forest Benefited Properties ² (Pursuant to Ord No. 109)	126.440	0.083	42.963	83.477
Macomber Estates	10.000	0.000	9.595	0.405
Griffin Trust	5.000	0.000	4.809	0.191
CAWD/PBCSD Project Totals	380.000	0.183	76.232	303.768

Entitlement Holder	Entitlement	Changes this Month	Total Demand from Water Permits Issued	Remaining Entitlement/and Water Use Permits Available
City of Sand City	165.00	0.000	3.616	161.384

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

EXHIBIT 25-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 Malpaso 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

26. WATER CONSERVATION PROGRAM REPORT

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Kyle Smith	Cost Estimate:	N/A
Committee Reco CEQA Complian	mmendation: N/A ace: N/A		

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, 2.2 gpm faucet aerators, 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 is entered into the database and compared against the properties that have submitted WCCs. Details on **159** property transfers that occurred in May 2016 were entered into the database.

B. Certification

The District received **39** WCCs between May 1, 2016, and May 31, 2016. Data on ownership, transfer date, and status of water efficiency standard compliance were entered into the database.

C. Verification

In May, **102** properties were verified to be in compliance with Rule 144 (Retrofit Upon Change of Ownership or Use). Of the **102** inspections, **48** properties verified compliance by submitting certification forms and/or receipts. District staff completed **54** site inspections. Of the **54** properties inspected **33** (**61%**) were in compliance. **One** of the properties that passed inspection involved more than one visit to verify compliance with all water efficiency standards.

District inspectors are tracking toilet replacement with High Efficiency Toilets (HET) in place of ULF toilets. These retrofits are occurring in remodels and new construction, and are the toilet of choice for Rule 144 compliance. State law mandated the sale and installation of HET by January 1, 2014, with a phase-in period that began in 2010. The majority of toilets sold in California are HET.

Savings Estimate

Water savings from HET retrofits triggered by Rule 144 verified in May 2016 are estimated at **0.250** acre-feet annually (AFA). Water savings from retrofits that exceeded requirements (i.e., HETs to Ultra High Efficiency Toilets) is estimated at **0.250** AFA (25 toilets). Year-to-date estimated savings occurring as a result of toilet retrofits is **6.350** 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 **69** inspections. Of the **69** inspections certified, **43** (**62%**) were in compliance. **Three** 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 April 2016, MPWMD referred **24** 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 October 1, 2014, 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 <u>www.mpwmd.net</u> or <u>www.montereywaterinfo.org</u>. There were **four** 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 **73** Water Permits in April 2016. **Four** Water Permits were issued using Water Entitlements (Macomber, Pebble Beach Company, Griffin Estates, etc). No Water Permit 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 **73** Water Permits issued in April, **six** were issued under this provision.

B. Permit Compliance

District staff completed **82** Water Permit final inspections during May 2016. **Eight** of the final inspections failed due to unpermitted fixtures. Of the **63** properties that were in compliance, **45** passed on the first visit. In addition, **four** pre-inspection were conducted in response to Water Permit applications received by the District.

C. <u>Deed Restrictions</u>

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 April, the District prepared **58** deed restrictions. Of the **73** Water Permits issued in April, **37** (**48%**) required deed restrictions. District staff provided Notary services for **47** 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.

