EXHIBIT 9-D

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)

REBUTTAL TESTIMONY OF MARGARET H. NELLOR

ON BEHALF OF

MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY

March 22, 2016

EXHIBIT 9-D

Q1: What is your name, occupation, and address?

A1: My name is Margaret H. Nellor, and I am the President of Nellor Environmental Associates, Inc., an environmental engineering consulting firm that specializes in water recycling policy and regulation. My business address is Nellor Environmental Associates, Inc., 4024 Walnut Clay Drive, Austin, Texas 78731.

Q2: Have you provided testimony in this California Public Utilities Commission ("CPUC") proceeding where you have previously stated your qualifications?

A2: Yes, I have submitted direct testimony in this proceeding on January 22, 2016, in which I discuss my professional qualifications and role on the Pure Water Monterey Groundwater Replenishment Project ("GWR Project").

Q3: What is the purpose of your rebuttal testimony?

A3: The purpose of my testimony is to rebut the allegations made in Mr. Weitzman's testimony regarding the safety of the highly purified recycled water ("product water") produced from the Advanced Water Treatment Facility that will be constructed as part of the GWR Project and the use of the product water for replenishment of the Seaside Groundwater Basin.

Q4: In your expert opinion, will the Seaside Basin Groundwater replenished using the GWR Project's product water be safe for Monterey residents and visitors to drink?

A4: Yes. After wastewater is treated at the MRWPCA Regional Treatment Plant, it will be diverted to the Advanced Water Treatment Facility where it will undergo a four-step state-of-the-art purification process consisting of pre-ozonation, membrane filtration, reverse osmosis, and advanced oxidation using ultraviolet light with hydrogen peroxide. GWR Project Final Environmental Impact Report ("EIR"), Appendix D, pp. 37–61.[1] The product water is near-distilled-quality, and it will meet or exceed federal and state drinking water safety standards. The water would then be injected into the Seaside Groundwater Basin.

[1] The GWR Project Final EIR is available at http://purewatermonterey.org/.

EXHIBIT 9-D

Before being allowed to begin operation, the GWR Project will be reviewed, approved and permitted by the California State Water Resources Control Board's Division of Drinking Water and the Central Coast Regional Water Quality Control Board to ensure public health, water quality, and environmental compliance. *See* M. Nellor, Opening Testimony, dated January 22, 2016, p. 3:3–p.8:20. The permit that would be issued for the GWR Project by the Regional Water Quality Control Board will require continuous water quality testing and sampling, including pesticides of local concern. If the product water does not meet water quality requirements, the Advanced Water Treatment Facility would be shut down immediately.

The reliability and safety of the product water was evaluated as part of the GWR Project's Final EIR. GWR Project Final EIR, Appendix D, pp. 37–61. Based on the analytical results of monitoring the source waters to be used for the GWR Project, the water quality results of the pilot plant testing conducted for three of the unit processes to be included as part of the Advanced Water Treatment Facility (pre-ozonation, membrane filtration, and reverse osmosis), information on the predicted performance and water quality of the Advanced Water Treatment Facility based on other existing groundwater replenishment projects and related research/studies:

- The GWR Project would comply with California's groundwater replenishment regulations, and would meet or exceed the Regional Water Quality Control Board's Water Quality Control Plan's ("Basin Plan's") standards, objectives, and guidelines.
- An expert panel and the Division of Drinking Water have reviewed the GWR Project Concept. The Division of Drinking Water has conditionally approved the GWR Project Concept, pending submittal of additional information per the groundwater replenishment regulations. M. Nellor Opening Testimony, p. 7:7–14.
- The GWR Project's Advanced Water Treatment Facility and replenishment of the Seaside Groundwater Basin with product water

would provide reliability and redundancy through the use of multiple treatment barriers and water quality monitoring.

Q5: Are there scientific studies available that analyze the safety of the replenishment of groundwater basins with recycled water?

A5: Yes, studies have been conducted for similar potable reuse projects, including epidemiology studies, risk assessments, and investigations that analyze and compare the toxicological properties of recycled water to those of drinking water. These studies, which were discussed in the GWR Project's Final EIR, have shown that: (1) there is no association between the use of recycled water and adverse health outcomes in individuals consuming groundwater containing recycled water; and (2) purified recycled water used for groundwater replenishment from an appropriately designed and operated advanced treatment facility, such as will be used for the GWR Project, presents less risk in terms of regulated chemicals, pathogens, and trace organics compared to the risk from conventional drinking water sources. GWR Project Final EIR, Appendix D, pp. 27–35.

Q6: Turning to specific points raised by Mr. Weitzman, is the technology that will be used by the GWR Project new or experimental?

A6: No. The technology is not new and has been used in water recycling projects elsewhere in California. For example, reverse osmosis technology has been used to produce recycled water for groundwater replenishment since the mid-1970s as part of the Orange County Water District's original Water Factory 21 Project.

