



This meeting is not subject to Brown Act noticing requirements. The agenda is subject to change.

Water Supply Planning Committee Members:
Robert S. Brower, Sr.
Chair
Jeanne Byrne
Ralph Rubio

Alternate:
Andrew Clarke

Staff Contact
David J. Stoldt,
General Manager

After staff reports have been distributed, if additional documents are produced by the District and provided to the Committee regarding any item on the agenda, they will be made available at 5 Harris Court, Building G, Monterey, CA during normal business hours. In addition, such documents may be posted on the District website at mpwmd.net. Documents distributed at the meeting will be made available in the same manner.

AGENDA
Water Supply Planning Committee
Of the Monterey Peninsula Water Management District

Wednesday, February 21, 2018, 3:30 pm
MPWMD Conference Room, 5 Harris Court, Bldg. G, Monterey, CA

Call to Order

Comments from Public - *The public may comment on any item within the District's jurisdiction. Please limit your comments to three minutes in length.*

Action Items – *Public comment will be received.*

1. Consider Adoption of January 23, 2018 Committee Meeting Minutes

Discussion Items – *Public comment will be received.*

2. Update on Los Padres Dam Study
3. Update on Water Supply Projects
 - a. Pure Water Monterey
 - b. California American Water Desalination Project
 - c. DeepWater Desal
 - d. Local Water Projects
4. Discuss Rainfall and Storage Conditions
5. Discuss Reinstatement of District Reserve and Policy for Use

Set Next Meeting Date

Adjournment

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 send a description of the requested materials and preferred alternative format or auxiliary aid or service by 5PM on Friday, February 16, 2018. Requests should be sent to the Board Secretary, MPWMD, P.O. Box 85, Monterey, CA, 93942. You may also fax your request to the Administrative Services Division at 831-644-9560, or call 831-658-5600.

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WATER SUPPLY PLANNING COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES OF JANUARY 23, 2018

Meeting Date: February 21, 2018

**From: David J. Stoldt,
General Manager**

Prepared By: Arlene Tavani

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

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the January 23, 2018 committee meeting.

RECOMMENDATION: The Committee should adopt the minutes by motion.

EXHIBIT

1-A Draft Minutes of the January 23, 2018 Committee Meeting

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
January 23, 2018

Call to Order: The meeting was called to order at 2:00 pm.

Committee members present: Robert S. Brower, Sr. - Committee Chair
Jeanne Byrne (arrived at 2:04 pm)
Andrew Clarke (alternate)

Committee members absent: Ralph Rubio

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

District Counsel present David C. Laredo

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

Action Items

- 1. Consider Adoption of Meeting Minutes of October 17, 2017 and November 14, 2017**
On a motion by Andy and second of Brower, minutes of the October 17, 2017 and November 14, 2017 committee meetings were approved on a vote of 2 – 0 by Clarke and Brower.

Discussion Items

- 2. Update on Los Padres Dam Study**
Larry Hampson, Water Resources Engineering Manager, reported on discussions that occurred at January 17 and 18, 2018 workshops on development of a fish passage study and the Los Padres Dam and Reservoir Alternatives and Sediment Management Study (Study). The participants included representatives from the National Marine Fisheries Service (NMFS), the California Department of Fish and Wildlife (CDFW), California American Water (Cal-Am) and consultants working on the Study. On January 17, 2018 the group discussed progress on studies related to the fish passage study. At the meeting on January 18, discussion was focused on identification of Los Padres Dam alternatives that should be included in the Study. Based on discussion at the workshop and [Type a quote from the document or the summary of an interesting point. You can position the text box anywhere in the document. Use the Drawing Tools tab to change the formatting of the pull quote text box.]

comments received on Los Padres Dam and Reservoir Alternates and Sediment Management Study Draft Alternatives Descriptions Technical Memorandum, there is no support from CDFW and NMFS for Alternative 4a – permanently raising the Los Padres Dam, nor Alternative 4c and 4d – construction of a new dam downstream. Representatives from Cal-Am have expressed support for following the direction of the permitting agencies and were not in favor of continuing to study Alternatives 4a, 4c, and 4d.

The committee discussed the information provided by Mr. Hampson. There was consensus among the committee that at this time, no action should be taken to fund studies of dam alternatives that the permitting agencies do not support. If Cal-Am's desalination project does not move forward, the District might consider the possibility of further investigations into these alternatives. Staff should prepare a letter to AECOM requesting that Alternatives 4a, 4c and 4d be removed from the alternatives study, due to the fact that the permitting agencies have indicated they would not approve those alternatives.