									1997 -
	REBATE PROGRAM SUMMARY				May-2016			2016 YTD	Present
١.	<u>App</u>	lication Summary							
	Α.	Applications Received			228			945	21780
	В.	Applications Approved			181			762	17117
	C.	Single Family Applications			205			878	19615
	D.	Multi-Family Applications			14			43	1090
	Ε.	Non-Residential Applications			9			24	276
			Number						
			of	Rebate	Estimated	Gallons	YTD		
II.	Тур	e of Devices Rebated	devices	Paid	AF	Saved	Quantity	YTD Paid	YTD Est AF
	Α.	High Efficiency Toilet (HET)	25	2470.00	1.043700	340,091	93	9257.00	3.882564
	В.	Ultra Low Flush to HET	53	5162.00	0.530000	172,701	173	16957.57	1.73
	C.	Ultra HET	60	8800.63	0.600000	195,511	129	19003.83	1.29
	D.	Toilet Flapper	0	0.00	0.000000	0	0	0.00	0
	Ε.	High Efficiency Dishwasher	13	1625.00	0.039000	12,708	97	12125.00	0.291
	F.	High Efficiency Clothes Washer	52	25999.00	0.837200	272,802	270	134944.65	4.347
	G.	Instant-Access Hot Water System	2	389.00	0.000000	0	18	3301.00	0
	Н.	On Demand Systems	1	100.00	0.000000	0	5	500.00	0
	١.	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
	К.	Pint Urinals	0	0.00	0.000000	0	0	0.00	0
	L.	Cisterns	3	1707.50	0.000000	0	37	43733.50	0
	М.	Smart Controllers	0	0.00	0.000000	0	1	140.00	0
	N.	Rotating Sprinkler Nozzles	0	0.00	0.000000	0	0	0.00	0
	О.	Moisture Sensors	0	0.00	0.000000	0	0	0.00	0
	Ρ.	Lawn Removal & Replacement	4	3105.00	0.254610	82,965	17	19956.00	1.821712
	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.	Tot	als: Month; AF; Gallons; YTD	213	49358.13	3.304510	1,076,778	840	259,918.55	13.362276
									1997 -
								2016 YTD	Present
IV.	<u>Tota</u>	al Rebated: YTD; Program						259,918.55	5,154,211.61
۷.	<u>Esti</u>	mated Water Savings in Acre-Feet An	nually*					13.362276	498.099241

* 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.

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ITEM: INFORMATIONAL ITEMS/STAFF REPORTS

27. CARMEL RIVER FISHERY REPORT FOR MAY 2016

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Beverly Chaney	Cost Estimate:	N/A
General Counse Committee Reco CEQA Complia	ommendation: N/A		

AQUATIC HABITAT AND FLOW CONDITIONS: Dry weather in May reduced river flows substantially, but flow conditions in the lower Carmel River remained good to fair for migration and rearing for all but adult steelhead life stages.

Mean daily streamflow at the Sleepy Hollow Weir dropped from 47 to 20 cubic feet-per-second (cfs) (monthly mean 33.4 cfs) resulting in 2,050 acre-feet (AF) of runoff, while flows at the Highway 1 gage dropped from 40 to 13 cubic feet-per-second (cfs) (monthly mean 25.1 cfs), resulting in 1,540 acre-feet (AF) of runoff.

Two small storms in early May brought 0.21 inches of rainfall as recorded at Cal-Am's San Clemente gauge (49% of the long-term April average). The rainfall total to date for WY 2016 (which started on October 1, 2015) is 22.25 inches, or 107% of the long-term year-to-date average of 20.80 inches.

CARMEL RIVER LAGOON: May water surface elevations (WSE) ranged from approximately 4.5 to 11.3 feet above mean-sea-level as the lagoon filled and re-opened May 10 before forming a low-flow out-channel for the remainder of the month (see graph below).

Water-quality profiles were conducted in mid-May at five lagoon sites. Overall, water conditions were only "fair" for steelhead rearing with water temperatures between 62 and 70 degrees Fahrenheit, dissolved oxygen (DO) ranging from 2 - 12 mg/L, and low salinity levels (down to 2.0 meters depth) ranging from 1 to 30 parts per thousand (ppt).

ADULT STEELHEAD COUNTS: The DIDSON camera was installed in the lower valley on January 12, 2016. The data are currently being reviewed and preliminary results will be reported once available. The DIDSON was removed for the year on May 24, 2016.

No adult steelhead have been observed at the Los Padres Dam fish ladder through May.

STEELHEAD REDD SURVEYS: Staff completed two full-length Carmel River (Highway 1 to Los Padres Dam [LPD], 23 miles) redd (nest) surveys in February and May 2016. The comprehensive surveys looked at the number and location of redds, the presence of any steelhead

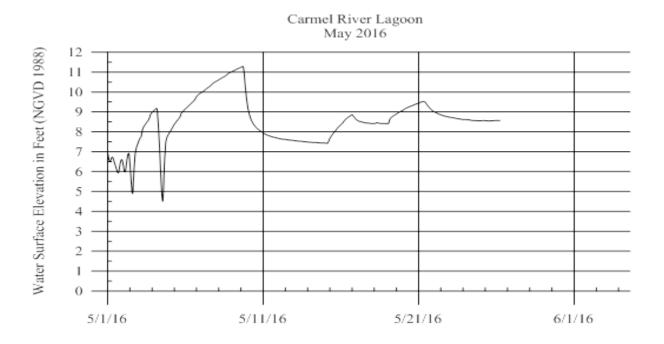
(adults, smolts, juvenile, fry, carcasses), river conditions such as spawning gravel location and movement, and passage barriers, as well as keeping an eye open for any possible illegal activities like poaching. Additionally, a large number of Pacific Lamprey (a species of special concern) redds and adults were observed this year so detailed notes were taken on those.