In California, there are six operational groundwater replenishment projects, four of which use advanced treated recycled water for injection and/or spreading into a groundwater basin and two projects that use tertiary recycled water for groundwater replenishment via surface application (one of which has been in operation since 1962). These projects are located in urban areas and thus do not use source water from agricultural uses.

The use of agricultural wash water as source water for the GWR Project is immaterial because most pesticides are below levels of detection or at very low

concentrations in untreated agricultural drainage or will be removed to safe levels or below detection through treatment at the Regional Treatment Plant and the Advanced Water Treatment Facility. Further, California has comprehensive state laws, regulations, and policies governing the use of recycled water for groundwater replenishment to protect groundwater quality and the health of individuals who drink groundwater that is replenished with recycled water.

An example of such a project is the Orange County Water District's Groundwater Replenishment System ("GWRS"), which began operation in 2008. The GWRS replaced the original Water Factory 21 Project, which ceased operation in 2004. The GWRS produces up to 100 million gallons per day of purified recycled water used for nearly 850,000 residents in north and central Orange County. The GWR Project will use the same advanced treatment system as the GWRS, plus an additional purification process.

The outreach program and data collected for the GWRS have received broad support from the health, scientific, environmental, and water quality communities. The GWRS has also gained support from educational leaders, as well as federal, state, and local leaders and policy makers. For additional information about the broad support of the GWRS, *see* http://www.ocwd.com/gwrs/project-supporters/.

The GWR Project has also received broad support from local leaders on the Monterey Peninsula, state and federal legislators, the Fort Ord Reuse Authority, and the State Water Resources Control Board. This support acknowledges the importance of the GWR Project to create a sustainable, resilient water supply to meet the urban, agricultural, and environmental needs of Monterey County. See **Attachment A** (compilation of documents supporting the GWR Project).

Q7: Do you agree with Mr. Weitzman that the GWR Project would impact Monterey's tourism industry?

A7: No. The Orange County Water District's GWRS and data regarding tourism in Orange County provide evidence to rebut Mr. Weitzman's unsupported claims. As noted above, the Water Factory 21 Project, a smaller version of the GWRS, began operations in the

mid-1970s. It was replaced by the larger GWRS, which began operations in 2008. Similar to Monterey County, Orange County is a major tourism destination, including beach areas along the coast and Disneyland in Anaheim. The water supply for these tourist destinations includes groundwater that has been replenished by Water Factory 21 and now the GWRS:

> Groundwater withdrawals make up about 70 percent of the water supply in the Orange County Water District's service area, with the remaining demand being met by imported water from the Colorado River and Northern California. Historically, imported water from the Colorado River and Northern California and water from the Santa Ana River have been the source waters for groundwater recharge in Orange County. Seawater intrusion has been a problem since the 1930s as a consequence of groundwater basin overdraft. Injection of reclaimed water from an advanced wastewater treatment facility (Water Factory 21) to form a seawater intrusion barrier in the Talbert Gap area of the groundwater basin began in 1976. ***The project served the dual purpose of seawater intrusion barrier and potable supply augmentation***. Agency leaders acknowledged both of these purposes and did not encounter public opposition to the potable augmentation.
>
> A recharge project called the Groundwater Replenishment (GWR) System was conceived in the 1990s to replace Water Factory 21 and ***provide additional water to recharge the Orange County Groundwater Basin.*** The GWR System consists of three major components: the Advanced Water Purification Facility (AWPF); the Talbert Gap Seawater Intrusion Barrier; and the Miller and Kraemer spreading basins. The AWPF began producing reclaimed water in January 2008 for injection at the Talbert Gap and spreading at Kraemer and Miller basins. The source water for the 70-MGD (260,000-m3/d) advanced treatment facility is

secondary effluent from the adjacent Orange County Sanitation District Plant No. 1. The AWPF provides further treatment by microfiltration, reverse osmosis, and advanced oxidation.

National Research Council (NRC), 2012, *Water Reuse: Potential for Expanding the Nation's Water Supply through Reuse of Municipal Wastewater*, Washington, D.C., The National Academies Press, p. 59 (emphasis added); personal communication from Eleanor Torres, Director of Public Affairs, Orange County Water District, March 9, 2016.

There is no evidence that the use of product water from the GWRS has impacted Orange County's tourism industry. Rather, during the time period that recycled water has been used to replenish the Orange County Groundwater Basin:

- Statistics from the *2009 Orange County Community Indicators Report* indicate that Orange County is second among its California peers in total visitor spending, with an average annual growth rate of 7% between 2002 and 2006. See *2009 Orange County Community Indicators Report,* p. 17, *available at* http://www.ocbc.org/wp-content/uploads/2009_Orange_County_Community_Indicators_Report.pdf.
- Statistics from the *2015 Orange County Community Indicators Report* indicate that based on employment, Orange County tourism has grown by approximately 11% between 2006 and 2014, despite the national recession. See *2015 Orange County Community Indicators Report,* p. 16, *available at* http://www.ocbc.org/wp-content/uploads/OC-Community-Indicators-report_2015.pdf.

