

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

AGENDA Water Supply Planning Committee of the Monterey Peninsula Water Management District *****

Monday, April 4, 2022 at 3:00 p.m. Virtual Meeting

As a precaution to protect public health and safety, and pursuant to provisions of AB 361, this meeting will be conducted via Zoom Video/Teleconference only.

Join the meeting at:

https://us06web.zoom.us/j/83463948470?pwd=T3p6bEl3WktzNXREOWRGWlVMMlNodz09

Or access the meeting at: <u>www.zoom.us</u> Webinar ID Number: 834 6394 8470 Meeting password: 04042022 Participate by phone: (669) 900 - 9128

For detailed instructions on connecting to the Zoom meeting see page 2 of this agenda.

Water Supply Planning Committee	Call t	to Order / Roll Call
Members: Alvin Edwards, Chair Karen Paull		ments from Public - <i>The public may comment on any item within the District's iction. Please limit your comments to three minutes in length.</i>
George Riley		n Items - <i>Public comment will be received. Please limit your comments to three (3) es per item.</i>
Alternate: Amy Anderson	1.	Consider Adoption of September 7, 2021 and November 1, 2021 Committee Meeting Minutes
Staff Contact <i>David J. Stoldt,</i>	2.	Adopt 2022 Committee Meeting Schedule
General Manager	Discu	ssion Items – Public comment will be received. Please limit your comments to three (3)
		es per item.
Resources Manager	3.	Update of Pure Water Monterey Base Project Progress - Performance to Date,
	5.	Tracer Test, Deep Wells 3 & 4
	4.	Discuss ASR Parallel Pipeline and ASR Well #1 Extraction Capacity – Verbal Report
	5.	Discussion of Pure Water Monterey Expansion - Water Purchase Agreement, Extraction Wells 1 & 2 Issue
	6.	Near-Term Supply Constraints
	7.	Path Forward to Lifting the Cease and Desist Order and Meter Moratorium
	8.	Further Updates on Seaside Fort Ord Wells – Verbal Report
	Sugg	est Items to be Placed on Future Agendas

Water Supply Planning Committee Monday, April 4, 2022 Page 2 of 3

Adjournment

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 on the District's website prior to the meeting. Documents distributed at the meeting will be made available upon request and posted to the District's website within five days following the meeting.

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. Submit requests by 5:00 pm on Friday, April 1, 2022 to the Board Secretary, joel@mpwmd.net or call 831-658-5652 or Sara Reyes, Sr. Office Specialist, sara@mpwmd.net at 831-658-5610.

Instructions for Connecting to the Zoom Meeting

Note: If you have not used Zoom previously, when you begin connecting to the meeting you may be asked to download the app. If you do not have a computer, you can participate by phone.

Begin: Within 10 minutes of the meeting start time from your computer click on this link: <u>https://us06web.zoom.us/j/83463948470?pwd=T3p6bEl3WktzNXREOWRGWIVMMINodz09</u> or paste the link into your browser.

DETERMINE WHICH DEVICE YOU WILL BE USING

(PROCEED WITH ONE OF THE FOLLOWING INSTRUCTIONS)

USING A DESKTOP COMPUTER OR LAPTOP

- 1. In a web browser, type: <u>https://www.zoom.us</u>
- 2. Hit the enter key

3. At the top right-hand corner, click on "Join a Meeting"

4. Where it says "Meeting ID", type in the Meeting ID# above and click "Join Meeting"

5. Your computer will begin downloading the Zoom application. Once downloaded, click "Run" and the application should automatically pop up on your computer. (If you are having trouble downloading, alternatively you can connect through a web browser – the same steps below will apply).

6. You will then be asked to input your name. It is imperative that you put in your first and last name, as participants and attendees should be able to easily identify who is communicating during the meeting.

7. From there, you will be asked to choose either ONE of two audio options: Phone Call or Computer Audio:

COMPUTER AUDIO

1. If you have built in computer audio settings or external video settings – please click "Test Speaker and Microphone".

2. The client will first ask "Do you hear a ringtone?" •If no, please select "Join Audio by Phone".

•If yes, proceed with the next question:

3. The client will then ask "Speak and pause, do you hear a replay?" •If no, please select "Join Audio by Phone" •If yes, please proceed by clicking "Join with Computer Audio"

PHONE CALL

1. If you do not have built in computer audio settings or external video settings - please click "Phone Call"

2. Dial one of the numbers listed below using a phone. Select a phone number based on your current location for better overall call quality.