Overall, 42 steelhead redds were observed between Quail Golf Course (River Mile [RM] 5.25) and a half-mile downstream of LPD (~RM 24.3). Five adult steelhead, as well as a number of smolts and fry were also observed.

Interestingly, of the 74 lamprey redds counted, 10 were observed above the San Clemente Dam removal site – the first known occurrence of this species there since the dam was built in 1921.

STEELHEAD RESCUES: Staff is preparing to start summer steelhead rescues in the mainstem, once flows drop below 10 cfs at the HW1 Bridge, likely in mid-June. Rescue activities started in the lower reaches of several tributaries in late May.

SLEEPY HOLLOW STEELHEAD REARING FACILITY: Staff expects to rear rescued steelhead at the Facility this summer and was preparing and testing all the operating systems in May.



ITEM: INFORMATIONAL ITEMS/STAFF REPORT

28. MONTHLY WATER SUPPLY AND CALIFORNIA AMERICAN WATER PRODUCTION REPORT

Meeting Date:	June 20, 2016	Budgeted:	N/A
From:	David J. Stoldt, General Manager	Program/ Line Item No.:	N/A
Prepared By:	Jonathan Lear	Cost Estimate:	N/A
General Counse Committee Reco CEQA Complia	ommendation: N/A		

Exhibit 28-A shows the water supply status for the Monterey Peninsula Water Resources System (MPWRS) as of **June 1, 2016**. 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 28-A** is for Water Year (WY) 2016 and focuses on four factors: rainfall, runoff, storage, and steelhead. The rainfall and Streamflow values are based on measurements in the upper Carmel River Basin at San Clemente Dam.

Water Supply Status: As shown, rainfall through May 2016 totaled 0.21 inches and brings the cumulative rainfall total for WY 2016 to 22.25 inches, which is 107% of the long-term average through May. Estimated unimpaired runoff during May 2016 totaled 2,087 acre-feet (AF) and brings the cumulative runoff total for WY 2016 to 43,675 AF, which is 67% of the long-term average through May. Usable storage, which includes surface and groundwater, was 31,234 or 101% of the long-term average at the end of May. This storage equates to 83% of system capacity.

Production Compliance: Under State Water Resources Control Board (SWRCB) Cease and Desist Order No. 2009-0060, California American Water (Cal-Am) is allowed to produce no more than 9,703 AF of water from the Carmel River in WY 2016. In addition, under the Seaside Basin Decision, Cal-Am is allowed to produce 2,251AF of water from the Coastal Subareas and 48 AF from the Laguna Seca Subarea of the Seaside Basin in WY 2016. Altogether, Cal-Am is currently allowed to produce 11,954 AF from Carmel River and Seaside Coastal sources for customers in its main Monterey system and 48 AF from the Laguna Seca Subarea for customers in Ryan Ranch, Hidden Hills, and Bishop Systems (not adjusted for Sand City Desalination). For WY 2016 through May, Cal-Am has produced 6,412 ÅF from the Carmel River (including ASR and Table 13), and Seaside Basin. This water production is 785 AF or 10.9 % less than the target specified for Cal-Am's production from the MPWRS for WY 2016 to date. Cal-Am has produced 5,796 AF for customer use through May. A breakdown of Cal-Am's production for WY 2016 is included as Exhibit 28-B. For WY 2016 through May, 699 AF of Carmel River Basin groundwater have been diverted for Seaside Basin injection; 0 AF have been recovered for customer use and 137 AF have been diverted under Table 13. Exhibit 28-C shows production breakdown from all sources for all uses. Some of the values in this report may be revised in the future as Cal-Am finalizes their production values and monitoring data.