Q8: Does the GWR Project's use of source water from agricultural drainages impact the safety of the product water, as suggested by Mr. Weitzman?

A8: No. Use of source water from agricultural drainages does *not* impact the safety of the product water. Mr. Weitzman erroneously asserts that two pesticides, diazinon and chlorpyrifos, allegedly present in the agricultural drainage would be present in the

product water at unsafe levels. Mr. Weitzman's concerns are unfounded for a number of reasons.

As a preliminary matter, Mr. Weitzman relies on a study that is not relevant. *See* R. Weitzman, Supplemental Testimony on behalf of Water Plus Concerning Phases 1 and 2 of the Monterey Peninsula Water Supply Project, p. 8 (citing Anderson, B. S., et al., *Integrated Assessment of the Impacts of Agricultural Drainwater in the Salinas River* (California, USA), Environ. Pollut. 2003; 124(3):523–32). The study evaluated laboratory measured toxicity in the Salinas River to assess the link between the presence of pesticides and other factors that impact the macroinvertebrate community. It did *not* address human toxicity, but rather toxicity to macroinvertebrates in the river. *Id.*, pp. 523–24. The U.S. Environmental Protection Agency ("EPA") defines macroinvertebrates as: "small aquatic animals and the aquatic larval stages of insects. They include dragonfly and stonefly larvae, snails, worms, and beetles. They lack a backbone, are visible without the aid of a microscope and are found in and around water bodies during some period of their lives." EPA, *National Aquatic Resource Surveys, Indicators: Benthic Macroinvertebrates*, *available at* https://www.epa.gov/national-aquatic-resource-surveys/indicators-benthic-macroinvertebrates. It is not appropriate to apply the results of this study to extrapolate the potential impacts to human health.

Turning to the pesticides discussed by Mr. Weitzman in his testimony, neither pesticide will be present in levels that present a risk to human health and safety. With regard to diazinon, the EPA has determined that: (1) exposure to diazinon in drinking water at a concentration of 20 migrograms per liter ("µg/L") for up to 10 days is not expected to cause any harmful effects in a child (the most sensitive human receptor); and (2) lifetime exposure to 1 µg/L diazinon in drinking water is not expected to create any harmful effects. EPA, *2012 Edition of the Drinking Water Standards and Health Advisories*, EPA 822-S-12-001, Office of Water U.S. Environmental Protection Agency Washington, D.C., *available at* http://www.epa.gov/dwstandardsregulations/drinking-water-contaminant-human-health-effects-information#dw-standards. In addition, the

State of California has established an advisory level for diazinon of 1.2 µg/L. *See* DDW, *Drinking Water Notification Levels and Response Levels: An Overview*, *available at* http://www.waterboards.ca.gov/drinking_water/certlic/drinkingwater/documents/notificationlevels/notificationlevels.pdf.

As discussed in the GWR Project's Final EIR, MRWPCA collected untreated samples of the source waters for the GWR Project, including 11 samples from agricultural drainage water. *See* GWR Project Final EIR, Appendix D, Section 13.2. The analytical detection level used for diazinon was 0.1 µg/L, orders of magnitude below the drinking water thresholds set by EPA. EPA, *2012 Edition of the Drinking Water Standards and Health Advisories*, EPA 822-S-12-001, Office of Water U.S. Environmental Protection Agency Washington, DC, *available at* http://www.epa.gov/dwstandardsregulations/drinking-water-contaminant-human-health-effects-information#dw-standards.

Diazinon was *not* detected in any source waters, including agricultural drainage water. *See id.* Even if diazinon were to be detected in the agricultural wash water, it would be removed to levels below detection by processes the source water would undergo at the Regional Treatment Plant and the Advanced Water Treatment Facility. Monitoring of local pesticides of concern is expected to be included in the permit issued by the Regional Water Quality Control Board for the GWR Project.

With respect to chlorpyrifos, the EPA recommends that children (the most sensitive human receptor) not drink water with chlorpyrifos levels greater than 30 µg/L for periods of 1 to 10 days. EPA, *2012 Edition of the Drinking Water Standards and Health Advisories*, EPA 822-S-12-001, Office of Water U.S. Environmental Protection Agency Washington, DC, *available at* http://www.epa.gov/dwstandardsregulations/drinking-water-contaminant-human-health-effects-information#dw-standards. The analytical detection level used for chlorpyrifos for the evaluation of the source waters was 0.06 µg/L, more than two orders of magnitude below the EPA advisory level.

