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Water Supply Planning Committee Members:
Robert S. Brower, Sr.
Chair
Jeanne Byrne
David Pendergrass

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

Tuesday, July 12, 2016, 2:00 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 Committee Meeting Minutes of June 14, 2016
2. Consider Adoption of Policy that will Address Monterey County General Plan Requirements for Carmel Valley Alluvial Aquifer

Set Next Meeting Date

Adjournment

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WATER SUPPLY PLANNING COMMITTEE

ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF COMMITTEE MEETING MINUTES OF JUNE 14, 2016

Meeting Date: July 12, 2016

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

Prepared By: Arlene Tavani

SUMMARY: Attached as **Exhibit 1-A** are draft minutes of the June 14, 2016 Water Supply Planning Committee meeting.

RECOMMENDATION: The Committee should adopt the minutes by motion.

EXHIBIT

1-A Draft Minutes of the June 14, 2016 Water Supply Planning Committee Meeting

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EXHIBIT 1-A

DRAFT MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
June 14, 2016

Call to Order The meeting was called to order at 2 pm in the MPWMD conference room.

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

Committee members absent: None

Staff members present: David Stoldt, General Manager
 Larry Hampson, Planning & Engineering Division Manager
 Joseph Oliver, Water Resources Division Manager
 Arlene Tavani, Executive Assistant

District Counsel present David Laredo

Comments from the Public: No comments.

Action Items

1. Consider Adoption of Committee Meeting Minutes of May 24, 2016
On a motion by Pendergrass and second of Byrne, minutes of the May 24, 2016 committee meeting were approved on a unanimous vote of 3 – 0 by Pendergrass, Byrne and Brower. No public comment was directed to the committee on this item.

2. Consider Adoption of Policy that will Address Monterey County General Plan Requirements for Carmel Valley Alluvial Aquifer
On a motion by Byrne and second of Pendergrass, the committee requested that this item be deferred to the next meeting. The motion was adopted on a vote of 3 – 0 by Byrne, Pendergrass and Brower. The committee requested that at the next meeting, staff should present an update on discussions with the Monterey County Planning Department and the Monterey County Water Resources Agency regarding proposed concepts for modifying the Water Management District’s permitting regulations to conform with General Plan Policy PS-3.2 which requires that projects utilizing water from the Carmel Valley Alluvial Aquifer must be supplied by a “sustainable” water source. The three concepts are described as follows. Concept 1 - Project proponents must provide an analysis of existing consumptive use that would set a historical baseline. A minimum reduction of 15% from that baseline could be returned to the river. This would also include a requirement that non-California American (Cal Am)

pumpers install water efficient fixtures, just as Cal Am customers must do. Also, pumpers must agree to reduce water production during critically-dry years in order to facilitate irrigation of streamside vegetation. Concept 2 - Calculate the baseline use taking into account the change in use, such as converting from septic to a sewer system connection, and then reduce the baseline amount by 15 percent. Concept 3 - A percentage of the baseline use could be set aside for the Water Management District as a reserve allocation.

The following comments were made by the committee and staff during the discussion of this item. (a) The annual well production reports could be reviewed to determine if water production from the well was within the amounts specified in the water distribution system permit. (b) Fines could be lodged against any well owner that exceeded the pumping limit. (b) The Water Management District would need to establish a procedure for levying fines. (c) The Water Management District should not use “police powers” to force property owners to retrofit whenever a new water saving appliance is required in the Cal Am system. (d) Do Monterey County water policies take precedent over MPWMD regulations? The response was that the District could continue with its current policies; however, the County could reject a project that our regulations would allow. (e) We want the permitting process to be as simple as possible for applicants so a project is not delayed due to conflicting policies.