+1 669 900 9128 (San Jose, CA)	+1 301 715 8592 (New York, NY)
+1 312 626 6799 (Seattle, WA)	+1 646 558 8656 (Maryland)
+1 253 215 8782 (Houston, TX)	+1 346 248 7799 (Chicago, IL)
3.Once connected, it will ask you to enter the Webinar 4.It will then ask you to enter your participant ID numb 5.You are now connected to the meeting.	1 1 2
be able to easily identify who is communicating during6. Tap "Join Meeting"7. Tap "Join Audio" on the bottom left hand corner of	Store or Google Play Store (the application is free). Ir first and last name, as participants and attendees should the meeting. your device
8. You may select either ONE of two options: "Call vis	a Device Audio" or "Dial in"
 DIAL IN 1. If you select "Dial in", you will be prompted to selet 2. You may select any of the numbers listed below: +1 669 900 9128 (San Jose, CA) +1 346 248 7799 (Chicago, IL) +1 312 626 6799 (Seattle, WA) 	ct a toll-free number to call into. +1 253 215 8782 (Houston, TX) +1 301 715 8592 (New York, NY) +1 646 558 8656 (Maryland)
(1512 020 0799 (Sounde, WIY)	1 040 550 0050 (Maryana)
3. The phone will automatically dial the number, and if4. Do not hang up the call, and return to the Zoom app5. You are now connected to the meeting.	nput the Webinar Meeting ID No. and your Password.
	olic Comment
Receipt of Public Comment – the Chair will ask for c	
 (a) Computer Audio Connection: Select the "raised identify yourself. (b) Phone audio connection with computer to view m called on to speak, push *6 to unmute and please iden (c) Phone audio connection only: Press *9. Wait for t identify yourself and provide your comment. Pre 	hand" icon. When you are called on to speak, please neeting: Select the "raised hand" icon. When you are tify yourself. the clerk to unmute your phone and then
Submit Writ	ten Comments
If you are unable to participate via telephone or computer comments by e-mailing them to <u>comments@mpwmd.net</u> COMMENT ITEM #" (insert the item number relevant to COMMUNICATIONS". Comments must be received by <u>by noon</u> will be provided to the committee members and	with one of the following subject lines "PUBLIC your comment) or "PUBLIC COMMENT – ORAL 212:00 p.m. on Monday, April 4, 2022. Comments submitted

 $\label{eq:listaff} U:\staff\Board_Committees\WSP\2022\20220402\April-4-2022-WSP-Meeting-Agenda.docx$



ITEM: ACTION ITEM

1. CONSIDER ADOPTION OF SEPTEMBER 7, 2021 AND NOVEMBER 1, 2021 COMMITTEE MEETING MINUTES

Meeting Date: April 4, 2022

From: David J. Stoldt, General Manager

Prepared By: Joel G. Pablo

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** and **1-B** are draft minutes of the September 7, 2021 and November 1, 2021 committee meeting.

RECOMMENDATION: The Committee should adopt the minutes by motion.

EXHIBIT

- 1-A Draft Minutes of the September 7, 2021 Committee Meeting
- 1-B Draft Minutes of the November 1, 2021 Committee Meeting

 $\label{eq:staff} U:\staff\Board_Committees\WSP\2022\20220402\01\Item-1.docx$



EXHIBIT 1-A

DRAFT MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District *Tuesday, September 7, 2021*

Pursuant to Governor Newsom's Executive Order N-29-20 and N-33-20, this meeting was conducted using teleconferencing means.

Call to Order: The Zoom vir	tual meeting was called to order by Chair Riley at 4:00 pm.
Committee Members Present:	George Riley, Chair Karen Paull, Committee Member Alvin Edwards, Alternate Committee Member
Committee Members Absent:	Mary L. Adams, Committee Member
Staff Members Present:	David J. Stoldt, General Manager Jonathan Lear, Water Resources Division Manager Maureen Hamilton, Senior Water Resources Engineer Joel G. Pablo, Board Clerk
District Counsel present:	Dave Laredo, Esq. with De Lay & Laredo
Comments from the Public:	No Comments

Action Items

1. Consider Adoption of August 2, 2021 Committee Meeting Minutes

Public Comment: None

<u>A motion was made by Edwards and second by Paull to approve the committee meeting minutes of August 2, 2021. The motion passed on a vote of 3-Ayes (Riley, Paull and Edwards), 0-Noes, and 0-Absent.</u>

Discussion Items

2. Update on Pure Water Monterey Project

David J. Stoldt, General Manager provided introductory remarks.

Maureen Hamilton, Senior Water Resources Engineer provided an update on Deep Injection Well (DIW) 3 and DIW 4 on General Jim Moore near San Pablo. She anticipates that both wells are slated to start up in December 2021, however noted due to COVID-19, supply chain constraints and staff turnover at the City of Seaside the projected start date for both wells may be affected. Jon Lear, Water Resources Manager provided the committee an update on the intrinsic tracer test results, the physical results, modeling and moving onto the extrinsic phase of the test study with a target date of September 16, 2021 and answered committee questions.