EXHIBITS

- **28-A** Water Supply Status: June 1, 2016
- **28-B** Monthly Cal-Am Diversions from Carmel River and Seaside Groundwater Basins: Water Year 2016
- **28-C** Monthly Cal-Am production by source: WY 2016

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EXHIBIT 28-A

	Monterey Peninsula Water Management District Water Supply Status June 1, 2016								
	Factor	Water Year 2016 Oct - May	Average To Date	Percent of Average	Water Year 2015 Oct - May				
	Rainfall (Inches)	22.25	20.80	107%	15.90				
\land	Runoff (Acre-Feet)	43,675	64,985	67%	21,868				
	Storage (Acre-Feet)	31,230	30,830	101%	30,623				

Notes:

- 1. Rainfall and runoff estimates are based on measurements at San Clemente Dam. Annual rainfall and runoff at San Clemente Dam average 21.1 inches and 67,442 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 San Clemente Dam site are based on records for the 1922-2015 and 1902-2015 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 1989-2015 period. The storage estimates are end-of-month values for the dates referenced in the table.
- 4. The maximum usable storage capacity for the MPWRS at this time, with the flashboard in at Los Padres Dam and no capacity at San Clemente Dam, is 37,639 acre-feet.
- 5. The adult steelhead count historically provided for fish that migrate up the fish ladder at San Clemente Dam is no longer available subsequent to the removal of the dam in 2015.

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EXHIBIT 28-B

(All values in Acre-Feet)

		Carmel	Seaside Gro Ba	undwater sin	Water Ri	ghts and Pr	MPWRS	Demont	
	Year-to-Date	River		Laguna	ASR	Table 13	Sand		Percent Below
	Values	Basin ²	Coastal	Seca	Recovery		City ³	Total	Target
	Target	5,643	1,100	27	0	227	200	7,197	10.9%
	Actual ⁴	5,399	830	182	0	137	83	6,412	10.770
-	Difference	244	270	-155	0	91	117	785	

1. This table is current through the last populated month of the table below.

2. For CDO compliance, ASR and Table 13 diversions are included in River production per State Board.

3. Sand City Desal is not part of the MPWRS production and is tracked as a new source.

4. To date, 699 AF and 137 AF have been produced from the River for ASR and Table 13 respectively.

Monthly Production from all Sources for Customer Service: WY 2016

	Carmel River	Seaside Basin	ASR Recovery	Table 13	Sand City	Total
Oct-15 Nov-15 Dec-15 Jan-16 Feb-16 Mar-16 Apr-16 Jun-16 Jun-16 Jun-16 Aug-16 Sep-16	568 479 527 495 606 427 701 761	288 187 117 87 44 139 54 98	0 0 0 0 0 0 0 0	$ \begin{array}{c} 0 \\ 0 \\ 42 \\ 10 \\ 81 \\ 3 \\ 0 \end{array} $	11 0 2 5 15 28 22	867 666 644 627 664 662 786 881
Total	4,563	1,013	0	137	83	5,796

(All values in Acre-Feet)

1. This table is produced as a proxy for customer demand.

2. Numbers are provisional and are subject to correction.

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EXHIBIT 28-C

	Carmel Valley Wells ¹			Seaside Wells ²					Total Wells			Sand City Desal						
	Act	ual	Antici	pated ³	Under	Target	А	ctual	Ant	icipated	Under	r Target	Actual	Anticipated	Acre-Feet Under Target	Actual	Anticipated	Under Target
	Upper	Lower	Upper	Lower	Upper	Lower	Coastal	LagunaSeca	Coastal	LagunaSeca	Coastal	LagunaSeca						
	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet	acre-feet
Oct-15	0	568	0	568	0	0	258	31	400	5	142	-26	856	973	117	11	25	14
Nov-15	0	479	0	479	0	0	166	21	300	3	134	-18	665	782	116	0	25	25
Dec-15	0	527	35	637	35	110	97	20	100	3	3	-17	644	775	131	0	25	25
Jan-16	85	662	0	725	-85	63	69	19	100	3	31	-16	835	828	-7	2	25	23
Feb-16	53	622	0	926	-53	304	25	19	100	2	75	-17	719	1,028	309	5	25	20
Mar-16	154	731	0	1,011	-154	280	119	19	100	3	-19	-16	1024	1,114	90	15	25	10
Apr-16	24	729	0	994	-24	265	29	25	0	3	-29	-22	807	997	190	28	25	-3
May-16	24	736	0	1,191	-24	455	68	30	0	5	-68	-25	859	1,196	337	22	25	3
Jun-16																		
Jul-16																		
Aug-16 Sep-16																		
Sep-10							I							1	1		1	<u> </u>
o Date	342	5,054	35	6,530	-307	1,476	830	182	1,100	27	270	-155	6,409	7,692	1,283	83	200	117