Public Comment: (a) **George Riley** stated that there must be a way to balance the current situation in which Cal Am rate payers will fund a water supply solution, but non-Cal-Am pumpers will not pay even though they will receive the benefit of system improvements. He expressed agreement with the proposed 15% reduction in pumping. (b) **Luke Coletti** stated that the City of Pacific Grove is also developing a sustainability policy similar to that of Monterey County. He asked if reducing the Rancho East water use would reduce pumping by 382 acre-feet. Staff responded that the reduction will be approximately 180 acre feet for the East area; and of that amount, 60 acre feet is proposed to be returned to the river as a balancing amount; and 120 acre feet will be held aside (60 for the Villages project, and 60 to market as with the Malpaso project).

Discussion Items

3. **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, Luke Coletti stated that the Water Management District could issue a water permit, but Cal Am will decide if a meter can be set based on its interpretation of the Cease and Desist Order.

4. **Update on Aquifer Storage and Recovery Project Activities**

Stoldt stated that an update would be provided at the June 20, 2016 Board meeting.

5. **Update on Pure Water Monterey Project**

Stoldt stated that he would report at the June 20, 2016 Board meeting. During the public comment period on this item, George Riley stated there is a rumor that The Otter Project will file a lawsuit related to Pure Water Monterey.

6. Update on California American Water Desalination Project

Stoldt stated that he would provide an update at the June 20, 2016 Board meeting, when settlement agreements related to the project will be considered by the Board of Directors. During the public comment period on this item, George Riley stated that a premium price may be paid for treatment of the return water; but that is an unavoidable cost of the water supply project.

7. Update on Alternative Desalination Project

Stoldt stated that there was nothing new to report. During the public comment period on this item, Luke Coletti reported that the California Public Utilities Commission has scheduled public participation hearings on September 1, 2016 on the Monterey Peninsula regarding the Monterey Peninsula Water Supply Project.

Suggestions from the Public on Water Supply Project Alternatives: No Discussion

Set Next Meeting Date: The meeting was scheduled for July 12, 2016 at 2 pm

Adjournment: The meeting was adjourned at 3:20 pm

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WATER SUPPLY PLANNING COMMITTEE

ITEM: ACTION ITEM

2. CONSIDER ADOPTION OF POLICY THAT WILL ADDRESS MONTEREY COUNTY GENERAL PLAN REQUIREMENTS FOR CARMEL VALLEY ALLUVIAL AQUIFER

Meeting Date: July 12, 2016

**From: Dave Stoldt,
General Manager**

Prepared By: Dave Stoldt

SUMMARY: At the May 24, 2016 meeting, the Committee considered the MPWMD policy and the Monterey County General Plan policy for approving discretionary permits to use water produced from the Carmel Valley Alluvial Aquifer (CVAA) for new commercial and residential development projects. The Committee asked staff to develop a recommendation about modifying the District's current policy for Water Distribution System permits and permit amendments in light of the General Plan Policy. The key question that must be addressed is whether the Carmel River (and associated CVAA) can be described as a long-term sustainable water supply using the factors set out in the General Plan policy. Two of the key factors involved in determining whether the CVAA can be considered a long-term sustainable water supply include the following from Policy PS-3.2:

- e. Cumulative impacts of existing and projected future demand for water from the source, and the ability to reverse trends contributing to an overdraft condition or otherwise affecting supply; and
- f. Effects of additional extraction or diversion of water on the environment including on instream flows necessary to support riparian vegetation, wetlands, fish or other aquatic life, and the migration potential for steelhead, for the purpose of minimizing impacts on the environment and to those resources and species.

The Committee needs to determine two aspects of a proposed policy:

- 1) Is the policy to be implemented only for conversions of vacant or agricultural land to developed use, where there is a prior production history? Shall the policy only include multiple connection development – i.e. exempt single family home? Exempt less than 4 connections? Shall policy include conversions from single residence to multiple connections? And
- 2) What methodology shall be used to set a new production limit? Four options are provided to the Committee below:

Option 1	Option 2	Option 3	Option 4
Allow a WDS to continue to pump based on a 10-year historical average of prior pumping. (Current)	Determine existing consumptive use on site (evaporation & transpiration) and set as new production limit (adjusted for new project's consumptive use.)	Establish new limit at 85% of existing consumptive use and "retire" 15% to the benefit of the river.	Establish new limit at 75% of existing consumptive use and "retire" 15% to the benefit of the river, and 10% to the District Reserve for re-allocation to Public Benefit Projects.