EXHIBIT 9-D

As noted above, MRWPCA collected untreated samples of the source waters, including 11 samples of agricultural drainage water. *See* GWR Project Final EIR, Appendix D, Section 13.2. Chlorpyrifos was *not* detected in any of the 11 agricultural drainage water samples collected. *Id.* If chlorpyrifos is ever detected in the agricultural drainage water used as source waters for the GWR Project, it would be removed to levels below detection by the processes applied to the source waters by the Regional Treatment Plant and the Advanced Water Treatment Facility. Monitoring of local pesticides of concern is expected to be included in the permit issued by the Regional Water Quality Control Board for the GWR Project.

Mr. Weitzman also raises false concerns regarding the presence of DDT in the source water. *See* R. Weitzman Supplemental Testimony, p. 8. During the review of the GWR Project under the California Environmental Quality Act ("CEQA"), some commenters expressed concerned about the presence DDT in the agricultural drainage water and if the purified water would be safe to drink. DDT (dichlorodiphenyltrichloroethane) is an insecticide developed in the 1940s. DDT was initially used with great effect to combat malaria, typhus, and the other insect-borne human diseases among both military and civilian populations. It also was effective for insect control in crop and livestock production, institutions, homes, and gardens. DDT persists in the environment and can cause adverse health effects on wildlife. As a result, the State of California banned the sale and use of DDT in December 1970 (the national ban was enacted in 1972). Despite being out of use for more than 40 years, DDT and its related breakdown products (DDD and DDE) are highly persistent in the environment and thus are found the world over, including soils in the Salinas Valley. The soil half-life for DDT is from 2 to 15 years (meaning the time required for half of the compound to degrade).

Sampling conducted for source waters for the GWR Project did not find DDT in untreated agricultural drainage water samples. DDE was found in one sample at a concentration of 21 nanograms per liter ("ng/L"). To put this amount into perspective,

21 ng/L is like a single drop of water in an Olympic sized swimming pool. This pesticide was present in the untreated agricultural drainage water at concentrations 50 times less than the World Health Organization's drinking water guidance value of 1,000 ng/L. World Health Organization, *Guidelines for Drinking-water Quality*, Fourth Edition, ISBN 978 92 4 154815 1, 2011, *available at* http://apps.who.int/iris/bitstream/10665/44584/1/9789241548151_eng.pdf. There are no EPA standards or advisory levels for DDT and its breakdown products in drinking water. Any DDT or its breakdown chemicals coming into the Regional Treatment Plant and the Advanced Water Treatment Facility will be removed or destroyed to levels below detection as demonstrated by the pilot testing conducted by MRWPCA.

Q9: Does that conclude your rebuttal testimony?

A9: Yes, although I reserve my right to update this testimony at the evidentiary hearing scheduled for this proceeding in April 2016.

Attachment A

Attachment A

EXHIBIT 9-D

COMMITTEES
BANKING AND FINANCE
HUMAN SERVICES
NATURAL RESOURCES

SELECT COMMITTEES
CHAIR: COASTAL PROTECTION
CHAIR: EXPANDING ACCESS TO
CALIFORNIA'S NATURAL RESOURCES

Assembly
California Legislature

MARK STONE
CHAIR, JUDICIARY
ASSEMBLYMEMBER, TWENTY-NINTH DISTRICT

STATE CAPITOL
P.O. BOX 942849
SACRAMENTO, CA 94249-0029
(916) 319-2029
FAX (916) 319-2129

DISTRICT OFFICES
701 OCEAN STREET, SUITE 318B
SANTA CRUZ, CA 95060
(831) 425-1503
FAX (831) 425-2580

99 PACIFIC STREET, SUITE 575G
MONTEREY, CA 93940
(831) 649-2832
FAX (831) 649-2935

Santa Clara County: (408) 782-0647

March 22, 2016

Commissioner Catherine J.K. Sandoval
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Dear Commissioner Sandoval:

I am writing in support of Pure Water Monterey, a project developed jointly by the Monterey Peninsula Water Management District and the Monterey Regional Water Pollution Control Agency.

This multi-region, multi-benefit project seeks to augment the highly limited potable water supply for Monterey County. With the December 2016 deadline from the State Water Board's Cease and Desist Order fast approaching, California-American Water must cease unlawful diversions from the Carmel River, dramatically reducing the available water supply for the area. The loss of this water combined with the ongoing drought in California poses a substantial threat to the tourism and agriculture sectors which drive economic health in the County.

Pure Water Monterey is a key element in the portfolio of proposed water supply solutions Monterey County is considering to address this shortage. This system of advanced water recycling and purification presents an innovative approach which will take wastewater as well as agricultural produce wash water, storm water, and used irrigation water and purify it through a process which complies with or exceeds strict state and federal standards. The purified potable water will then be delivered to the Monterey Peninsula and irrigation water delivered to agricultural operations in North Monterey County.

With Pure Water Monterey in operation, the region will be able to pursue a smaller desalination plant, reduce potentially polluted discharge into the National Marine Sanctuary, and clean up discharge to the Salinas River. The project presents a legal, environmentally preferable regional replacement water supply solution on a timeline anticipated to be faster than the proposed desalination plant.

