MONTEREY PENINSULA WATER MANAGEMENT DISTRICT

EXHIBIT 10-B

FINAL MINUTES
Water Supply Planning Committee of the
Monterey Peninsula Water Management District
August 8, 2017

Call to Order The meeting was called to order at 9:20 am in the MPWMD conference room.

Committee members present: Robert S. Brower, Sr. - Committee Chair participated by telephone
Jeanne Byrne
Andrew Clarke

Committee members absent: None

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

District Counsel present David Laredo

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

Action Items

1. Consider Adoption of Committee Meeting Minutes of March 13, 2017
On a motion by Brower and second of Clarke, minutes of the March 13, 2017 meeting were adopted on a unanimous vote of 3 – 0 by Brower, Clarke and Byrne.

2. Consider Approval of Budget for Groundwater Models for Seaside Groundwater Basin
Clarke offered a motion that was seconded by Brower, to recommend that the Administrative Committee approve a not-to-exceed expenditure of $30,000 for the District's share of geochemical modeling and an amount not to exceed $20,000 for the District's share of recalibration and updating the basin model. The motion was approved unanimously on a vote of 3 – 0 by Clarke, Brower and Byrne.

The following comments were received during the public comment period on this item. **(1) David Chardavoyne**, General Manager of the Monterey County Water Resources Agency, explained that recalibration of the groundwater basin model will provide a means to determine how closely the model predicts actual measurements from monitoring and production wells. The geochemical modeling is important to ensure that when water is pumped out of the ground, it can be treated so that it is chemically identical to the existing supply that it will be added to. **(2) Luke Coletti** asked what the cost to treat the water would be. Stoldt responded that the estimated cost per acre-foot of the water is $1,700, and that water treatment is an operation and maintenance component of that estimate.

Discussion Items

3. Update on Water Supply Projects

a. Pure Water Monterey – Hamilton reported that the deep monitoring well was completed in June and the shallow monitoring well was completed in July 2017. Delivery of the 24 inch conductor casing for the first large injection well was delayed. When installed, it should extend 830 feet. Regarding Phase 2 design, the 60 percent review was complete. The 90 percent design was underway and should be complete by the end of 2017. Solicitation for construction bids should begin in early 2018.

Stoldt reported on the status of the water conveyance pipeline to be constructed by Marina Coast Water District (MCWD). The successful construction bid was for $22.6 million. Amendments to the agreement between the project partners; MCWD, Monterey One Water and the Water Management District, are under development. The firm of Anderson Pacific will construct the pipeline needed to bring source waters to the advanced water treatment facility, and the firm has already begun construction of the advanced water treatment facility. Projected date for delivery of project water to California American Water (Cal Am) is May 2019.

b. California American Water Desalination Project – Stoldt advised the committee that representatives from MCWD, City of Marina, Monterey Peninsula Regional Water Authority, and recently California American Water (Cal-Am) met together with Water Management District staff to assess the possibility that a CEQA based lawsuit might be filed that would delay the project, and discuss how to address issues in order to avoid a lawsuit. The California Public Utilities Commission (CPUC) scheduled a pre-hearing conference for August 18, 2017 on Cal-Am's application 12-04-019, to address CEQA and other issues raised in response to comments on the project draft EIR. The Water Management District's Board of Directors will meet in closed session on August 21, 2017 to discuss the policy issues. Testimony will be due in September and hearings are likely to be conducted in October 2017.

Stoldt advised the committee that results of aerial electromagnetic resistivity tomography conducted by MCWD indicate that fresh water sources are present in the Marina Sand Dunes area. Those findings coincide with existing well monitoring data. There is a possibility that MCWD could utilize this data as the basis for a CEQA lawsuit alleging harm to its water supply. Stoldt noted that the lack of consensus among hydrogeologists as to the effect that operation of Cal-Am's proposed slant wells could have on MCWD wells, may result in a CEQA lawsuit.