Here, District Reserve refers to the reserve referenced by District Rules 30A and 33B and Public Benefit Projects refers to projects determined by a jurisdiction to be in the public interest, and includes publicly-owned facilities, non-profits, and/or projects with benefits to the public as determined by the jurisdiction. Both definitions will likely need to be better described in an enacting ordinance.

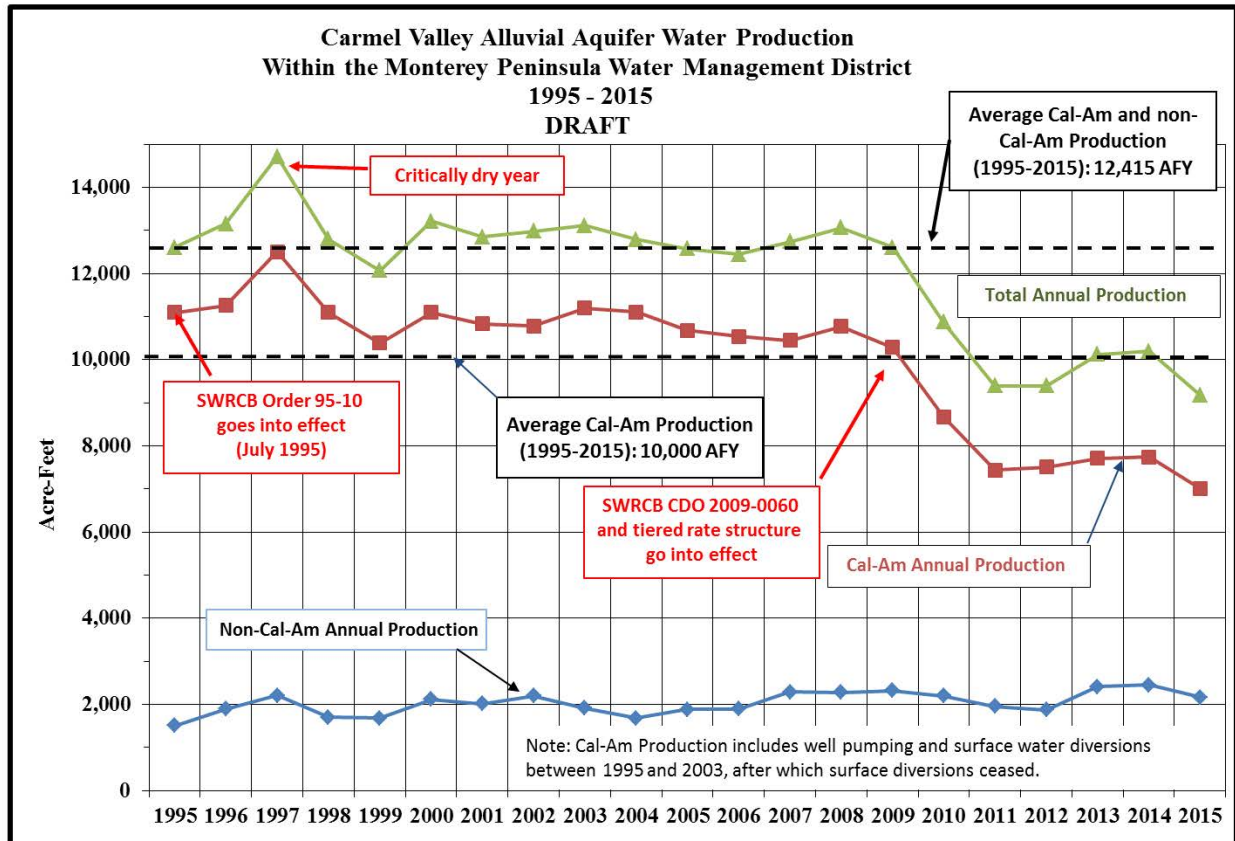
STAFF RECOMMENDATION: Staff recommends a new production limit for a site in the CVAA be established as follows:

- Upon conversion from vacant or agricultural to single connection residential: Option 2
- Upon conversion from vacant or agricultural, or single connection residential, to 2 or 3 residential connections: Option 3
- Upon conversion from vacant or agricultural, or from less than 4 residential connections, to 4 or more connections or to non-residential: Option 4

Staff should be directed to bring an ordinance implementing the recommendation.