Thank you for your consideration of this worthy project. If you have any questions, please feel free to contact me at (831) 649-2832.

Sincerely,

Mark Stone
Assemblymember
Twenty-Ninth District

EXHIBIT 9-D

SAM FARR
20TH DISTRICT, CALIFORNIA

COMMITTEE ON APPROPRIATIONS
SUBCOMMITTEES:
AGRICULTURE, RURAL DEVELOPMENT, FOOD AND DRUG ADMINISTRATION, AND RELATED AGENCIES
MILITARY CONSTRUCTION, VETERANS' AFFAIRS, AND RELATED AGENCIES
CO-CHAIR, CONGRESSIONAL ORGANIC CAUCUS
CO-CHAIR, CONGRESSIONAL TRAVEL AND TOURISM CAUCUS
CO-CHAIR, HOUSE OCEANS CAUCUS

Congress of the United States
House of Representatives
Washington, DC 20515–0520

1126 LONGWORTH HOUSE OFFICE BUILDING
WASHINGTON, DC 20515–0520
(202) 225–2861

100 WEST ALISAL
SALINAS, CA 93901
(831) 424–2229

701 OCEAN STREET
ROOM 318
SANTA CRUZ, CA 95060
(831) 429–1976

www.farr.house.gov

March 14, 2016

Catherine J. K. Sandoval
Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Re: Pure Water Monterey water recycling and purification project

Dear Commissioner Sandoval:

I have been proud to serve the vibrant municipalities, fertile agricultural community, and outstanding natural resources of the Central Coast's 20th Congressional District since 1993. As a coastal region not connected to the State Water Project or reliant on Sierra snowmelt, our communities have to depend on development of local water supplies to meet their needs. I am writing to call your attention to one such project – Pure Water Monterey.

Pure Water Monterey is an advanced water recycling and purification project which brings multiple benefits to more than one region. The project will bring a new source of agricultural irrigation water to the growers in the northern Salinas Valley, one of the State's largest and most diverse agricultural regions. Highly purified drinking water will be made available to the cities of the Monterey Peninsula, which have faced chronic water shortages since the 1990s, and have become leaders in water conservation.

Furthermore, the environmental benefits of the project are many: Pure Water Monterey will allow the desalination plant being proposed for the region to be downsized, reducing its carbon footprint and decreasing brine discharged to the National Marine Sanctuary. The project will also divert and clean wastewater, stormwater, and high-nitrate spent agricultural irrigation water removing them from our river, estuary, and National Marine Sanctuary.

I strongly support this project and encourage the California Public Utilities Commission to consider the facility's multi-region benefits in evaluating and approving the project.

Thank you very much for your attention to this innovative approach to water independence.

Sincerely,

Sam Farr

SAM FARR
Member of Congress

EXHIBIT 9-D

MONTEREY COUNTY

Monterey County Board of Supervisors

John M. Phillips
Supervisor District 2

Josh Stratton
Aide to the Supervisor

Claudia J. Link
Aide to the Supervisor

P.O. Box 787
Castroville, CA 95012
831-755-5022
831-633-0201
District2@co.monterey.ca.us

Commissioner Catherine J.K. Sandoval
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Dear Commissioner Sandoval,

Monterey County and the entire state of California face a historic drought resulting from lack of rainfall and the draining of our rivers and lakes. In the face of this challenge, Pure Water Monterey is an innovative project which is a critical element to finding a solution to our water challenges.

I am writing in fervent support of the Pure Water Monterey project and to urge the California Public Utilities Commission to consider approval of the project.

The Pure Water Project is a key element towards Monterey County complying with the State Water Board's Recycled Water Policy to encourage the substitution of recycled water for potable water by 2030. We have a problem not only of water insufficiency, but also of capturing the water when we have it. This project will capture not just wastewater, but also agricultural produce wash water, storm water and used irrigation water to be converted into potable drinking water and irrigation water for our farmers.

This collaborative effort to capture, transport, process and deliver water from multiple sources, through multiple jurisdictions, is a model for other counties in the state to follow. I strongly offer my full support for the project and encourage you to support this innovative, efficient water recycling and purification project as well.

Sincerely,

John M. Phillips
Supervisor, Second District
County of Monterey

EXHIBIT 9-D

MONTEREY COUNTY

Board of Supervisors

Supervisor Dave Potter
Monterey County, Fifth District Supervisor

Kathleen Lee, Chief of Staff
Jayne Mohammadi, Aide
Bryan Flores, Administrative Assistant

1200 Aguajito Rd., Suite 001
Monterey, CA 93940
(831) 647-7755
Fax: (831) 647-7695
Email: district5@co.monterey.ca.us

February 25, 2016

Commissioner Catherine J.K. Sandoval
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Re: Support Letter for Monterey Peninsula Water Management District (MPWMD)
Pure Water Monterey water recycling and purification project

Dear Commissioner Sandoval,

For decades, the County of Monterey has led the state in water conservation efforts for both residential and commercial uses. Given the worsening drought conditions in California, it is imperative that communities and public agencies continue to work together to create viable solutions to our current and historic water challenges and plan for the future. The Monterey Peninsula Water Management District Pure Water Monterey project would further bolster our efforts to successfully navigate through this difficult time, not only on the Monterey Peninsula but also in the Salinas Valley and throughout the County of Monterey.