California American Water Production by Source: Water Year 2016

Total Production: Water Year 2016

	Actual	Anticipated	Acre-Feet Under Target
Oct-15 Nov-15 Jan-16 Feb-16 Mar-16 Apr-16 Jun-16 Jul-16 Aug-16 Sep-16	867 666 644 837 723 1,039 835 881	998 807 800 853 1,053 1,139 1,022 1,221	131 141 156 16 329 100 187 340
To Date	6,492	7,892	1,400

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 Ajudication 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. Current "anticipated" water budget reflects "Normal" Carmel River inflow conditions and monthly distribution of production based on long-term averages for the Cal-Am system.

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Supplement to 6/20/16 MPWMD Board Packet

Attached are copies of letters received between May 7, 2016 through June 10, 2016. These letters are listed in the June 20, 2016 Board packet under Letters Received.

Author	Addressee	Date	Торіс
Marc Weiner	David J. Stoldt	6/1/2016	State of California Model Water Efficient Landscape Ordinance
Todd Bodem	David J. Stoldt	6/1/2016	State of California Model Water Efficient Landscape Ordinance
Dave Potter	Dave Stoldt	5/20/2016	Congratulations – Public Official of the Year
Thomas Howard	Ron Weitzman/ cc: MPWMD	5/11/2016	Questions re SWRCB Order WR 2009-0060 (Cease and Desist Order)
Jason Burnett	California Public Utilities Commission/ cc: MPWMD	4/4/2016	Comments on Tiered Rate Structure

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City of Carmel-by-the-Sea

COMMUNITY PLANNING AND BUILDING DEPARTMENT POST OFFICE DRAWER G CARMEL-BY-THE-SEA, CA 93921 (831)620-2010 OFFICE

June 1, 2016

Mr. David J. Stoldt General Manager Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey, CA 93940

NEC. JUN 06 2010 MPWMD

Subject: State of California Model Water Efficient Landscape Ordinance

Dear Mr. Stoldt:

We understand that the City of Carmel-by-the-Sea had until December 1, 2015 to adopt the State's Model Water Efficient Landscape Ordinance or adopt its own ordinance, which must be at least as effective in conserving water as the State's Ordinance, or conversely had until February 1, 2016 to adopt a regional ordinance. If the City did not take action on a water efficient landscape ordinance by the specified dates, the State's Ordinance would become effective by default.

This letter is to inform you that the City of Carmel-by-the-Sea wishes that the Monterey Peninsula Water Management District adopt a regional ordinance, undertake the Landscape Documentation Package review, and perform the required annual reporting to the State.

The City will retain authority over, and provide review of, any Grading Design Plan element of a Landscape Documentation Package. The City will also remain responsible for review of any jurisdictional-specific landscape design requirements, as well as compliance with the Monterey Regional Stormwater Management Program.

The City will inform its planning and building department staff of the District's MWELO ordinance and provide a copy for public review in City offices.

Sincerely yours,

mi

Marc Wiener Acting Planning and Building Director

Compliance Guide for Landscape Documentation Package

- Prior to construction, the City shall direct the project applicant to the District website or offices for the ordinance and procedures for permits, plan checks, or design reviews.
- The District shall review the Landscape Documentation Package submitted by the project applicant. If a grading plan is required, the applicant will be sent to the City for review and approval.
- The District will approve or deny the Landscape Documentation Package.
- The District will issue a permit or approve the plan check or design review.
- The applicant must record the date of approval of the permit, plan check, or design review in the Certificate of Completion.