Public Comment: None

3. Update on Pure Water Monterey (PWM) Expansion

David J. Stoldt, General Manager provided a verbal status update on Pure Water Monterey: Expansion and answered questions from the Committee. Stoldt reiterated some of the previous comments made by Hamilton and noted that there is an executive schedule on the expansion with a projected completion date and beginning operations date of December of 2023. He mentioned that the pending application on the Water Purchasing Agreement with the CA Public Utilities Commission may present or will present an issue to the District as it seeks to apply for the State's Revolving Fund Application and Water Infrastructure Finance and Innovation Act (WIFIA) loan. He noted that an approved application will be needed at the time of application or at some point during the application process to move forward with Federal and/or State funding needed for the PWM Expansion project. Stoldt and the committee had further discussion on various funding concepts for the Pure Water Monterey Expansion to include financing, grants, and Federal earmarks. The committee members noted that other revenue stream alternatives, if needed should be addressed with the full Board of Directors and the public and as previously discussed at the Water Supply Planning Committee on May 3, 2021. Stoldt touched upon the proposed Infrastructure Package being vetted out in Washington, D.C. He informed the board he will look at and apply to various programs, grants and aid that will assist the District in advancing its goals on water conservation and determine whether the \$19.6 million in grant money from the Bureau of Reclamation can be moved from the Pure Water Monterey: Base Project to the Pure Water Monterey Expansion once the Infrastructure Bill is signed into law.

Public Comment: None

4. Further Updates on the Seaside Fort Ord Wells

David J. Stoldt, General Manager provided introductory remarks and Jon Lear, Water Resources Manager provided a verbal status update on: (a) the destruction of Fort Ord Shallow Well No. 9 (FO-09); (b) A replacement monitoring well; and (c) answered committee questions. Lear touched on FO-09, a coastal monitoring well in the Seaside Basin and the need for well to be destroyed. Lear stated the District went out to bid for destruction of FO-09 shallow, the bid closed on August 11, 2021 and one bid package was received from Maggiora Brothers Drilling, Inc. that will be brought forward to the Administrative Committee and the Board of Directors at its September 2021 meeting. Stoldt directed attention to Exhibit 4-A and 4-B letters dated September 1, 2021 addressed to Chair Paul Bruno of the Seaside Basin Watermaster and General Manager Scherzinger of the Marina Coast Water District. In both letters, Stoldt noted within that letter he requested both entities to determine the project lead on building a replacement well, a cost sharing agreement and to bring the matter back to the District for further consideration on their proposal.

Public Comment: None

Suggest Items to be Placed on Future Agendas

- George Riley: (1) Update on the District's Application with LAFCo of Monterey County (2) Review of the Rationing Steps

Adjournment

There being no further business, Chair Riley adjourned the meeting at 5:09 p.m.

Approved by the MPWMD Water Supply Planning Committee on April , 2022 Received by the MPWMD Board of Director's on April , 2022

U:\staff\Board_Committees\WSP\2022\20220402\01\Item-1-Exh-1-A.docx





EXHIBIT 1-B

DRAFT MINUTES

Water Supply Planning Committee of the Monterey Peninsula Water Management District Monday, November 1, 2021

Pursuant to Governor Newsom's Executive Order N-29-20 and N-33-20, this meeting was conducted using teleconferencing means.

Call to Order: The Zoom virt	tual meeting was called to order by Chair Riley at 4:01 PM.
Committee members present:	George Riley, Chair Karen Paull, Committee Member Mary L. Adams, Committee Member
Committee members absent:	None
Staff members present:	David J. Stoldt, General Manager Jonathan Lear, Water Resources Division Manager Maureen Hamilton, Senior Water Resources Engineer Joel G. Pablo, Board Clerk
District Counsel present:	Dave Laredo, Esq. with De Lay & Laredo
Comments from the Public:	No Comments

Action Items

1. Consider Adoption of October 4, 2021 Committee Meeting Minutes

Paull offered a correction to the meeting minutes to strike-out "Tiley" and insert "Tilley" under Item No. 3.

No comments were directed to the Committee on Item No. 1.

A motion was made by Paull with a second by Adams to approve the October 4, 2021 Committee Meeting Minutes with one editorial change. The motion passed on a vote of 3-Ayes (Paull, Adams and Riley), 0-Noes and 0-Absent.

2. Review and Approve Committee Meeting Schedule for January and February 2022 No comments were directed to the committee on Item No. 2.