Pure Water Monterey is an advanced water recycling and purification project to deliver potable water to the Peninsula and to gather and deliver irrigation water to the growers in North Monterey County. It is a multi-region, multi-benefit project. What makes it unique is that it gathers not just wastewater, but also agricultural produce wash water, storm water, and used irrigation water. The project is environmentally preferred to a larger desalination plant because of lower carbon footprint, reduced discharges to the Monterey Bay National Marine Sanctuary, and it helps to exacerbate some of the issues regarding discharges to the Salinas River. The project was referenced in Senator Feinstein's drought bill introduced earlier this month.

Planning for a sustainable, resilient water supply to meet the urban, agricultural and environmental needs of Monterey County will take consistent coordination, cooperation and focused planning and management. To this end, I strongly support the Monterey Peninsula Water Management District's Pure Water Monterey water recycling and purification project.

Sincerely,

Dave Potter

Dave Potter
Supervisor, Fifth District
County of Monterey

DIANNE FEINSTEIN
CALIFORNIA

EXHIBIT 9-D

United States Senate

WASHINGTON, DC 20510-0504
http://feinstein.senate.gov

March 7, 2016

Catherine J.K. Sandoval
Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Dear Commissioner Sandoval:

I write in support of Pure Water Monterey, the innovative water recycling project developed by the Monterey Peninsula Water Management District (District) and the Monterey Regional Water Pollution Control Agency (Agency)

Pure Water Monterey uses a four step water recycling process to treat water before it is injected into the groundwater basin using injection wells. This unique project utilizes water sources such as produce wash run-off, storm water, and agricultural irrigation run-off in addition to traditional wastewater. California is facing a historic drought, and the extraordinary lack of water limits our options. The District and Agency endeavor to make sure no drop is wasted with this exciting project.

Projects like Pure Water Monterey will help improve water supplies for local communities both in the short- and long-terms. Pure Water Monterey will serve as a model for other communities throughout California and I am pleased to offer it my full support.

Thank you in advance for your time and attention. If you have any questions regarding this project, please contact Katie Gross in my San Francisco office at (415) 393-0707.

Sincerely,

Dianne Feinstein
United States Senator

DF/kg

EXHIBIT 9-D

COMMITTEES
CHAIR: LEGISLATIVE ETHICS
BUDGET & FISCAL REVIEW
BUDGET SUBCOMMITTEE 3
ON HEALTH & HUMAN SERVICES
HEALTH
JUDICIARY
NATURAL RESOURCES & WATER
PUBLIC SAFETY

WEB
SD17.SENATE.CA.GOV

California State Senate

WILLIAM W. MONNING
MAJORITY LEADER
SEVENTEENTH SENATE DISTRICT

CAPITOL OFFICE
STATE CAPITOL, ROOM 313
SACRAMENTO, CA 95814
TEL (916) 651-4017

MONTEREY DISTRICT OFFICE
99 PACIFIC STREET, SUITE 575-F
MONTEREY, CA 93940
TEL (831) 657-6315

SAN LUIS OBISPO DISTRICT OFFICE
1026 PALM STREET, SUITE 201
SAN LUIS OBISPO, CA 93401
TEL (805) 549-3784

SANTA CRUZ DISTRICT OFFICE
701 OCEAN STREET, SUITE 318-A
SANTA CRUZ, CA 95060
TEL (831) 425-0401

SANTA CLARA COUNTY SATELLITE OFFICE
7800 ARROYO CIRCLE, SUITE A
GILROY, CA 95020
TEL (408) 847-6101

March 7, 2016

Catherine J.K. Sandoval, Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Dear Commissioner Sandoval:

This letter is to express my support for the Monterey Peninsula Water Management District's Pure Water Monterey (MPWMD) water recycling and purification project.

As you know, the Monterey Peninsula receives its water supply from surface and sub-surface water in the Carmel River, as well as water from the Seaside Groundwater Basin. In 2009, the State Water Resources Control Board issued a Cease and Desist Order to California American Water (Cal-Am) that prescribed a series of significant cutbacks to the Monterey Peninsula's access to water from the Carmel River.

The MPWMD and the Monterey Regional Water Pollution Control Agency have jointly developed Pure Water Monterey in order to deliver potable water to the Monterey Peninsula. This multi-region, multi-benefit project is supported by Cal-Am and will gather wastewater, agricultural produce wash water, storm water, and used irrigation water for regional re-use. The project is environmentally preferable to a larger desalination plant because of its smaller carbon footprint and its reduction in discharge in the National Marine Sanctuary.

