

Monterey Peninsula Water Management District

Strategic Goals

Adopted May 20, 2019

One-Year Goals

1. Continue to Advance Water Supply Projects

The District has made progress over the past year to secure contracts and funding for water supply projects. Continued progress would entail the following:

- With completion of construction of Pure Water Monterey; the District needs to incorporate sales to Cal-Am in its billing system, develop a water accounting process, pay for establishment of reserves, work with Monterey One Water on annual water rate setting, and monitor operations.
- Support commencement of the Cal-Am desalination project; Further develop Financing Order and timing for the “Ratepayer Relief Bonds” public contribution.
- Advance “back-up” plan in the event the desalination project is delayed – Environmental, design, and permitting for Pure Water Monterey expansion.
- Complete Santa Margarita ASR Site; Identify ASR operational issues and vulnerabilities to help optimize performance
- Address rule changes to create additional supplies in short term (reestablish District Reserve, expand use of water entitlements, ease transfers, identify unused credits, etc)

2. Complete Measure J/Rule 19.8 Feasibility Analysis

Coordinate the efforts of the District’s eminent domain attorneys, valuation and cost of service consultant, investor-owned utility consultant, investment banker and other professional to yield meaningful work product for General Manager to draft plan for compliance with Rule 19.8.

3. Continue to Raise Profile of District at Local, Regional, State, and Federal Level

- Provide leadership on water issues locally and regionally
- More interaction with local NGOs
- Continue speaking and sponsorship opportunities
- Enhance State and Federal regulators’ understanding of District role
- Pursue State and Federal funding opportunities
- Continue to track bills and provide guidance at State and Federal level
- Maintain public outreach and visibility, locally and within the industry

4. Establish Clear Requirements for Water Distribution Systems within the District

The District could benefit by more clearly stating or codifying in its Rules and Regulations its expectations and requirements from large Water Distribution Systems (WDS) within its boundaries with respect to the following:

- Reporting production and consumption and other reporting requirements
- Posting current rates and charges
- Posting other consumer-oriented information
- Rules on annexations
- Ensure District revenues appropriately collected (e.g. User Fee in Canada Woods territory; Water Supply Charge in satellite systems; Revisit Capacity Fee discount for non-Main territory)
- Summarize key conditions of existing WDS and monitor compliance; Look at methods of establishing administrative record regarding compliance; Clarify remedies/penalties for non-compliance;
- Examine compliance with water pressure requirements
- Consider aligning District Boundaries more closely to underlying systems (LAFCO process)
- Other

5. Develop Comprehensive Strategy for Permit 20808-B

The District has successfully reassigned portions of the original New Los Padres Reservoir permit 20808 to Phases 1 and 2 of ASR (20808-A and 20808-C.) However, permit conditions for each are different. The remainder permit 20808-B, without an approved extension, could be revoked by the SWRCB if water is not planned to be beneficially used by the year 2020. ASR operations are constrained by the season of diversion, points of injection and extraction, and out-of-date instream flow requirements. A strategy for the remainder permit will include:

- Identification of two to three potential new injection and recovery sites, both in the Seaside Basin and the Carmel Valley
- Possible source well rehabilitation and/or expansion in Carmel Valley; Potential treatment capacity expansion. May require EIR.
- Develop strategy for direct diversion component of water right.
- Amend existing permits and conform all permits to same standards; Working with Cal-Am and DDW, attempt to create greater operating flexibility such that any injection well can inject any water and wells can be used for both recovery and production.
- Complete a water availability analysis and an IFIM study to revise permit conditions.

6. Fiscal Sustainability and Long-Term Financial Planning

The District should examine its requirements for long-term fiscal strength, including:

- Plan for Measure J/Rule 19.8 costs and exposure

- Reserves and investments
- Strategies for funding PERS and OPEB liabilities
- Ongoing maintenance and replacement of District assets
- Discuss rebate funding if Cal-Am reduces program
- Water Supply Charge plan for sunset/suspension/reduction.
- Plan for retirement of Rabobank Loan
- Study fiscal impact of realignment of District boundaries

7. Organizational Issues

The Board may seek to direct staff to review its essential services and staffing levels, as well as succession plans. This review may include actions related to the following:

- Addition of new staff to meet changing District priorities
- Examine succession planning
- Identify needs if Measure J/Rule 19.8 feasibility is indicated
- Consider adoption of a “Sustainability Policy” for all District activities
- Tour District assets for Board members and staff
- Consider employee team-building or morale-building events each year
- Ensure appropriate staff training (customer service, CPR, confined space, etc)
- Implement revised file retention policy and email retention policy; Reduce physical files; establish searchable electronic file repository.
- Annual update of District website
- Obtain CSDA “Transparency Certificate”; Continue to achieve Government Finance Officer Association award for Comprehensive Annual Financial Report (CAFR)

Three-Year Goals

8. Measure J/Rule 19.8 Next Steps

If feasibility is indicated, prepare for bench trial on public necessity: (a) identify costs, funding plan, and risks, (b) develop clear plan of operations, (c) perform formal appraisal, (d) build findings of public necessity, and (e) diagram legal strategy.

If feasibility is not indicated, resolve remaining issues in Rule 19.8 such as: should the District revisit the issue again in the future? Or, what to do about other water distribution systems within the District? Also develop a plan to replenish reserves for costs associated with the process.

9. Establish a Long-Term Strategy for Los Padres Dam

The District is coordinating a team of consultants to look at long-term alternatives for the Los Padres Dam. Cal-Am is participating in the funding. The National Marine Fisheries Service

(NMFS) and California Department of Fish and Wildlife (CDFW) are involved in technical review. Work to date has included development of Instream Flow Incremental Method (IFIM) study to evaluate habitat from dam removal, expanded reservoir capacity, and/or changed operations, as well as creation and calibration of the Carmel River Basin Hydrologic Model to evaluate water availability under various alternatives. The team has looked at upstream fish passage feasibility and sediment management under various alternatives. NMFS has indicated a series of additional studies are desired, which may result in 2- to 3- years of additional work.

- In addition to additional scenarios of the Carmel River Basin Hydrologic Model (CRBHM), additional studies might include: (a) Comprehensive water quality monitoring and modeling, (b) Additional hydrologic simulations (e.g., historical simulations), (c) Fisheries Monitoring & Life Cycle Model Development, (d) Historical Ecology & Hydrology Assessment, (e) Upper Carmel River Habitat Assessment, and (f) Conduct a Carmel River Flood Risk Assessment
- The District will also want to review overall feasibility and cost considerations, and liability and management issues
- Is there a role for hydroelectric generation in the long-term strategy?

10. Prepare for Allocation of “New Water”

The 1990 Allocation EIR resulted in the District developing a process for the allocation of water to the jurisdictions. The process was very interactive with jurisdiction participation. The District will need to be proactive to develop fair and equitable mechanisms for allocation of new water from the Monterey Peninsula Water Supply Project to the jurisdictions.

- Meet with jurisdictions to agree on future parameters
- Update and evaluation of each jurisdiction’s general plan needs; Consider allocations for special entities (e.g. Department of Defense, Montage, etc)
- Develop policy for allocation of new water; Determine CEQA requirements
- Perform initial allocation
- Clean up the District rules regarding Water Credit transfers, sales, and categories.

11. Continue to Examine Revising or Streamlining Rules and Regulations

A broad examination of what policies, rules, and regulations can be revised without an intensification of water use while the CDO remains in effect, as well as what direction policy should take for the future when the CDO is lifted.

- Changes that can support affordable housing and/or auxiliary dwelling units
- Consider change to second-bathroom protocol
- Develop credit for innovative technologies
- Options for reducing disposables/trash in Group II setting
- Examine conservation off-set program
- General clean-up

12. Carmel River Mitigation Program

Determine direction for the District's Carmel River mitigation activities as a result of removal of San Clemente Dam and the assumption that a new water supply comes on line.

- Invest in data collection to support future actions (PIT tagging, construction and staffing of a weir for fish counts, etc)
- Promote strategies for addressing the striped bass issue
- Assess Carmel Valley changes in use over time
- Secure outside funding for habitat restoration
- Develop Mitigation Program "Endgame" Plan
- What will be future Cal-Am operations?
- What will be role of Cal-Am, NMFS, CDFW, non-Cal-Am pumpers?
- How will a baseline be established?
- What data will be needed? How will it be collected? For how long?