A motion was made by Adams with a second by Paull to approve the Committee Meeting Schedule for January and February 2022. The motion passed on a vote of 3-Ayes (Paull, Adams and Riley), 0-Noes and 0-Absent.

Discussion Items

3. Update on Pure Water Monterey Project

The committee heard a progress report by General Manager Stoldt on the District's complaint before the California Public Utilities Commission (CPUC) on an Amended and Restated Water Purchasing Agreement with Monterey One Water (M1W) and California-American Water (Cal-Am). It was reported by Stoldt that the Administrative Law Judge handling the CPUC Complaint is requiring Cal-Am to file an application for the Water Purchasing Agreement (WPA) within 30 days and noted Cal-Am will send over a one-page agreement to sign the WPA. In addition, he informed and provided details on the 6th Amendment Cost Sharing Agreement to fund Pure Water Monterey Expansion to be brought before the Board in either November or December 2021. The committee learned of further progress had and supply chain issues on Deep Injection Well No. 3 at Pure Water Monterey and an image was shared by GM Stoldt. *A copy of the image is on file at the District office and be viewed on the District website.*

No comments were directed to the committee on this matter.

4. Update on Preparations for Aquifer Storage and Recover Season (Verbal Report)

David J. Stoldt, General Manager provided introductory remarks.

Jon Lear, Water Resources Manager displayed a table, provided an overview and answered committee questions. *A copy of the table is on file at the District office and can be viewed on the District website.*

The following comment was directed to the committee:

John Tilley: Questioned and asked staff for further comment as to the change in six month to two month travel time between injection wells.

5. Update on Sand City Desal Replacement Wells (Verbal Report)

David J. Stoldt, General Manager provided an update on the Sand City Desal Replacement Wells, sought committee consensus on the matter and answered questions from Committee members. He noted that the Sand City Desal Project provides a 300 Acre-Foot per year reverse osmosis facility; or more specifically, is a brackish water treatment facility that does not exceed the approximate salinity of seawater and meets wastewater discharge permits. However, over time he noted that the four intake wells have received increased salinity and there is a proposal to move some of the wells and build a new well to lower salinity levels based on the results of a recent field study that would be at the intersection of West Bay Street and Sand Dunes Drive in Sand City. The new well is estimated to produce 300-acre foot of brackish water and if the results are favorable construct additional wells to the site. Stoldt mentioned that CalAm has the Coastal Development Permit approved in February 2020 to proceed with the project and will take approximately 11 months to complete once they initiate the project.



The following commented was directed to the Committee:

(a) <u>John Tilley</u>: Suggested for the Committee to plan for and assume zero inches of rain and develop a plan to address for no rainfall.

Suggest Items to be Placed on Future Agendas

None

Adjournment

There being no further business, Chair Riley adjourned the meeting at 5:02 p.m.

Approved by the MPWMD Water Supply Planning Committee on April 4, 2022 Received by the MPWMD Board of Director's on April , 2022

 $\label{eq:staff} U: staff \ Board \ Committees \ WSP \ 2022 \ 2020402 \ \ 1 \ Item \ 1-Exh \ 1-B. docx$



ITEM: ACTION ITEM

2. ADOPT 2022 COMMITTEE MEETING SCHEDULE

Meeting Date: April 4, 2022

From: David J. Stoldt, General Manager

Prepared By: Joel G. Pablo

SUMMARY: Shown below is a proposed committee meeting schedule for 2022. Please review and advise Joel G. Pablo if you cannot participate on any of the proposed dates. Any meeting may be cancelled if there is no business for committee consideration.

RECOMMENDATION: The Committee should review and adopt the meeting schedule.

Day of Week	Date	Time
Monday	April 4, 2022	3:00 pm
Monday	June 6, 2022	3:00 pm
Monday	August 1, 2022	3:00 pm
Monday	October 3, 2022	3:00 pm
Tuesday	December 6, 2022	3:00 pm

 $\label{eq:u:staff} U:\staff\Board_Committees\WSP\2022\20220402\02\Item-2.docx$

DISCUSSION ITEM

3. UPDATE OF PURE WATER MONTEREY BASE PROJECT PROGRESS – PERFORMANCE TO DATE, TRACER TEST, DEEP WELLS 3 & 4

Meeting Date: April 4, 2022

From: David J. Stoldt General Manager

Prepared By: David J. Stoldt

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

SUMMARY: The attached exhibits will be discussed during the meeting.