Pure Water Monterey is an advanced water recycling and purification public project, and a critical component of the region's water portfolio. The project is a collaborative effort to develop an environmentally sustainable water supply in the Monterey region and I urge your support of the Monterey Peninsula Water Management District's Pure Water Monterey project.

Sincerely,

WILLIAM W. MONNING
Senator, 17th District

WWM:nc

cc: Michael Picker, President
California Public Utilities Commission

EXHIBIT 9-D

CALIFORNIA Water Boards

EDMUND G. BROWN JR. GOVERNOR

MATTHEW RODRIQUEZ SECRETARY FOR ENVIRONMENTAL PROTECTION

State Water Resources Control Board

January 22, 2016

Commissioner Catherine J.K. Sandoval
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298

Via U.S. Postal Service and Email: catherine.sandoval@cpuc.ca.gov

Subject: Letter of Support for Pure Water Monterey, Application No. 12-04-019 (filed April 23, 2013)

Dear Commissioner Sandoval:

The State Water Resources Control Board (State Water Board) is both very concerned about and interested in a sustainable water supply for the Monterey Peninsula to eliminate existing unlawful pumping from the Carmel River consistent with the State Water Board's Cease and Desist Order (CDO), State Water Board Order WR 2009-0060. I understand that several public agencies and Cal-Am have chosen to support water recycling (Pure Water Monterey) as part of the portfolio of water supplies under consideration by the California Public Utilities Commission.

On November 30, 2015, the State Water Board approved a wastewater change petition for the City of Salinas, that allows up to 4.67 million gallons per day (5,235 acre-feet per year) of wastewater to be recycled and applied to two potential uses, one of which is municipal use in the Cal-Am service area. This water must be used to offset deliveries of unlawful diversions from the Carmel River by Cal-Am, unless the Executive Director of the State Water Board grants permission to use the water for new uses in the service area. Additionally, it is my understanding that the project will use wastewater that would not be subject to State Water Board water right permitting requirements, because it is currently discharged directly to the ocean.

Allowing this water to be used in the Cal-Am service area by adding this portion of Pure Water Monterey to the area's water portfolio makes sense because it would provide a lawful alternative to illegal diversions from the Carmel River on a timeline anticipated to be faster than that anticipated for the proposed desalination plant. State Water Board Order WR 2009-0060 requires that Cal-Am cease unlawful diversions at the end of December 2016. Cal-Am has requested an extension of this deadline until December 31, 2020 that is currently under consideration by the State Water Board. Any potential extension of the deadline, however, will not solve the issue of continued impacts to the Carmel River.

Approval of this portion of Pure Water Monterey adds to the region's development of a diverse water portfolio. The current drought emergency has underscored the pitfalls of relying on too

few sources of water supply in many communities across the state. The project is in alignment with the State Water Board's Recycled Water Policy, which encourages the maximum substitution of recycled water for potable water by 2030.

Water rights for other portions of the Pure Water Monterrey Project are currently under review at the State Water Board, and I can therefore not comment on them. The portion of Pure Water Monterey Project approved by the State Water Board, however, advances state mandates and policy objectives. If successful, it also demonstrates how multiple agencies can work together to develop a water supply project that provides benefits to multiple stakeholders and enhances environmental considerations.

I appreciate the opportunity to comment on the proceedings.

Sincerely,

Felicia Marcus
Chair

cc. Administrative Law Judge Gary Weatherford.
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102-3298
Via U.S. Postal Service and Email: gw2@cpuc.ca.gov

Monterey Peninsula Regional Water Authority
Attn: President Jason Burnett
735 Pacific Street
Monterey, CA 93940
Via U.S. Postal Service and Email: jason.burnett@gmail.com

Monterey Peninsula Water Management District
Attn: David Stoldt, General Manager
5 Harris Court, Building G, P.O. Box 85
Monterey, CA 93942

Monterey Regional Water Pollution Control Agency
Attn: Paul Sciuto, General Manager
5 Harris Court, Bldg D
Monterey, CA 93940

California American Water Company
Attn: President Robert MacLean
1033 B Ave Ste 200
Coronado, CA 92118

Office of Ratepayer Advocates
Attn: Linda Serizawa, Deputy Director
505 Van Ness Avenue
San Francisco, CA 94102

EXHIBIT 9-D

RESOLUTION 16-07

A RESOLUTION OF THE GOVERNING BODY OF THE FORT ORD REUSE AUTHORITY TO RECOMMEND THE PURE WATER MONTEREY GROUNDWATER REPLENISHMENT PROJECT TO THE CALIFORNIA PUBLIC UTILITIES COMMISSION.