Public comment: Aman Gonzales representing California American Water stated that upon completion of the Fish Passage Study, Cal Am would most likely be required to implement one of the highest ranking alternatives, which from a rate perspective would be to revamp trap and truck operations. He also advised the committee that the MOA between Cal-Am, NMFS, and the Coastal Conservancy regarding preparation and funding of the Study contains strict milestones. To increase the scope of the Study and incorporate an additional dam alternative would cause delays and missed milestones.

3. Update on Water Supply Projects

a. Pure Water Monterey (PWM)

General Manager Stoldt referenced a letter dated January 1, 2018 from Joe Gunter, a letter dated January 22, 2018 from Norman Groot, and a document titled Source Water Needed: 2250 AFY which describe water sources for an expansion of the Pure Water Monterey project.

b. California American Water Desalination Project

Stoldt reported that approximately 23 parties are engaged in settlement discussions.

c. DeepWater Desal

Stoldt reported that \$11 million has been spent on the project. Negotiations are still underway with potential Spanish financial sponsors. The draft EIR is behind schedule because there is no funding to complete some required studies.

d. Local Water Projects

Discussions are underway with the California Public Utilities Commission regarding Condition 2 of the Cease and Desist Order. Pacific Grove still must verify that there has been a permanent abandonment of Cal-Am water use.

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

No discussion.

5. Discussion of Bishop and Ryan Ranch Wells

Stoldt explained that Cal Am asked the District to implement a moratorium in the Bishop Water Distribution System. The District recommended that Cal-Am request that the CPUC declare a moratorium. A member of the public has contacted the CPUC and objected to implementation of a moratorium. There is an emergency connection between the Bishop system and Ryan Ranch system, and sufficient capacity in the Bishop system to serve Ryan Ranch needs. There was consensus among the committee members that the District should not become involved at this time. This is an issue that should be addressed by the Watermaster, which has limited production in this area due to the Seaside Groundwater Basin adjudication.

Set Next Meeting Date: February 21, 2018 at 3:30 pm

Adjournment: The meeting was adjourned at

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WATER SUPPLY PLANNING COMMITTEE

DISCUSSION ITEM

3. UPDATE ON WATER SUPPLY PROJECTS

Meeting Date: February 21, 2018 **Budgeted:** N/A

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

Prepared By: David J. Stoldt **Cost Estimate:** N/A

General Counsel Approval: N/A

Committee Recommendation:

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

SUMMARY: On February 9, 2017 the California Public Utilities Commission issued a ruling in A.12-04-019, the application for the Monterey Peninsula Water Supply project. The ruling ponders the issue of adding a “Phase 3” to the existing process to examine the potential for Pure Water Monterey expansion and interim water sales by Marina Coast Water District, in the event the desalination facility is delayed. A status conference has been set for February 27, 2018. The ruling is included here as Exhibit 3-A for discussion.

EXHIBIT

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

EXHIBIT 3-A



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

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

FILED
09:23 AM

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

Application 12-04-019

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

Summary

A status conference will be held on:

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

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

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

EXHIBIT 3-A

A.12-04-019 GW2/RWH/DH7/ek4

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

Background

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

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

² See Response at 3.

³ See Response at 4.

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

Discussion

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

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

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

EXHIBIT 3-A

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

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

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

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

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

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

EXHIBIT 3-A

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

IT IS RULED that:

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

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

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

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

/s/ ROBERT HAGA
Robert Haga
Administrative Law Judge

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

WATER SUPPLY PLANNING COMMITTEE

DISCUSSION ITEM

4. DISCUSS RAINFALL AND STORAGE CONDITIONS

Meeting Date: February 21, 2018 **Budgeted:** N/A

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

Prepared By: David J. Stoldt **Cost Estimate:** N/A

General Counsel Approval: N/A

Committee Recommendation:

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

SUMMARY: Rainfall through January 2018 totaled 3.95 inches and brings the cumulative rainfall total for WY 2018 to 4.97 inches, which is 45% of the long-term average through January.

Estimated unimpaired runoff during January totaled 2,640 acre-feet (AF) and brings the cumulative runoff total for WY 2018 to 5,235 AF, which is 27% of the long-term average through January.

Usable storage for the MRWPRS was 28,800 acre-feet, which is 96% of average through January, and equates to 77% percent of system capacity.

However, through February 13, 2018 rainfall for the month was 0.03 inches. The remaining forecast for February does not include rain until possibly the last 2-3 days of the month. If no additional rain is received, the total year-to-date will be similar to 1924, the lowest rainfall total on record.

Staff will provide updated information at the meeting to discuss how Water Year 2018 compares to the historical record.