EXHIBITS

- **3-A** Summary of Injection and Reserve Balances
- **3-B** PWM Executive-Level Schedule

 $\label{eq:u:staff} U:\staff\Board_Committees\WSP\2022\2020402\03\Item-3.docx$

EXHIBIT 3-A

Pure Water Monterey Deliveries and Reserve Balances (AF) FY 2021-22

	Delivery		Operating	g Reserve			Drought	Reserve		
				Withdrawn for			,	Withdrawn for		
		Beginning		Customer	Ending	Beginning		Customer	Ending	Company
Month	Injected	Balance	Injected	Service	Balance	<u>Balance</u>	Injected	Service	Balance	Water
July	306.5726	1033.9087	166.5726	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	140.0000
August	306.9125	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	306.9125
September	292.6476	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	292.6476
October	298.1989	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	298.1989
November	289.9656	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	289.9656
December	312.2669	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	312.2669
January	320.5097	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	320.5097
February	282.2149	1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	282.2149
March		1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	0.0000
April		1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	0.0000
May		1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	0.0000
June		1200.4813	0.0000	0.0000	1200.4813	0.0000	0.0000	0.0000	0.0000	0.0000
Total	2409.2887		166.5726	0.0000			0.0000	0.0000		2242.7161

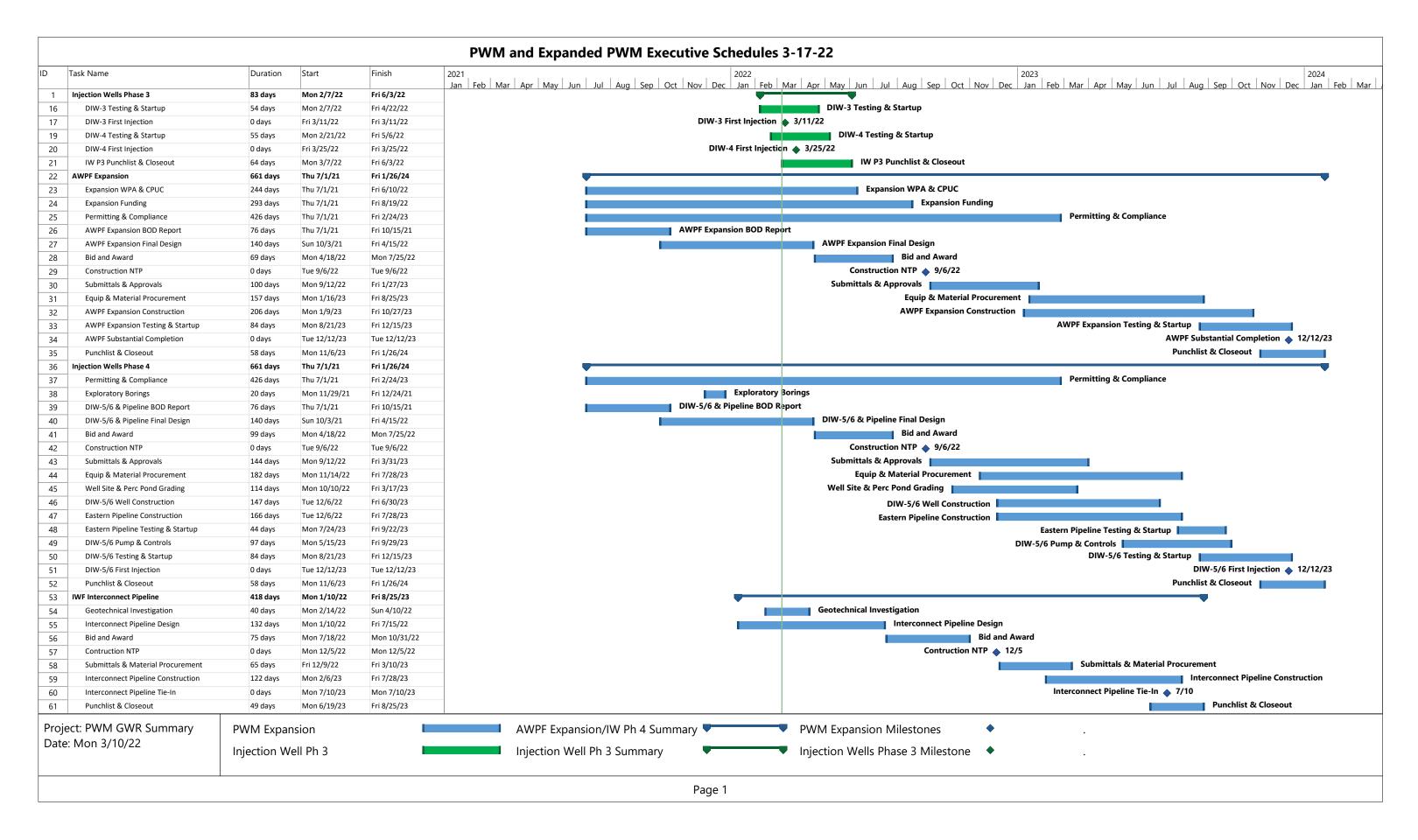
Note: Beginning balance of Operating Reserve was audited in December 2021 and reduced by 1.2137 AF for May 2020. The change does not impact calculation of Company Water delivered to date.