Elements of the Landscape Documentation Package

- 1) Project information (Date, applicant name, address and parcel number, total landscape area, project type, source of water supply, checklist of all documents in the Package, contact information, signature/date with statement "I agree to comply with the requirements of the water efficient landscape ordinance and submit a complete Landscape Documentation Package.")
- 2) Water Efficient Landscape Worksheet with hydrozone information table and water budget calculations for Maximum Applied Water Allowance (MAWA) and Estimated Total Water Use (ETWU).
- 3) Soil management report.
- 4) Landscape design plan.
- 5) Irrigation design plan. And
- 6) Grading design plan

In the alternative, many projects will qualify for "prescriptive compliance" and may utilize the "simple checklist." Applicants should consult the District ordinance and guidelines.



City of Carmel-by-the-Sea

COMMUNITY PLANNING AND BUILDING DEPARTMENT POST OFFICE DRAWER G CARMEL-BY-THE-SEA, CA 93921 (831)620-2010 OFFICE

June 1, 2016

Mr. David J. Stoldt General Manager Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey, CA 93940

JUN 06 2010 MPWMD

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Marc Wiener Acting Planning and Building Director

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June 1, 2016

Mr. David J. Stoldt General Manager Monterey Peninsula Water Management District 5 Harris Court, Building G Monterey, CA 93940

Subject: State of California Model Water Efficient Landscape Ordinance

Dear Mr. Stoldt:

We understand that the City of Sand City had until December 1, 2015 to adopt the State's Model Water Efficient Landscape Ordinance or adopt its own ordinance, which must be at least as effective in conserving water as the State's Ordinance, or conversely had until February 1, 2016 to adopt a regional ordinance. If the City did not take action on a water efficient landscape ordinance by the specified dates, the State's Ordinance would become effective by default.

City Hall 1 Sylvan Park, Sand City, CA 93955

Administration (831) 394-3054

Planning (831) 394-6700

FAX (831) 394-2472

Police (831) 394-1451

FAX (831) 394-1038

Incorporated May 31, 1960 This letter is to inform you that the City of Sand City wishes that the Monterey Peninsula Water Management District adopt a regional ordinance, undertake the Landscape Documentation Package review, and perform the required annual reporting to the State.

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Sincerely yours,

Todd Bodem

City Administrator

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MONTEREY COUNTY

THE BOARD OF SUPERVISORS

MONTEREY COURTHOUSE - 1200 AGUAJITO ROAD, SUITE 001, MONTEREY, CALIFORNIA 93940

DAVE POTTER

SUPERVISOR - DISTRICT FIVE (831) 647-7755 - FROM MONTEREY (831) 755-5055 - FROM SALINAS (831) 667-2770 - FROM BIG SUR (831) 647-7695 (FAX) e-mail: district5@co.monterey.ca.us

KATHLEEN LEE CHIEF OF STAFF

Dave Stoldt P.O. Box 85 Monterey, CA 93942-0085

Dear Dave,

I would like to take this opportunity to congratulate you on being named Public Official of the Year by the Pacific Grove Chamber of Commerce! You should be proud of the work you have done with the Monterey Water Management District. It has been my pleasure to collaborate with you on a number of issues such as management of the Carmel River, Pure Water Monterey, regional desalination project and many conservation efforts. Being the longest standing member of the Monterey Peninsula Water Management District I take great pride in the work that we have accomplished together and I look forward to further collaboration as we solve the Peninsula's water issues. As the recipient of the Chamber's 2015 Public Official of the Year, I know what an honor it is and I would like to thank you for your commitment to serve the community and hope that you continue the course for many years to come.

Sincerely,

lave Patter

Dave Potter Fifth District Supervisor County of Monterey



MAY 81 2018 MAY 81 2018 MAPSING

May 20, 2016

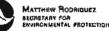


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EDMUND G. BROWN JR.

State Water Resources Control Board

MAY 1 1 2016

Mr. Ron Weitzman Water Plus 23910 Fairfield Place Carmel, CA 93923

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Dear Mr. Weitzman:

QUESTIONS REGARDING STATE WATER BOARD ORDER WR 2009-0060 (CEASE AND DESIST ORDER)

This letter responds to your emails dated April 15 and May 1, 2016 to the State Water Resources Control Board (State Water Board), regarding Cease and Desist Order WR 2009 0060 (CDO) issued to California American Water Company (Cal-Am). You requested that the State Water Board clarify the consequences associated with failure to comply with the December 31, 2016 deadline in the CDO, and suggest that the State Water Board eliminate the CDO deadline.