Stoldt stated that completion of the project EIR has been delayed to March 2018. The next project milestone to be met by September 30, 2018 is issuance of the Certificate of Public Convenience and Necessity. The CPUC could certify the EIR and at the same time issue the CPCN. Or, issuance of the CPCN could be delayed 30 days to determine if objections to certification of the EIR will be filed. If the September 30, 2018 milestone was not met, an argument could be made that the delay was the fault of the CPUC, not the local community.

c. DeepWater Desal – The project proponents have signed an agreement with a Spanish firm that would design, build, finance and operate the desalination project. The agreement would be effective in October or November 2017.

d. Local Water Projects – **City of Monterey** - In November 2015, the Board of Directors approved distribution of an $85,000 grant to the City of Monterey towards development of

the Monterey Regional Stormwater Management Program. The City should begin drawing from the grant funds soon. **Monterey Peninsula Airport District**- no progress has been made on utilizing subpotable water from MPAD wells that were funded from a grant approved in 2013. **City of Pacific Grove** – In February 2015, the Board of Directors approved distribution of a $100,000 grant to the City of Pacific Grove for its Stormwater Dry Weather Flow Reuse Project. The project should be on line by the Fall of 2017. Stoldt stated that he had not yet solicited grant applications for 2017. The committee members suggested that if a jurisdiction indicates interest, the grant application could be distributed.

Public comment: **(a) Luke Coletti** asked if the Del Monte Golf Course well generates 37 acre-feet of water. Stoldt responded that it does not because storage has not been developed. Coletti also stated that an RFP was distributed for the City of Pacific Grove project and based on the successful bid, the operation and maintenance costs of the project should be known soon. **(b) David Chardavoyne** asked if DeepWater Desal had released the name of the Spanish firm it had contracted with. Stoldt responded that the name of the firm had not been made public.

4. Update on Los Padres Dam Studies

Hampson reported on workshops conducted to review progress fish passage and dam alternatives studies under review by two Technical Advisory Committees which consist of representatives from the Department of Fish and Wildlife, National Marine Fisheries Service, Cal-Am, Water Management District, and consultants AECOM, HDR and FISHBIO .

Fish Passage: The initial alternatives identified for fish passage are: (a) traditional fish ladder for adult migration with step pools at the side of the existing spillway at a cost of $30 to $61 million; (b) a similar ladder that would also pass juvenile fish at a cost of $47 to $88 million; (c) a fish ladder that would be designed to operate only when the reservoir is spilling, which reduces the cost by $4 to $11 million; and (d) the Whooshh transport system - in which fish enter a tube at the bottom of the spillway and slide through into the reservoir, at a cost of $8 to $10 million.

To address predation by brown trout in the reservoir, one solution would be to install a large floating surface collector to catch downstream migrants as they come into the reservoir and then transport the fish to the dam where they would enter an existing facility that allows the fish to go through the dam and into the plunge pool. Another proposal is to place a trap further upstream and collect the fish as they come into the reservoir, and then transport them to the spillway. The TAC will meet in September to narrow down the alternatives.

Dredging: One concept discussed was to place all dredged materials at locations below the dam. Another concept is to build a tunnel under the dam to pass sediment through the reservoir. In some years, the reservoir could be drawn down and sediment coming through the reservoir would flow through the tunnel. Hampson noted that the sediment transport model should be completed in September 2017, and up to 100 hydrologic and sediment transport scenarios could be analyzed.

Los Padres Dam Alternatives: One alternative is to construct a new dam downstream at the height of the existing Los Padres Dam. This alternative will be analyzed, even though NMFS does not currently support the expansion of a main stem dam on the Carmel River. Hampson stated that the estimated volume would be about 8,700 acre-feet.

Another alternative under consideration is to raise the existing dam 12.5 feet either through a permanent raise or with rubber gates. However, dam modification would likely trigger improvements to the dam and spillway that would significantly raise the cost of obtaining an

additional 600 to 700 acre-feet of storage. In response to a request from the committee, Hampson will distribute a summary of the workshop discussions to the Water Supply Committee members.

During the public comment period on this item, **Luke Coletti** asked when water rights being used for the Aquifer Storage and Recovery project will expire. Stoldt responded that those water rights would not expire, but there are 18,675 acre-feet of water rights that could expire if they are not utilized. Coletti asked if staff conducts water quality testing, and if so did they test for hydrogen sulfide. Hampson responded that water quality testing of reservoir water is conducted. He did not know if hydrogen sulfide was measured. [Subsequently, it was determined that MPWMD staff do take periodic measurements of hydrogen sulfide.]

5. Update on CDO Condition No. 2 Discussions

Stoldt referred to the July 17, 2017, letter to the SWRCB that was presented in the committee packet. He stated that the Water Management District would like this issue settled because Cal-Am and the SWRCB have inconsistently applied Condition No. 2. The Water Management District disagrees with the SWRCB assertion that baseline water use for a project should be based on previous water use at the site.

Luke Coletti addressed the committee on this topic. He expressed agreement with the SWRCB's position on baseline water use, and noted that his opinion is documented in letters to the SWRCB.

Set Next Meeting Date: No meeting date was set.

Adjournment: The meeting was adjourned at 10:50 am.

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