Pure Water Monterey Deliveries and Reserve Balances (AF) FY 2020-21

			.	_				_		
	Delivery		Operating	g Reserve			Drought	Reserve		
				Withdrawn for				Withdrawn for		
		Beginning		Customer	Ending	Beginning		Customer	Ending	Company
<u>Month</u>	<u>Injected</u>	<u>Balance</u>	Injected	<u>Service</u>	<u>Balance</u>	<u>Balance</u>	Injected	<u>Service</u>	<u>Balance</u>	Water
July	155.1227	719.2246	155.1227	0.0000	874.3473	0.0000	0.0000	0.0000	0.0000	0.0000
August	159.5614	874.3473	159.5614	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	0.0000
September	88.4066	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	88.4066
October	190.1183	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	190.1183
November	222.9949	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	222.9949
December	173.7683	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	173.7683
January	297.0493	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	297.0493
February	266.3702	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	266.3702
March	313.7081	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	313.7081
April	308.5745	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	308.5745
May	320.4388	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	320.4388
June	292.6061	1033.9087	0.0000	0.0000	1033.9087	0.0000	0.0000	0.0000	0.0000	292.6061
Total	2788.7193		314.6841	0.0000			0.0000	0.0000		2474.0352

Note: Beginning balance of Operating Reserve was audited in December 2021 and reduced by 1.2137 AF for May 2020. The change does not impact calculation of Company Water delivered to date.

EXHIBIT 3-B



DISCUSSION ITEM

5. DISCUSSION OF PURE WATER MONTEREY EXPANSION – WATER PURCHASE AGREEMENT, EXTRACTION WELLS 1 & 2 ISSUE

Meeting Date: April 4, 2022

From: David J. Stoldt General Manager

Prepared By: David J. Stoldt

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

SUMMARY: The attached exhibits will be discussed during the meeting.

EXHIBITS

- 5-A CPUC Schedule for Phase 1 Proceeding in A.21-11-024
- **5-B** Letter from Marina Coast Water District and Cal-Am Response

U:\staff\Board_Committees\WSP\2022\20220402\05\Item-5.docx

EXHIBIT 5-A

Phase 1 Schedule

Event	Date
Intervenor Testimony	March 11, 2022
California American Water Supplemental Testimony on water supply and demand estimates for its Monterey Peninsula customers to support the Amended and Restated Water Purchase Agreement.	March 11, 2022
California American Water Rebuttal Testimony .	April 1, 2022
Intervenor Testimony on California American Water's Supplemental Testimony on water supply and demand estimates for its Monterey Peninsula customers to support the Amended and Restated Water Purchase Agreement.	April 1, 2022
California American Water Rebuttal Testimony as to Supplemental Testimony on water supply and demand estimates for its Monterey Peninsula customers to support the Amended and Restated Water Purchase Agreement	April 8, 2022
Meet and Confer (Rule 13.9)	April 11, 2022
Joint Case Management Statement (Rule 13.8)	April 14, 2022
Evidentiary Hearing (as needed)	May 3-4 and 6, 2022
Opening Briefs w/hearings Opening Briefs w/o hearings	May 30, 2022 April 29, 2022
Reply Briefs w/hearings Reply Briefs w/o hearings	June 20, 2022 May 20, 2022

Proposed Decision on Amended and Restated Water Purchase Agreement within 90 days of Reply Briefs

EXHIBIT 5-B



MARINA COAST WATER DISTRICT

11 RESERVATION ROAD, MARINA, CA 93933-2099 Home Page: www.mcwd.org TEL: (831) 384-6131 FAX: (831) 883-5995 DIRECTORS

JAN SHRINER President

HERBERT CORTEZ Vice President

THOMAS P. MOORE GAIL MORTON MATT ZEFFERMAN

March 2, 2022

Mr. Ian Crooks California-American Water Company 511 Forest Lodge Road, Suite 110 Pacific Grove, CA 93950

Re: California-American Water Extraction Wells 1 & 2

Dear Mr. Crooks,

It has come to Marina Coast Water District's (District) attention that California-American Water (CalAm) is currently in the project/design development phase for its proposed extraction wells 1 & 2. Currently, the proposed extraction wells are located within the District's jurisdictional boundaries and adjacent to the Bayonet and Black Horse Golf Course. The District will soon be delivering advanced treated water to irrigate the golf course pursuant to the City of Seaside's Groundwater Storage and Recovery Agreement with the Seaside Basin Watermaster. We believe your proposed extraction wells will adversely impact that program and other District projects currently being considered.