As you know, Cal-Am filed an application with the State Water Board to revise the CDO under Water Code section 1832 on November 29, 2015. Cal-Am then filed a revised application on April 29, 2016. Cal-Am is requesting an extension of the CDO schedule until December 31, 2021, to allow for time to develop the Monterey Peninsula Water Supply Project and the Pure Water Monterey Project. The initial and revised applications and all communications received regarding them are available at:

https://www.waterboards.ca.gov/waterrights/water_issues/projects/california_american_water_c ompany/index.shtml.

Because this is a pending matter coming before the State Water Board, it is not possible to discuss the potential effects of changing the CDO, or of leaving it unchanged, outside of a public forum. The Cal-Am CDO itself is the best source for understanding its terms, including the deadline you inquired about. It is available on our website at:

https://www.waterboards.ca.gov/waterrights/board_decisions/adopted_orders/orders/2009/wro2 009_0060rev.pdf.

Regarding your questions about the impact of any potential violation of a CDO, the following information may prove helpful. In general, state law provides for maximum penalties for violation of a CDO of up to \$1,000 per day of violation in most years, and up to \$10,000 per day of violation and \$2,500 per acre-foot of water diverted in certain drought years. (Wat. Code, § 1845.) Penalty amounts can vary based on consideration of all relevant circumstances. (*Id.*) The State Water Board is also authorized to enforce the terms of a CDO. (*Id.*)

FELICIA MARCUS, CHAIR | THOMAS HOWARD, EXECUTIVE DIRECTOR

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Administrative or judicial hearings are available to alleged violators of a CDO prior to additional enforcement actions regarding CDO compliance. (*Id.*, Wat. Code § 1055.) The State Water Board does not determine whether any enforcement penalties would be recoverable from ratepayers. It is our understanding that the California Public Utilities Commission would determine whether such recovery is warranted.

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The State Water Board's experience has been that the best solutions to complex water supply and public trust issues result from engagement of a wide range of interested parties, and we welcome your input and involvement in the decision whether or not to amend the CDO, and under what terms. By mid-May, the State Water Board will release an anticipated schedule for any additional comments and for deliberations at a public meeting this summer.

If you have any procedural questions, please call Mr. John O'Hagan of the Division of Water Rights at (916) 341-5368 or John O'Hagan@waterboards.ca.gov.

State Water Resources Control Board Division of Water Rights Attn: John O'Hagan P.O. Box 2000 Sacramento, CA 95812-2000

Sincerely,

Executive Director

cc: See next page.

cc: Robert MacLean, President California American Water Company 1033 B Avenue, Suite 200 Coronado, CA 92118

> Ken Lewis California Public Utilities Commission c/o Environmental Science Associates 550 Kearny Street, Suite 800 San Francisco, CA 94108

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Mr. Ron Weitzman

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City of Carmel-by-the-Sea

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California Public Utilities Commission 505 Van Ness Avenue San Francisco, CA 94102

April 4, 2016

To the California Public Utilities Commission (CPUC):

It is our understanding that under prior CPUC decisions California American Water (CalAm) is authorized to collect a total amount of revenue from the Monterey system to cover the fixed costs of providing water. Water rates were set equal to the authorized revenue divided by the projected water use. In recent years the community has done a good job conserving water with the result that actual water use has fallen short of the projected use. As the total amount of water use has fallen. This in turn has meant that the actual collected revenue has fallen short of the authorized amount.

CalAm states this revenue shortfall is approximately \$40 million through the end of 2014 and does not include the additional approximately \$10 million shortfall in 2015. This shortfall will likely continue growing until addressed. CalAm has proposed an increase in customer water bills over an extended period of time to pay for this revenue shortfall and associated interest costs. The CPUC is considering this request.

This situation is frustrating to many in our community who have done a good job conserving, yet the "reward" for doing so is higher rates. This frustrating scenario is due to the underlying economics and is admittedly somewhat unavoidable. Most of the costs of running a (public or private) water system are fixed and therefore those costs do not go down as people use less water. Those fixed costs end up being spread over fewer gallons of water sold, and therefore the cost per gallon must increase. This economic dynamic is inherent in an industry dominated by fixed costs and there is very little that can be done. Across the state, water agencies both public and private are being forced to raise rates to cover the revenue shortfall caused by water conservation due to the drought.