EXHIBIT

None

WATER SUPPLY PLANNING COMMITTEE

DISCUSSION ITEM

5. DISCUSS REINSTATEMENT OF DISTRICT RESERVE AND POLICY FOR USE

Meeting Date: February 21, 2018 **Budgeted:** N/A

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

Prepared By: David J. Stoldt **Cost Estimate:** N/A

General Counsel Approval: N/A

Committee Recommendation:

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

SUMMARY: Section 5 of Ordinance 168 which established the City of Pacific Grove Water Entitlement states:

“Simultaneous with the creation of the Pacific Grove Water Entitlement pursuant to Rule 23.9, the District shall reserve 9 AFA of conserved water for its exclusive use for future Jurisdictional Allocation pursuant to Rule 30 or to be held in reserve.”

District Rule 30 cited above states:

“From any new supply of water, the District shall establish a specific Allocation for each Jurisdiction, and may also establish a District Reserve Allocation.”

However, the “District Reserve Allocation” as a defined term was established by Ordinance 60 in 1992, but rescinded by Ordinance 73 in 1995 when all District water in the Reserve Allocation was re-allocated to all of the Jurisdictions. When first established in 1992, use of the water was restricted to “Regional Projects of special benefit, or for drought or other reserve purposes.”

District Rules and Regulations define Regional Projects as:

“...a non-profit endeavor which provides for the health, safety and/or welfare of the community, and provides regional nondenominational benefit to residents of the greater Monterey Peninsula area.” Ordinance 60 stated “Examples of Regional Projects include regional health care, homeless or transitional shelters, and protection from natural disasters (but not local police protection). A June 1991 Technical Advisory Committee Report, attached as **Exhibit 5-A**, made additional efforts to define such projects.

In 1993, the District passed Ordinance 70 which established the District Reserve Allocation to be 50 acre feet.

In addition to rescinding the definition of District Reserve Allocation, Ordinance 73 in 1995 deleted the text of Rule 33 B and stated “the District Reserve shall no longer exist.”

RECOMMENDATION: Staff recommends that the Committee direct staff to reestablish a District Reserve by Ordinance, recommend a framework for developing a policy on the use of a District Reserve, and to direct staff to bring a draft of such a policy back to the Committee and to the Water Demand Committee for recommendation to the Board for approval.

EXHIBIT

5-A June 1991 Technical Advisory Committee Report

Technical Advisory Committee Report
June 1991

ATTACHMENT E
CRITERIA FOR DEFINING
SPECIAL PROJECTS OF REGIONAL BENEFIT

PROJECTS PROVIDING SIGNIFICANT REGIONAL NEEDS
WITHIN MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

1. **Cultural Facilities.** Nonprofit institutions displaying or preserving objects of interest in one or more of the arts or sciences. This classification includes libraries, museums, and art galleries.
2. **Day Care, General.** Provision of non-medical care for seven or more persons on a less than 24-hour basis. This classification includes nursery schools, preschools, and day-care centers for children or adults.
3. **Day Care, Large Family.** A state-licensed family-care home serving seven to 12 children at one time where care, protection and supervision are regularly provided in the care giver's home for periods of less than 24 hours per day while parents or guardians are away. The number of children served shall include children of the care giver who are at home.
4. **Emergency Medical Care.** Facilities providing emergency or urgent medical service on a 24-hour basis with no provision for continuing care on an inpatient basis.
5. **Hospice and Congregate Care Home.** Facility designed to provide a caring environment for supplying the physical and emotional needs of the terminally and seriously ill.
6. **Hospital.** Facilities providing medical, surgical, psychiatric, or emergency medical services to sick or injured persons, primarily on an inpatient basis. This classification includes facilities for outpatient treatment, as well as training, research, and administrative services for patients and employees. Specific hospital types include those specializing in:
 - a. **Acute Care.** A hospital with overall administrative and professional responsibility and an organized medical staff that provides 24-hour inpatient care, including medical, nursing, surgical, anesthesia, laboratory, radiology, pharmacy, and dietary services.
 - b. **Other.** Any other hospital including facilities for rehabilitation and physical care, acute psychiatric care, chemical dependency, and substance abuse.
7. **Housing.** Entirely affordable housing projects, homeless and transitional shelters.

8. **Park and Recreational Facilities.** Noncommercial parks, playgrounds, recreation facilities, and open spaces.
9. **Public Safety Facilities.** Facilities for public safety and emergency services, including police and fire protection.
10. **Residential Care, General.** Twenty-four-hour, non-medical care for seven or more persons, including wards of the juvenile court, in need of personal services, supervision, protection, or assistance essential for sustaining the activities of daily living. This classification includes only those services and facilities licensed by the State of California.
11. **Schools, Public or Private.** Educational institutions having a curriculum comparable to that required in the public schools of the State of California.
12. **Senior Citizen Facilities.** Buildings for use by elderly and retired persons.
13. **Socially Beneficial.** Organized public or private projects for the assistance of disadvantaged individuals or groups (economically underprivileged, socially maladjusted).