We simply request that CalAm relocate these facilities outside of the District, away from the golf course and away from Seaside City Well No. 4. District staff will provide all necessary planning and coordination support as needed to prevent any further delays in your project.

Regards,

Cc.

Remleh Scherzinger MBA, CSDM, P.E.

MCWD Board of Director District Counsel, Roger Masuda, Griffith, Masuda, and Hobbs Assistant District Counsel, David Hobbs, Griffith, Masuda, and Hobbs Specialty Counsel, Howard Wilkins, Remy Moose Manley General Manager, Paul Sciuto, M1W Authority Counsel, M1W General Manager, David Stoldt, MPWMD Interim City Manager, Roberta Greathouse, City of Seaside Assistant City Manager, Trevin Barber, City of Seaside Sheri Damon, City Attorney, City of Seaside



California American Water 655 W. Broadway, Suite 1410 San Diego, CA 92101

www.amwater.com

March 17, 2022

Remleh Scherzinger Marina Coast Water District 11 Reservation Road Marina, CA 93933-2099

Re: California American Water Extraction Wells 1 and 2

Dear Mr. Scherzinger:

I am writing in response to your March 2, 2022 letter regarding the location of proposed Extraction Wells EW-1 and EW-2, which are part of the Pure Water Monterey-Expansion Project ("PWM-Expansion"). Your letter requests that the extraction wells be located outside of the Marina Coast Water District's ("MCWD") boundaries due to MCWD's assertion that operation of the wells at their currently proposed location may adversely impact MCWD's future programs and projects.

As an initial matter, MCWD does not have authority to restrict or condition the placement of EW-1 and EW-2, which lie within MPWMD's boundaries. Responsibility for permitting wells constructed by third parties belongs to the Monterey County Health Department, and the County has approved the construction and location of EW-1 and EW-2. Moreover, the operation and location of the proposed extraction wells were thoroughly analyzed pursuant to the California Environmental Quality Act in Monterey One Water's supplemental environmental impact report ("Supplemental EIR") evaluating the PWM-Expansion. The environmental review concluded that the PWM-Expansion would have less than significant groundwater-related impacts. MCWD's comments on the draft Supplemental EIR (released for public review in 2019) and the final Supplemental EIR did not raise any objections based on the proposed location of EW-1 and EW-2 or that the extraction wells would cause adverse impacts to MCWD. Other than the issues MCWD specifically identified (not related to extraction well locations), MCWD confirmed in its letters on the Supplemental EIR that it supported the PWM-Expansion. EW-1 and EW-2 are integral to long-planned water supply projects, and the locations of these extraction wells have not changed since they were presented in the Supplemental EIR in 2019. MCWD's newly-formed "belief" of future adverse impact does not alter the conclusions supported by environmental review, and California American Water is unable to accommodate the request that these wells be relocated.

Best regards,

lan Crooks

California American Water



cc. MCWD Board of Directors (via priso@mcwd.org) Roger Masuda, Griffith, Masuda and Hobbs, MCWD Counsel (via priso@mcwd.org) David Hobbs, Griffith, Masuda and Hobbs, MCWD Counsel (via priso@mcwd.org) Howard Wilkins, Remy Moose Manley, MCWD Counsel (via priso@mcwd.org) Paul Sciuto, M1W, General Manager Rob Wellington, M1W Counsel David Stoldt, MPWMD, General Manager Roberta Greathouse, City of Seaside, Interim City Manager Trevin Barber, City of Seaside, Assistant City Manager Sheri Damon, City of Seaside, City Attorney

DISCUSSION ITEM

6. NEAR-TERM WATER SUPPLY CONSTRAINTS

Meeting Date: April 4, 2022

From: David J. Stoldt General Manager

Prepared By: David J. Stoldt

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

SUMMARY: This discussion item identifies the supplies needed to meet near-term water supply needs until Pure Water Monterey expansion becomes available, hence is a 24-30 month projection based on the schedule presented in agenda Item 3 of this packet.

DISCUSSION:

Compliance with the CDO and Seaside Basin Adjudication: As shown below, existing water supplies available beginning next year are as follows:

Water Supply Available	AFA
Carmel River Supply	3,376
Seaside Basin Supply	1,474
Pure Water Monterey Supply	3,500
Total "Firm" Supply	8,350
5-Year Average Customer Demand	9,725
Additional Supplies Needed to Lift CDO	1,375

The 1,375 AFA shortfall must be met by ASR, Sand City desalination, running Pure Water Monterey above the 3,500 AFA contractual requirement, Table 13 water rights, unused Malpaso allocation, and Seaside Basin carry-over credits. ASR and Table 13 rights in any year may be constrained by rainfall. Currently, banked ASR water available is approximately 1,361 AF.