Rather than arguing against the economics, productive discussion should involve the rate structure and the ratemaking process at the CPUC. Both have exacerbated the revenue under-collection problem. Currently the rates and the rate structure are fixed by the CPUC after a lengthy process. As the state entered the drought, everyone could easily predict the revenue under-collection phenomenon would occur yet there wasn't any way to adjust rates without going back through another prolonged CPUC process. This meant that the problem grew and now stands at more than \$40 million, something that may need to be financed over a period of years and, due to financing charges, increases the costs further.

It does not have to be this way. The rates approved by the CPUC could easily have an automatic and periodic adjustment that would take into account the amount of water consumption. As the community enters a drought and water consumption decreases, the rates per gallon would increase (although it is worth noting that the total amount spent on water would actually decrease because some costs are variable). This formulaic automatic adjustment would avoid a small and predictable problem growing into a much larger problem, would provide for a shorter recovery period, and would allow ratepayers to pay the current cost of service. It would, however, reduce CalAm's profit potential since it would not have an opportunity to earn interest on financing a larger revenue shortfall. It is our understanding that a similar mechanism has worked in the electricity sector for many years.

The tiered rate structure further exacerbates the problem. As tier 4 and 5 water users conserve, the revenue impact is far greater than if tier 1 and 2 water users conserve (10 times larger comparing tier 1 to tier 5). We have seen the number of tier 5 users shrink over time, reflecting that the tiered system is working as designed and incentivizing those largest water users to conserve. The rate impact, however, is substantial as the rest of the water users see their bills go up to compensate for fewer high price gallons being sold in tier 5.

This does not need to be the case. The tiers currently are defined as a particular level of consumption per person. As the whole community conserves, the number of tier 4 and 5 water users goes down and the number of tier 1 and 2 water users increases. Between 2007 and 2015, water usage in the 5th tier declined by 73%. An alternative rate design could define the tiers by a percentile. For example, the 5th tier could be the 90th percentile water user and above, the 4th tier the 80th percentile, etc. This system would automatically adjust as the community conserves, keeping the number of water users in each tier the same.

These two changes, taken together, would reduce the under-collection issue in the future. Steps should be immediately taken by CalAm and the CPUC to address future under-collection problems so that we do not find ourselves in the same situation in the next drought.

However, these two changes would only help reduce the under-collection issue going forward, but the issue of paying the \$40 million shortfall would remain.

CalAm's proposed solution appears problematic for three reasons. First, CalAm proposes to finance the shortfall through a blend of 53% equity and 47% debt. This results in a blended interest rate of 8.41% and approximately \$40 million of financing charges over the 20 year period. We would like the CPUC to consider shortening the financing period so that the revenue shortfall could be financed through commercial paper rather than expensive debt and equity.

In California Public Utilities Commission decision 08-10-019, the commission reiterated that "there are no explicit statutory guidelines for our decisions regarding interest rates, and we have broad flexibility in reviewing the facts of a particular situation and broad discretion to make appropriate findings of fact and conclusions of law...these factors provide a rational basis for our adopted interest rate." Therefore, the CPUC should also consider whether the equity rate of return should be set at a fixed amount (currently up to 9.99%), or whether it should be set to a fixed amount above inflation (as measured by the CPI, for example). In other words, should CalAm's potential rate of return be set in nominal terms or real terms? This question should be asked for all returns on equity, not just any equity to pay down the revenue shortfall.

Second, even if longer term financing is necessary in order to avoid near-term rate shock, we would like to see a blended financing package wherein the earlier years are financed with commercial paper even if the later years need to be financed with debt and equity.

Third, if some equity is required to finance the revenue shortfall, it should not receive the same rate of return as revenue used for construction of projects. The risk associated with equity used solely for financing purposes is much smaller than the risk associated with equity used for project development and therefore should not command the same interest rate.

Thank you for your attention to this issue. We stand ready to answer any questions you may have.

Respectfully,

Jason Barnett

Jason Burnett, Mayor of Carmel-by-the-Sea

CC: Monterey Peninsula Water Management District California American Water, Co. City of Monterey City of Pacific Grove