DISCUSSION: Combined production from Cal-Am and non-Cal-Am wells in the CVAA likely peaked in the late 1980s as a result of the 1987-91 drought. Although Cal-Am has been required to report daily production data to MPWMD, accurate methods to determine non-Cal-Am production were not put in place until the early 1990s (e.g., see Ordinances 48 and 56). The chart below shows CVAA diversions for all diverters for the period from 1995 to 2015.¹ Total production from the aquifer did not drop off significantly until the issuance of Cease-and-Desist Order 2009-0060 by the State Water Resources Control Board and the adoption of a steeply tiered water rate structure for Cal-Am deliveries, also in 2009. Non-Cal-Am producers are not affected by either the CDO or Cal-Am rates and remained at nearly the same level (about 2,000 AFY) for the 1995-2015 period, showing that non-Cal-Am pumpers have not significantly contributed to a reversal of trends contributing to an overdraft condition or otherwise affecting supply, nor toward minimizing impacts on the environment and species.

¹ Includes data from non-Cal-Am diversions, Cal-Am diversions of 3,376 AFA, and unauthorized diversions. The chart does not include diversions under recent water rights issued by the SWRCB that include meeting instream flow requirements in order to divert.



Currently, most non-Cal-Am pumpers in the CVAA have riparian rights to divert flow. The SWRCB declined to evaluate riparian rights in Order 95-10, stating that there was not enough information provided by non-Cal-Am pumpers; however, MPWMD requires an evaluation and demonstration of riparian rights in order to process a WDS permit or amendment for wells in the CVAA. This is not a determination of a right, but is a basis for MPWMD to confirm that the permittee has a long-term right to divert flow.

Riparian pumpers generally return a variable portion of the applied water and a portion of indoor water use back into the aquifer (the latter amount through septic system return flow in areas not served by the Carmel Area Wastewater District). The amount of applied water returned depends on land use. For example, agricultural production may require a different volume of water per acre than either turf irrigation or domestic landscape irrigation. To reverse the trend in seasonal dewatering, a baseline amount of water use should be established and a reduction factor applied to the baseline. Staff recommends that project proponents be required to provide an analysis of the consumptive use of water on the property under existing conditions for a period of 10 years (note that the consumptive use amount will be less than the historical pumped amount). The consumptive use amount would become the baseline.

Staff recommends that the Committee consider applying a minimum of a 15% reduction to the baseline for any conversion greater than a single residential connection in order to continue reversing the trend of dewatering of the aquifer and reducing flows when steelhead are migrating through the river. This is consistent with District's 1984 goal of a 15% reduction in demand by

the year 2020² as shown in its 1984 Water Conservation Plan, as supported by the Board in Resolution 84-4. The 15% goal was also indicated on page VI-9 in the Water Allocation Program Final Environmental Report (SCH87030309) certified by the Board in 1990. The same 15% goal is highlighted in Rule 25.5 B and was applied to the City of Monterey's public water credit for the El Estero irrigation conversion project and to the City of Pacific Grove's local water project. A higher permanent retirement was undertaken in the Pebble Beach (52.5%) and Malpaso LLC (35%) water entitlements. The Sand City water entitlement applied approximately 31% to offset Cal-Am Carmel River pumping.

Option 4 presents a scenario whereby the District will receive a portion of the water for reallocation for Public Benefit Projects. The details of such an approach would need to be established in a future ordinance reestablishing an allocation to the District Reserve.

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² The District has achieved the 15% goal and has, in fact, reduced demand by 43% since Order 95-10