Given the extraction capacity issue regarding ASR Well #1 discussed under agenda Item 4 of this packet, it remains to be seen if, even if sufficient water is available, can it be produced and delivered.

EXHIBITS

None

U:\staff\Board_Committees\WSP\2022\20220402\06\Item 6.docx

DISCUSSION ITEM

7. PATH FORWARD TO LIFTING THE CEASE AND DESIST ORDER AND METER MORATORIUM

Meeting Date: April 4, 2022

From: David J. Stoldt General Manager

Prepared By: David J. Stoldt

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

SUMMARY: This discussion item covers the mechanics for lifting the CDO, as well as the process for cancelling the moratorium on new service connections.

DISCUSSION:

Lifting the CDO: The CDO is issued by the State Water Resources Control Board (SWRCB) and is directed to California American Water Company (Cal-Am). Ordering paragraph 15 (p.27) states:

"15. The conditions of this Order, WR 2009-0060 and State Water Board Order 95-10 shall remain in effect until (a) Cal-Am certifies, with supporting documentation, that it has obtained a permanent supply of water that has been substituted for the water illegally diverted from the Carmel River and (b) the Deputy Director for Water Rights concurs, in writing, with the certification."

Thus, the process of lifting the CDO starts with a discretionary action of Cal-Am and requires a response from the SWRCB. One can reasonably assume that Cal-Am could provide certification at, or shortly before, start-up of a new water supply. The SWRCB response could take 2-3 months. The worst case would be if the SWRCB desires to see performance of the new water supply over time. Further, the State Water Board staff has indicated that may favorably consider a request by the District if Cal-Am fails to act.

How much water supply is needed to lift the CDO? There are two "tests" to examine. Test 1 would focus solely on replacing unlawful pumping. Using the five-year average pumping through Water Year 2021, the test would look like this:

Test 1 - Water for the River	AFA
5-Year Average of Pumping from the Carmel River:	6,023

Legal Right to Pump from the Carmel River:	<u>3,376</u>
Replacement Supply Needed:	2,747

This test would imply that Pure Water Monterey, at 3,500 AFA, would be sufficient to lift the CDO, however it is not. Test 2 examines water supply required to meet customer demand:

Test 2 - Water for Customer Demand	AFA
Carmel River Supply	3,376
Seaside Basin Supply	1,474
Pure Water Monterey Supply	3,500
Total "Firm" Supply	8,350
5-Year Average Customer Demand	9,725
Additional Supplies Needed to Lift CDO	1,375

As shown below, planned or existing other long-term supplies available significantly exceed the additional supplies needed. In fact, even without ASR and Table 13 water rights there exist sufficient supplies to lift the CDO.

Additional Long-Term Supplies	AFA
ASR	1,300
Sand City Desal	200
Pure Water Monterey Expansion	2,250
Table 13 Water Rights	100
Desired In-Lieu Seaside Basin Recharge	(700)
Additional Supplies Available to Lift CDO	3,150

However, a new supply must also meet growth in demand. The most recent AMBAG growth forecast indicates a need for 37 acre-feet annually for growth. Hence, the scenario above provides more than 3 decades of water for growth. Because future growth in consumer demand for water will take time to materialize, the additional water supply to meet future growth is presently available to allow the banking of water for future needs.

Additionally, for several years the actual available from Sand City desalination and Table 13 water rights could yield additional supplies. However, ASR available could be lower until additional accumulation occurs. Finally, an additional 700 AF becomes available after 25 years of in-lieu recharge of the Seaside Basin is concluded.

How does the moratorium on the setting of new meters get cancelled? The moratorium was established by the California Public Utilities Commission (CPUC) in Decision 11-03-048 in March 2011. Ordering paragraph 5 of the Decision states:

"5. Upon the receipt by California-American Water Company of the written concurrence of the Deputy Director of Water Rights of the State Water Resources

Control Board with California-American Water Company's finding that a permanent supply of water is ready to serve as a replacement for the unlawful diversions of Carmel River water, California-American Water Company shall file a Tier 1 advice letter transmitting the written concurrence and removing from its tariffs the special condition contained in Ordering Paragraph 1 of this decision."

Ordering paragraph 1 is the moratorium. The time for review of a Tier 1 advice letter by CPUC Division of Water and Audits staff is 30 days from the service date, hence if Cal-Am was ready in advance they could file the Tier 1 advice letter shortly after receipt of the SWRCB letter and the moratorium would be lifted 30 days later, if the advice letter is not challenged.

U:\staff\Board_Committees\WSP\2022\20220402\07\Item-7.docx