THIS RESOLUTION is adopted with reference to the following facts and circumstances:

A. The U.S. Army entered into agreement with Monterey County Water Resource Agency to allow up to 6600 acre feet per year (AFY) of pumping from the Salinas Valley Ground Water Basin; and,

B. The 1997 Fort Ord Base Reuse Plan (BRP) identified water availability as a resource constraint estimating approximately 2,400 AFY of additional water resource to augment the existing groundwater supply would likely be needed to achieve the replacement reuse activity outlined in the BRP (Volume 3, figure PFIP 2-7); and,

C. FORA transferred ownership of all of the then existing Ord water and sewer facilities to the Marina Coast Water District (MCWD) under the 1998 Water/Wastewater Facilities Agreement (1998 Agreement); title was transferred in 2001; and,

D. Under Section 3.2.2 of the 1998 Agreement, FORA has the responsibility to determine, in consultation with MCWD, what additional water and sewer facilities are necessary for MCWD's Ord Community service area in order to meet the BRP requirements, and that, once FORA determines that additional water supply and/or sewer conveyance capacity is needed, under Section 3.2.1, it is MCWD's responsibility to plan, design, and construct such additional water and sewer facilities. Section 7.1.2 requires FORA to insure that MCWD recovers all of its costs for the new facilities and their operation; and,

E. In 2002, MCWD, in cooperation with FORA, initiated the Regional Urban Water Augmentation Project (RUWAP) to explore water supply alternatives to provide the additional 2,400 AFY of water supply needed under the BRP; and,

F. After completing environmental review, FORA and MCWD agreed to adopt a modified hybrid plan, which would provide recycled and desalinated water to the Ord Community and this in turn resulted in the FORA Board adopting Resolution 07-10 (May 2007), which allocated 1,427 AFY of RUWAP recycled water to its land use jurisdiction; and,

G. In June 2009, MCWD and the Monterey Regional Water Pollution Control Agency (MRWPCA) entered into a 50-year RUWAP Memorandum of Understanding, in which (a) MRWPCA committed 650 AFY of summer recycled water to MCWD for the Ord Community; (b) MCWD affirmed its commitment of 300 AFY of summer recycled water to the Ord Community; and (c) MRWPCA and MCWD committed to supply 477 AFY of recycled water during other months to the Ord Community - for a total of 1,427 AFY; and,

H. MCWD continues to work collaboratively with FORA and with MRWPCA to carry out MCWD's obligation to provide 1,427 AFY of recycled water for the Ord Community; and,

I. On September 8, 2015, MCWD and MRWPCA tentatively agreed to work together on the Pure Water Monterey Project as described in that certain draft Environmental Impact Report (EIR) dated April 22, 2015, to provide advanced treated water for recharge water

into the Seaside groundwater basin and to serve MCWD, existing, and future recycled water customers as part of the recycled component of RUWAP; and,

J. FORA Board of Directors unanimously resolved to endorse the PCA Pure Water Monterey Project as a potential supplier of augmented water on October 9, 2015; and,

K. FORA Board of Directors unanimously endorsed a joint planning process between FORA, PCA, and MCWD on November 13, 2015; and,

L. In December 2015, MCWD's and MRWPCA's Board have mutually agreed in principle on terms regarding cost sharing, ownership, operations, maintenance, funding, and completion of work for the Pure Water Monterey Project. MRWPCA will supply Advanced Treated Water to MCWD, who will then provide it to the Ord Community in place of Tertiary Water; and,

M. Advanced treated water is better quality water than Tertiary Water and MRWPCA currently estimates that the Pure Water Monterey Project will provide water to the Ord Community that costs less per acre foot of Tertiary Water; and,

N. Based on these facts and FORA's position in its CIP report that MCWD is already contractually obligated to provide the recycled water, FORA's approval of changing the recycled water project from tertiary treated recycled water to advanced treated recycled water will clarify FORA's support for the Pure Water Monterey Project.

NOW THEREFORE the Board hereby resolves that:

1. FORA recommends MRWPCA Pure Water Project to the California Public Utilities Commission as a project able to support FORA's Water Augmentation mitigation requirements, and whose Product Conveyance Facilities will decrease long term costs to the end user through economies of scale in conjunction with Marina Coast Water District.

2. $3-7M of the total CIP Budget for Water Augmentation ($24M) may be used to assist in funding a 'Pipeline' if the project moves ahead and can deliver the substituted water resource.

ADOPTED this 12th day of February, 2016 by the Fort Ord Reuse Authority by the following roll call votes listed by name:

AYES:	BEACH, HAFFA, GUNTER, KAMPE, MORTON, O'CONNELL, OGLESBY, RUBIO, PARKER, PENDERGRASS, PHILLIPS
NOES:	NONE
ABSTENTIONS:	NONE
ABSENT:	CLARK, POTTER

ATTEST:

Michael A. Houlemard, Jr.,
Clerk

APPROVED:

Frank O'Connell, FORA Board Chair